

RESOLUTION NO. RES-2018-137

RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA ROSA APPROVING
GUIDELINES RELATED TO THE EXPENDITURE OF GENERAL OBLIGATION BOND
PROCEEDS FOR AFFORDABLE HOUSING PROJECTS

WHEREAS, the Council of the City of Santa Rosa recognizes that homelessness is a major and growing concern for the City of Santa Rosa (“City”); and

WHEREAS, homelessness has been identified as one of the Council's top priorities; and

WHEREAS, the Council has previously recognized that the City is experiencing a housing crisis, and the crisis was exacerbated by the destruction caused by the Tubbs Fire and Nuns Fire; and

WHEREAS, prior to the fires there existed a severe lack of rental housing, particularly rental housing affordable to lower and moderate-income residents; and

WHEREAS, the housing units damaged and destroyed by the fires increased the rental housing shortage by several orders of magnitude and also severely reduced the number of owner-occupied housing units in the City; and

WHEREAS, homelessness is a complex social issue with many contributing factors that cannot be easily or quickly solved by a single agency or organization; and

WHEREAS, shelter beds and transitional housing options are insufficient to serve the City's needs, causing people to occupy and sleep in public spaces, as well as encampments throughout the City, threatening the public peace, health and safety; and

WHEREAS, existing funds and funding sources are inadequate to finance affordable housing projects necessary to address the affordable housing crisis in the City; and

WHEREAS, the City may have the opportunity to leverage state and federal funds allocated for affordable housing if it issues bonds to finance affordable housing projects; and

WHEREAS, applicable law provides the City certain powers and responsibilities with respect to the regulation and provision of affordable housing for residents of the City; and

WHEREAS, the City is authorized to issue general obligation bonds to finance municipal improvements pursuant to certain provisions of the California Government Code, including Article 1, commencing with Section 43600, of Chapter 4 of Division 4 of Title 4 and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 (collectively, the “Bond Law”); and

WHEREAS, on July 24, 2018, the City Council adopted Ordinance No. ORD-2018-118, amending Article I of Chapter 4-40 of the Santa Rosa City Code in order to authorize the City to issue general obligation bonds for the purpose of funding affordable local housing; and

WHEREAS, also on July 24, 2018, the City Council adopted Resolution No. RES-2018-126 and Resolution No. RES-2018-127, each declaring the necessity to issue bonds for the purpose of financing the acquisition and improvement of real property for affordable housing (the “Bonds”), calling a general obligation bond election in the City on November 6, 2018 and approving a ballot measure, one of which will be submitted to the electorate; and

WHEREAS, under the Bond Law and Chapter 4-40 of the Santa Rosa City Code, the City intends to issue the Bonds to finance the acquisition and improvement of real property for affordable housing projects, including the application of bond proceeds by the City directly to acquire, rehabilitate, preserve or construct affordable housing and/or indirectly as loans, grants, or other disbursements to qualified individuals, business entities, corporations, partnerships, associations and government agencies for the acquisition, rehabilitation, preservation or construction of such affordable housing projects; and

WHEREAS, the City Council wishes to establish guidelines to govern the expenditure of proceeds of the Bonds (the “Housing Recovery Bond Program Guidelines”).

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NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Rosa hereby resolves as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. The Housing Bond Recovery Program Guidelines, attached hereto as Exhibit A, are hereby approved and adopted. The Housing Recovery Bond Program Guidelines may be amended by the City Council from time to time as it deems appropriate. The expenditure of Bond Proceeds in a manner inconsistent with the Housing Bond Recovery Program Guidelines shall not impact the validity of the Bonds, and shall constitute a waiver of the Housing Recovery Bond Program Guidelines.

Section 3. This resolution shall take effect from and after the date of approval and adoption thereof.

IN COUNCIL DULY PASSED this 7th day of August, 2018.

AYES: (6) Mayor Coursey, Vice Mayor Rogers, Council Members Combs, Olivares, Schwedhelm, Tibbetts

NOES: (0)

ABSENT: (1) Council Member Sawyer

ABSTAIN: (0)

ATTEST: _____
City Clerk

APPROVED: _____
Mayor

APPROVED AS TO FORM:

City Attorney