



EDMUND G. BROWN JR. • GOVERNOR

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January 2, 2019

Mr. Alan Alton, Acting Chief Financial Officer
 City of Santa Rosa
 90 Santa Rosa Avenue
 Santa Rosa, CA 95404

Dear Mr. Alton:

Subject: Determination of Oversight Board Action

The City of Santa Rosa Successor Agency (Agency) notified the California Department of Finance (Finance) of its September 7, 2018 Oversight Board (OB) Resolution on October 3, 2018. Pursuant to Health and Safety Code (HSC) section 34179 (h), Finance has completed its review of the OB action.

Based on our review and application of the law, OB Resolution No. 1 (Resolution), approving the following actions of the Agency: (1) accepting conveyance from the Housing Authority of the City of Santa Rosa (Housing Authority) of four parcels located at 6th and A Streets and (2) conveying a portion of the parcels to the City of Santa Rosa (City) for right-of-way purposes and the remainder to the Housing Authority for homeless and/or affordable housing purposes, is partially approved.

It is our understanding the Agency intends to accept the following parcels from the Housing Authority as required by order of the California State Controller (SCO) and convey those parcels to the City and the Housing Authority as follows:

Assessor's Parcel Number (APN)	Recipient	Use
010-041-008	Housing Authority	Housing
010-041-009	City	Right of Way
010-041-010	Housing Authority	Housing
010-041-019	Housing Authority	Housing

On January 29, 2015, SCO issued the Redevelopment Agency (RDA) an Asset Transfer Review Report, finding the former RDA made an unallowable transfer of the four parcels noted above to the Housing Authority. As a result, SCO ordered the Housing Authority to return these assets to the Agency. Therefore, accepting the conveyance of the four parcels from the Housing Authority to the Agency is approved.

In addition, pursuant to HSC section 34181 (a), the Agency may transfer ownership of assets constructed and used for a governmental purpose to the City. APN 010-041-009 serves as a sidewalk, which qualifies as governmental use property. Therefore, the transfer of this parcel to the City for governmental use is approved.

Further, the Agency intends to transfer APNs 010-041-008, 010-041-010, and 010-041-019 as housing assets to the Housing Authority. Pursuant to HSC 34176 (e) (1), a housing asset is any real property, interest in, or restriction on the use of real property, whether improved or not, that was acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

According to Resolution No. 1091, dated February 5, 1980, and Resolution No. 1658, dated March 7, 2011, these parcels are remnants of a larger property originally acquired for the development of the Santa Rosa Plaza, not for housing purposes. The Agency was unable to provide other support for the parcels as housing assets as required by HSC 34176 (e) (1); as such, the transfer of these parcels to the Housing Authority is not allowed at this time.

To the extent the Agency can provide supporting documentation, such as housing covenants, resolutions identifying the intended purpose of the parcels, or accounting records to illustrate the purchase of the parcels with low and moderate income housing funds, these parcels may be approved in the future.

APN	Eligible for Transfer
010-041-008	No
010-041-009	Yes
010-041-010	No
010-041-019	No

The Agency may move forward with the portion of the Resolution approved by Finance.

Please direct inquiries to Nichelle Jackson, Supervisor, or Amy Xu, Analyst, at (916) 322-2985.

Sincerely,


ERIKA LI
Program Budget Manager

cc: Ms. Cheryl Reynolds, Accountant, City of Santa Rosa
Ms. Brooke Koop, Property Tax Manager, Sonoma County