



January 25, 2019

Nichelle Jackson, Supervisor
 Department of Finance
 915 L Street
 Sacramento, CA 95814-3706

SONOMA COUNTY CONSOLIDATED OVERSIGHT BOARD RESOLUTION NO. 1

Dear Ms. Jackson,

In a letter dated January 2, 2019, the Department of Finance ("DOF") notified the Santa Rosa Successor Agency (the "Successor Agency") that DOF approved a portion of the Successor Agency's actions set forth in Sonoma County Consolidated Oversight Board Resolution No. 1, adopted September 7, 2018 (the "Resolution"). Specifically, DOF approved (1) the Successor Agency accepting conveyance of four parcels (the "Remnant Parcels") conveyed by the Housing Authority of the City of Santa Rosa (the "Housing Authority"); and (2) conveyance of one parcel by the Successor Agency to the City of Santa Rosa (the "City") as right-of-way for governmental purposes consistent with HSC 34181(a). DOF disapproved the transfer of three parcels (APN Nos. 010-041-008, 010-041-010 and 010-041-019) to the Housing Authority for affordable housing purposes.

It appears from the letter that DOF may not have fully understood the configurations of the parcels, which this letter hopes to clarify. All four of the parcels in question include existing public right-of way (street and sidewalk), as the graphics below show. Therefore, we request that DOF also approve the conveyance to the City of the portions of APN Nos. 010-041-008, APN 01-041-010 and 010-041-019 that are in the public right-of-way for governmental purposes, as described in the Resolution and shown in its Exhibit A. As shown below, the public right-of-way area comprises approximately one-half of the total half-acre area of the four Remnant Parcels.

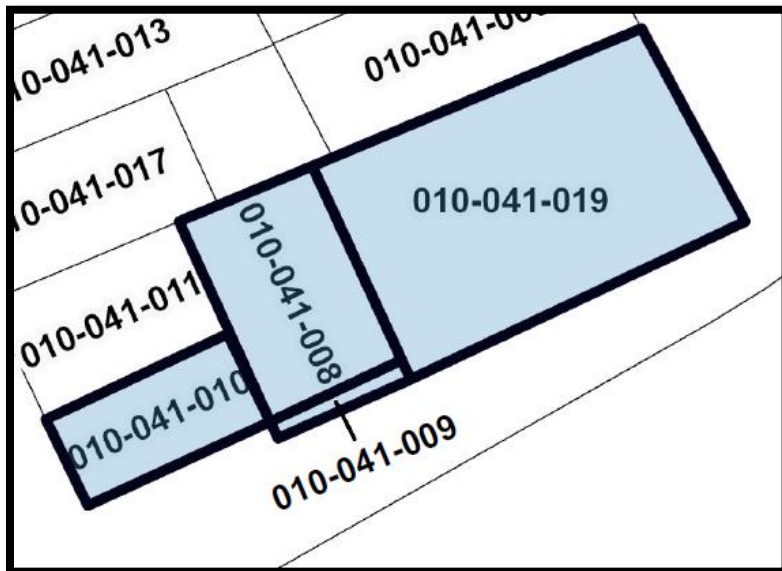
The remaining half-acre of the three Remnant Parcels would be extremely difficult to develop independently, given their small size, location, required setbacks, and adjacent use. As an example, please note the sliver of land between the street and a house as well as the triangle shape. Additionally, the adjacent land uses (homeless center, affordable housing, mall parking garage and U.S. Highway 101) further constrain the development potential for these properties.

The most logical, practical and feasible use for these parcels is to sell them to Catholic Charities of the Diocese of the City of Santa Rosa ("Catholic Charities," which owns and operates the adjoining two acres to the north for a homeless shelter, homeless day services and affordable housing. Catholic Charities has submitted an application to the City of Santa Rosa to enhance and reconfigure its campus by adding affordable housing, expanding homeless shelter capacity for families and increasing homeless day center service capacity which the City desperately needs, particularly in the wake of last year's devastating fires. Adding the additional half-acre is key to the proposed redevelopment of the Catholic Charities campus, called Caritas Village, as it would eliminate the individual parcel lines and individual parcel setback requirements, thus increasing the developable area.

Assuming DOF continues to disapprove the conveyance of these remainder parcels by the Successor Agency to the Housing Authority, then the Successor Agency requests that DOF allow the City (or the Successor Agency) to sell this property to Catholic Charities directly for a nominal sum. As you may know, Government Code section 54222(a) provides that any local agency seeking to dispose of surplus land shall first offer such land to any local public entity for the purposes of developing affordable housing. Such a sale would further the affordable housing goals not only of the City, but of the State of California, which has a recognized affordable housing crisis.

A detailed examination of the Remnant Parcels documents the requests to convey all the public right of way to the City and to sell the remainder of the property to Catholic Charities.

Graphic 1: APN's of the four Remnant Parcels:



Graphic 2: Existing Uses of Remnant Parcels: Street, Sidewalk and Vegetation.



All of APN 010-041-009 is entirely within the right-of-way. Much of APN's 010-041-008, 010-041-010 and 010-041-019 are within the right-of-way.

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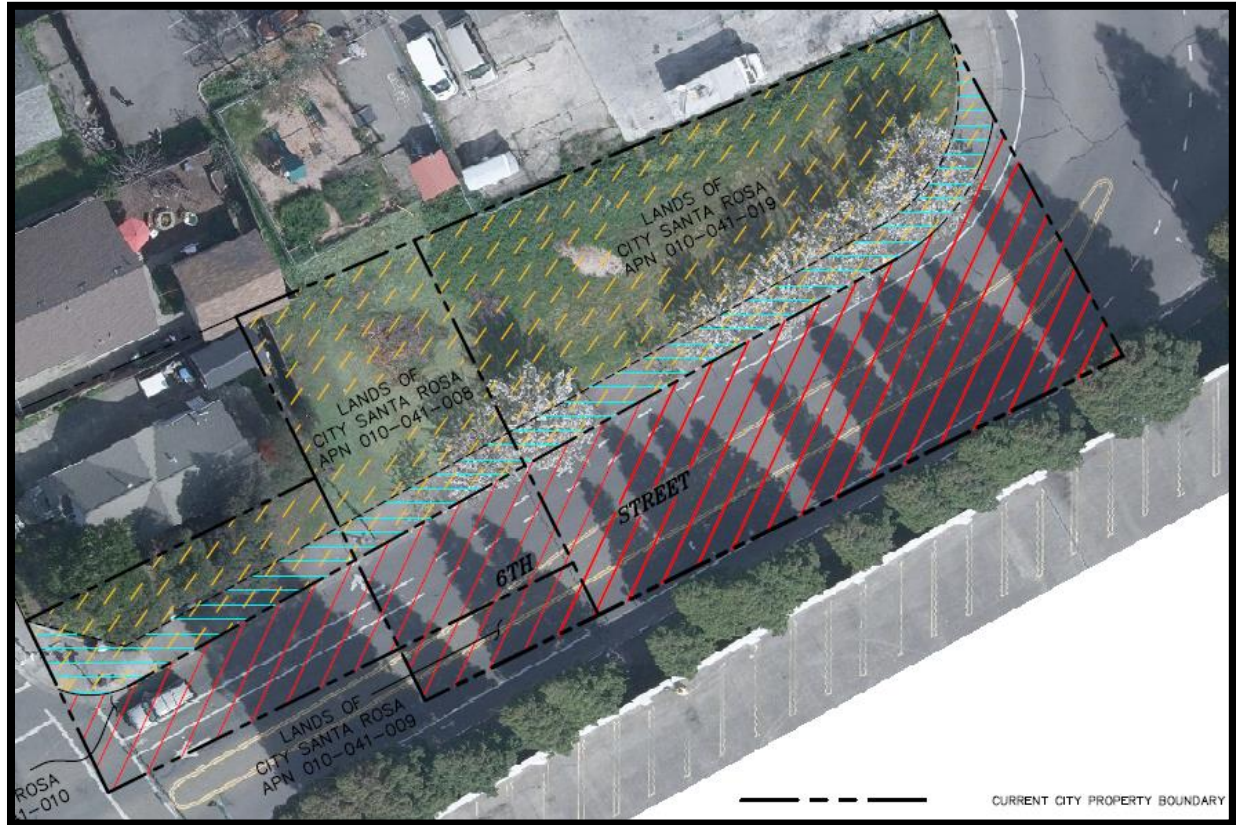
Graphic 3: Parcel size, conguration and surrounding land uses.



The total area of the Remnant Parcels is approximately one-half acre, approximately half of which is public right-of-way. The remaining area is small, oddly configured, subject to zoning setbacks, and surrounded by US Highway 101 (west), mall parking (south and east), and the Catholic Charities Campus with existing – and a planned expansion of – affordable housing, emergency shelter for families and homeless center day services on the rest of the block (north, shaded in blue), making the Remnant Parcels difficult to develop independently.

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Graphic 4: Property Exhibit (from Resolution Exhibit A) showing property transfer:



Red lines are the street right-of-way to be conveyed to the City of Santa Rosa. Note that all of the parcels are either partially or completely within the street.

Blue lines represent the sidewalk easement to the City.

Yellow dashes (including the sidewalk) are proposed to be sold to Catholic Charities.

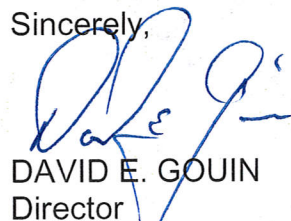
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In summary, we respectfully request that DOF work with the Successor Agency to find a path forward that recognizes that the best use for the Remnant Parcels is to combine them with the proposed Catholic Charities Caritas Village.

Specifically, we request that DOF approve (1) the conveyance of all the street right-of-way and a sidewalk easement to the City and (2) the sale of the remainder of the Remnant Parcels to Catholic Charities to be utilized for affordable housing and homeless services.

We would be happy to speak with you further either on the phone or in person. Please contact Megan Basinger, Housing Manager, mbasinger@srcity.org or (707) 543-3303.

Sincerely,



DAVID E. GOUIN
Director

c: Erika Li, Program Budget Manager
Amy Xu, Analyst
Chuck McBride, Chief Financial Officer, City of Santa Rosa
Alan Alton, Deputy Director Finance, City of Santa Rosa
Cheryl Reynolds, Accountant, City of Santa Rosa
Megan Basinger, Housing and Community Services Manager, City of Santa Rosa
Brooke Koop, Property Tax Manager, Sonoma County