

City of Santa Rosa



Legislation Details

File #:	21-0642	Version:	1	Name:	Allocation of PG&E Settlement Funds to RED
Type:	CC- Report	Status:		Status:	Agenda Ready
File created:	6/22/2021	In control:		In control:	City Council
On agenda:	7/20/2021	Final action:		Final action:	7/20/2021
Title:	REPORT - ALLOCATION OF \$10 MILLION IN PG&E SETTLEMENT FUNDS TO THE RENEWAL ENTERPRISE DISTRICT (RED) HOUSING FUND IN THE FORM OF A LOAN; ALLOCATION OF \$50,000 IN PG&E SETTLEMENT FUNDS TO THE RED TO ADDRESS A ONE-TIME MEMBER ASSESSMENT; AND AMENDMENT TO THE RED'S JOINT EXERCISE OF POWERS AUTHORITY AGREEMENT				

BACKGROUND: The Renewal Enterprise District (RED) was created in 2018 as a Joint Powers Authority (JPA) between the City of Santa Rosa (the "City") and the County of Sonoma ("the County") to facilitate the development of infill housing. RED has been pursuing a variety of funding options to address the housing development needs of the community. On December 8, 2020, the City Council held a study session on the potential use of one-time PG&E settlement funds for housing investment opportunities. Housing was one of the recurring topics of consideration received through the community outreach process for these funds. Specifically discussed at the study session was the potential for investment into the RED Housing Fund.

On February 19, 2021, at the City Council's goal setting workshop, the Council directed staff to prepare an allocation of \$10 million dollars from the PG&E settlement funds in the form of a loan to the RED Housing Fund. City staff has since developed a draft loan term sheet and has worked collaboratively with RED and County of Sonoma staff on the proposed terms.

In addition to the RED Housing Fund allocation and adoption of terms, City staff is seeking authorization to execute the First Amendment to the RED's Joint Exercise of Powers Agreement. The amendment addresses the interest of the RED Board to use discretion for admitting new members as opposed to allowing them by right. Lastly, City staff is requesting Council authorization to allocate \$50,000 in one-time PG&E settlement funds to the RED for Fiscal Year (FY) 2021-2022 to be used toward the establishment of General Fund Reserve for the RED.

RECOMMENDATION: It is recommended by the Planning and Economic Development Department and Housing and Community Services Department that Council: 1) by resolution, allocate \$10 million in one-time PG&E settlement funds to the Renewal Enterprise District Housing Fund in the form of a loan to support infill housing in Santa Rosa and authorize execution of associated loan documents; 2) by separate resolution, allocate \$50,000 in one-time PG&E settlement funds to the Renewal Enterprise District to be used toward establishing a RED General Fund Reserve; 3) by separate resolution, approve the First Amendment to the Renewal Enterprise District Agency Joint Exercise of Powers Agreement; and 4) by motion, approve process for appointment to the RED Housing Fund Board to represent the City of Santa Rosa.

Sponsors: Planning and Economic Development

Indexes: Not a Project

Code sections: 15378 - Not a Project

Attachments: 1. Staff Report, 2. Attachment 1 - Draft City Loan Term Sheet, 3. Attachment 2 - RED Project Criteria, 4. Attachment 3 - City Permitted Investments, 5. Attachment 4 - RED JPA First Amendment, 6. Attachment 5 - RED Memo Re: Member Assessments, 7. Resolution 1 - Allocate \$10M one-time PG&E to RED, 8. Exhibit A - Loan Term Sheet, 9. Exhibit A - Loan Term Sheet (Redlined Modified at 7/20/2021 Meeting), 10. Exhibit A - Loan Term Sheet (Modified at 7/20/2021 Meeting), 11. Resolution 2 - RED Assessment, 12. Resolution 3 - First Amendment to JPA, 13. Exhibit A - First Amendment to

JPA, 14. Presentation - Staff, 15. Presentation - RED and Forsyth Street Advisors, 16. Late Correspondence (Uploaded 7/20/2021)

Date	Ver.	Action By	Action	Result
7/20/2021	1	City Council	to waive reading of the text and adopt	
7/20/2021	1	City Council	to waive reading of the text and adopt	Pass