



County of Sonoma

State of California

Date: March 12, 2019

Item Number: _____
Resolution Number: _____

4/5 Vote Required

Concurrent Resolution Of The Board Of Directors Of The Sonoma County Water Agency, And Board Of Commissioners Of The Sonoma County Community Development Commission Authorizing (1) The Sale Of Certain Property Located At 330 Hewett Street, Santa Rosa To The Community Development Commission And The Purchase Of the Property By The Community Development Commission For \$750,000; (2) The Issuance And Sale Of A Note In The Principal Amount Not To Exceed \$200,000 To Facilitate The Purchase; (3) The Executive Director Of The Community Development Commission And The General Manager Of The Water Agency Or Their Designees To Take All Actions Necessary To Complete The Purchase And Sale Of The Property And The Execution And Recordation Of All Documents Necessary To Accomplish The Sale; And (4) The Executive Director of the Community Development Commission To Issue A Request For Proposals For Development Of Housing On The Property Once It Is Acquired,

Whereas, one of the County of Sonoma's ("County") primary goals is to meet the housing needs of its residents by actively supporting housing for all through protection, preservation and production of housing; and

Whereas, on April 4, 2017, the Board of Supervisors adopted its strategic priorities for the County which included the Housing for All priority;

Whereas, the Sonoma County Water Agency ("Sonoma Water") owns a certain 0.67-acre property commonly known as 330 Hewett Street, in Santa Rosa, California (Assessor's Parcel Number 010-700-015) ("Property") that has been deemed surplus by Sonoma Water's Board of Directors;

Whereas, the County's goal of building 3,375 housing units by 2022, including 2000 units of housing for extremely low income residents, is advanced by the purchase of the Property by the Sonoma County Community Development Commission ("Commission"), which is empowered to offer subsidies to encourage the development of affordable housing at the site;

Whereas, Sonoma Water must sell the Property for no less than its appraised value;

Whereas, Sonoma Water and the Commission each secured appraisals of the Property, and agreed on a value of the Property at \$750,000;

Whereas, the Commission is willing to purchase the Property for the agreed upon value of \$750,000, but it is in need of a cash advance in order to do so;

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Whereas, the Commission has asked that Sonoma Water issue a note on its behalf in the principal amount not to exceed \$200,000 ("Note") and proposes to repay the Note from revenue from the County Fund for Housing over a period not to exceed 1 year;

Whereas, Sonoma Water is authorized pursuant to Section 3 of its enabling act to issue the Note and desires to loan such funds to the Commission;

Whereas, Section 9 of Sonoma Water's enabling act authorizes the Sonoma Water to sell the Property in the manner provided by law for the disposition and sale of county property if the Sonoma Water Board determines the property is no longer necessary to be retained for Sonoma Water purposes;

Whereas, having exhausted California's Surplus Land Act procedures, Sonoma Water is authorized to sell the Property directly to the Commission pursuant to Government Code section 25365;

Now, Therefore, Be It Resolved that the Board of Directors of the Sonoma County Water Agency, and the Board of Commissioners of the Sonoma County Community Development Commission hereby find, determine, declare, and order as follows:

1. *Truth of Recitals.* That the foregoing recitals are true and correct.
2. *General Plan Consistency.* The proposed disposition is conclusively deemed to be in conformity with the City's General Plan pursuant to Government Code section 65402(c).
3. *California Environmental Quality Act.* Per Government Code section 15312, a Notice of Exemption for disposition of the Property was filed by Sonoma Water on March 18, 2014, in accordance with the California Environmental Quality Act. The project description has not changed and therefore the Notice of Exemption previously posted by Sonoma Water fully covers this action.
4. *The Note.* The not to exceed \$200,000 Note authorized by this Resolution is being issued pursuant to the provisions of Section 3 of Sonoma Water's enabling act.
5. *Security.* The instrument constituting the security on which the Note is being issued is the value of the purchased property. The note will be secured against the Property using a Deed of Trust.
6. *Authorization to Borrow and Issue Note.* Pursuant to the provisions of Section 3 of Sonoma Water's enabling act, the Commission shall borrow the principal sum not to exceed \$200,000; Sonoma Water shall issue a single principal amount Note to evidence said indebtedness, which Note is hereby authorized to be issued for the purpose hereinabove set forth. The Note shall be issued in registered form, shall be dated on the day the transaction closes, and shall mature 364 days after closing. The interest rate for the Seller Carry-Back Installment Note shall be based on the U.S. Department of the Treasury Daily Treasury Yield Curve Rate for a 1-year term for the date of approval by the Seller's Board of Directors to execute the sale. The interest on principal of the Note shall be payable in lawful money of the United States of America at the office of the County Treasurer of Sonoma County, California.
7. *Note to be Callable and redeemable.* The Note shall be callable and redeemable in whole or in part at any time following its issuance and before maturity by the Board giving the registered

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owner of the Note thirty (30) days' prior written notice. The price of redemption shall be the prorated unpaid balance of principal and accrues interest at the date of redemption without penalty or premium.

Be It Further Resolved that Board of Commissioners authorizes the Executive Director of the Community Development Commission to execute the Agreement and any associated documents, and that the Board of Directors of the Water Agency authorizes the General Manager to execute the agreement and any associated documents.

Be It Further Resolved that the Executive Director of the Commission to issue a Request for Proposals for development of housing on the Property once it is acquired.

PASSED AND ADOPTED this 12th day of March, 2019, by the following vote:

Supervisors:

Gorin:

Zane:

Gore:

Hopkins:

Rabbitt:

Ayes:

Noes:

Absent:

Abstain:

So Ordered.

Signature of Attesting Officer:

Printed Name and Title of Attesting Officer: