



# County of Sonoma

## State of California

Date: January 31, 2023

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_

☐ 4/5 Vote Required

**Resolution Of The Board Of Commissioners Of The Sonoma County Community Development Commission Finding That The Use Of Low- And Moderate-Income Housing Asset Fund Revenues Generated From The Sale Of The Village Green II Property In The City Of Sonoma And The Planned Sale Of Four Parcels In The Tierra De Rosas Development In The City Of Santa Rosa Will Benefit Lower Income Residents Throughout Sonoma County.**

**Whereas,** the Sonoma County Community Development Commission (CDC) proposes to use Low- and Moderate-Income Housing Asset Fund (LMIHAF) revenues to make a loan to MidPen Housing for construction of the Casa Roseland development, located on Sebastopol Road in the Roseland area of the City of Santa Rosa, which will be comprised of 75 one-, two-, and three-bedroom rental units affordable for households with incomes between 30-60% of area median income; and

**Whereas,** California Health and Safety Code (HSC) Section 34176.1(c)(1) allows use of the LMIHAF revenues that meet the definition of “program income”, as set forth in HSC Section 34176(e)(3), (4), and (5), to be spent anywhere in the county without regard to former redevelopment project area boundaries; and

**Whereas,** real property falls under HSC Section 34176(e)(1) and is therefore excluded from the “program income” definition; and

**Whereas,** HSC Section 33334.2(g) therefore remains in effect for the planned use of the \$2.277 million of LMIHAF funds that were received through the sale of the Village Green II property located in the former City of Sonoma redevelopment project area, and the planned sale of the four parcels located in the Tierra de Rosas development located in the former Roseland redevelopment project area; and

**Whereas,** HSC Section 33334.2(g) stipulates that these may be used outside of the project area in which the property is located only upon a resolution of the Board of Commissioners finding that the use will be of benefit to the project area; and

**Whereas,** the CDC’s LMIHAF Policies stipulate that LMIHAF revenues generated from any source within the incorporated boundaries of the municipalities of Sebastopol and Sonoma

may be used outside of their project area only upon a resolution of the Board of Commissioners making a finding of benefit to a project area; and

**Whereas,** the Tierra de Rosas property has been annexed into the incorporated boundaries of the City of Santa Rosa; and

**Whereas,** to ensure compliance with these HSC provisions and the CDC's LMIHAF Policies, approval of the LMIHAF loan will need to include a Resolution making findings of benefit to the former City of Sonoma and Roseland Redevelopment Project Areas; and

**Whereas,** this finding is justified because 1) development of new affordable housing anywhere within the County would increase opportunities for lower income households to live and work within communities that are in close proximity, rather than moving further away to contiguous counties where housing is less expensive, 2) when homes are available at affordable rates and near to workplaces, the individual household's housing / transportation cost burden can be significantly reduced, and 3) there is a broader public benefit from development new homes near to workplaces, as shorter commuting distances reduce vehicle emissions that contribute to climate change.

**Now, Therefore, Be It Resolved** that the Board of Commissioners of the Sonoma County Community Development Commission does hereby find that the use of LMIHAF revenues received from the sale of the Village Green II property in the former City of Sonoma redevelopment project area, and the planned sale of the four parcels in the Tierra de Rosas development located in the former Roseland redevelopment project area, to assist the construction of 75 affordable rental units in the Casa Roseland development, will benefit residents with household incomes at or below sixty percent of Area Median Income (60% AMI) throughout Sonoma County, including residents of the former Roseland redevelopment project area and the former redevelopment project areas in the cities of Sebastopol and Sonoma.

**Be It Further Resolved** that the Executive Director of the Sonoma County Community Development Commission, or designee, is hereby authorized to execute funding agreements and related documents including promissory notes, deeds of trust, and other related loan documents, and subsequent amendments, subordinations, assignments, and other modifications to said agreements and documents in connection with the Affordable Housing Loan to MidPen, consistent with the Community Development Commission's LMIHAF and Loan Policies and as shall be approved by County Counsel.

**Commissioners:**

Gorin:                      Rabbitt:                      Gore:                      Hopkins:                      Coursey:

Ayes:                      Noes:                      Absent:                      Abstain:

**So Ordered.**