



# County of Sonoma

## State of California

Date: June 11, 2019

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

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



4/5 Vote Required

### **Resolution Of The Board Of Commissioners, Community Development Commission Authorizing Receipt Of Sonoma Housing Tax Allocation Bonds Proceeds**

**Whereas**, pursuant to the provisions of in Part 1.85 of Division 24 of the Health and Safety Code (enacted originally by Stats. 2011, Ch.4 (ABx1 26) and subsequently amended in 2012 by AB 1484, in 2015 by SB 107, and other statutes, and referred to herein as the "Dissolution Law"), the Community Development Agency of the City of Sonoma (the "former RDA") was dissolved effective February 1, 2012, and the Successor Agency to the Community Development Agency of the City of Sonoma ("Successor Agency") assumed by operation of law certain rights and obligations of the former RDA, which, for purposes of this Agreement, do not include the administration of Housing Assets (defined below); and

**Whereas**, pursuant to the Dissolution Law, the City of Sonoma ("City") in its Resolution No. 06-2012 elected not to retain the former RDA's housing operations. As such, pursuant to Health and Safety Code section 34176(b), "all rights, powers, assets, duties, and obligations associated with the housing activities of the [former RDA], excluding enforceable obligations retained by the [Successor Agency]," including specifically all of the assets described in Health and Safety Code section 34176(e) (the "Housing Assets"), automatically transferred to the Sonoma County Housing Authority on February 1, 2012 by operation of law, and are now administered by its parent body, the Sonoma County Community Development Commission ("Commission"); and

**Whereas**, in order to document the transfer of the Housing Assets, to set forth the respective roles and responsibilities of the parties with respect to administrative tasks relating to the transfer, and to increase the ability of the Commission to continue to manage and use the Housing Assets to the maximum benefit of the residents of the City of Sonoma, the Parties entered into that certain Agreement Regarding Redevelopment Housing Assets ("Housing Assets A WHEREAS, the Housing Assets Agreement served the following functions: (1) transferred Real Properties and Housing Assets (as defined in the Housing Assets Agreement) from the Successor Agency to the Commission, (2) the Commission assumed all duties, responsibilities and obligations associated with, encumbering, arising out of, attendant to and/or relating to ownership of said Real Properties and Housing Assets, except as set forth in Section 6 in that agreement, and (3) the Successor Agency would agree to include its Supplemental Educational Revenue Augmentation Fund (SERAF) payment obligation on its Recognized Obligation Payment

Schedule ("ROPS") and then forward to said funds to the Commission; and (4) the Commission agreed to enforce the affordability covenants governing and/or applicable to the Housing Assets in accordance with the covenants' terms and conditions; and

**Whereas**, the former Community Development Agency of the City of Sonoma issued on or about March 4, 2011, 2011 Tax Allocation Bonds, which may be refinanced or refunded pursuant to the Dissolution Law (referred to as the "2011 Bonds"), of which \$1,450,000 were dedicated for use to improve and increase the supply of low- and moderate-income housing; and

**Whereas**, the Dissolution Law authorizes the City and Successor Agency to use bond proceeds from 2011 issuances of the former RDA when certain conditions have been met; and

**Whereas**, Health and Safety Code section 34176(g) allows a housing successor to use 100% excess bond proceeds secured by a former redevelopment agency's Low and Moderate Income Housing Fund ("LMIHF"), as long as the "housing" bonds were issued prior to June 28, 2011; and

**Whereas**, the Successor Agency had "excess bond proceeds," i.e., tax allocation bond proceeds, that are not otherwise obligated for a project or other enforceable obligation. The Successor Agency has identified the use of such proceeds for redevelopment and affordable housing purposes consistent with applicable bond covenants; and

**Whereas**, in order to facilitate the use of housing excess bond proceeds consistent with the bond covenants, the Successor Agency and City negotiated that certain BOND EXPENDITURE AGREEMENT (Sonoma Housing Tax Allocation Bonds) (the "Housing Bonds Expenditure Agreement"), requiring the transfer of housing excess bond proceeds by the Successor Agency to the City, and the use of such excess bond proceeds consistent with applicable bond covenants and DOF February 27, 2017 letter. The Oversight Board and DOF approved the Housing Bonds Expenditure Agreement as constituting an excess bond proceeds obligation within the meaning of Health and Safety Code section 34176(g)(1)(A) for the "housing" excess bonds proceeds. The Successor Agency listed the requirement to use and transfer housing excess bond proceeds pursuant to the Housing Bonds Expenditure Agreement as a separate line-item on the ROPS covering fiscal year 2017-18 (the "ROPS 17-18"). DOF approved the Successor Agency's ROPS 17-18, and thereby approved the transfer of the excess housing bonds proceeds to the City for use consistent with the housing bonds' covenants in the Housing Bonds Expenditure Agreement; and

**Whereas**, the Commission has an agreement with Satellite Affordable Housing Associates, a California non-profit public benefit corporation ("SAHA") for the planning, construction, operation and maintenance of an affordable housing project located at 20269 Broadway Avenue, known as the Altamira Family Apartments, which would be a project consistent with the use of the housing bond proceeds under the Housing Bonds Expenditure Agreement; and

**Whereas**, SAHA has submitted to the City a financing plan for the project that would include use of the housing excess bond proceeds in an amount of \$1,400,000, and submitted to the City an updated financing request that would include use of those proceeds in the amount of \$1,450,000 plus any accrued interest on the proceeds; and

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WHEREAS, pursuant to the issuance of the 2011 Bonds, interest has accrued on the \$1,450,000 of bond proceeds that have been on deposit with the trustee and is currently estimated at \$35,000.

**Now, Therefore, Be It resolved** that the Sonoma County Board of Supervisors and the Board of Commissioners of the Sonoma County Community Development Commission hereby:

1. Authorize the Executive Director of the Commission to enter into, execute, and deliver the Funding Transfer and Use Agreement (Agreement) for the amount of \$1,450,000, plus accrued interest, and any and all other documents required or deemed necessary or appropriate to finalize the Agreement, the County's and Commission's obligations related thereto, and all amendments thereto; and

2. Authorize the Executive Director of the Commission award and disburse the entire amount of bond proceeds plus interest, per resolution of the Sonoma City Council, to Satellite Affordable Housing Associates for the purpose of development and construction of the Altamira Apartments development project located at 20269 Broadway in the City of Sonoma; and

3. Administer all funds under this Agreement according to existing Community Development Commission Loan Policies.

**Commissioners:**

Gorin:

Rabbitt:

Gore:

Hopkins:

Zane:

Ayes:

Noes:

Absent:

Abstain:

**So Ordered.**