



County of Sonoma

State of California

Date: November 10, 2020

Item Number: _____

Resolution Number: _____

☒ 4/5 Vote Required

Resolution Of The Board Of Supervisors Of The County Of Sonoma And Board Of Commissioners Of The Sonoma County Community Development Commission Authorizing (1) The Purchase Of Certain Property Located At 635 Healdsburg Avenue, Santa Rosa, and 6751 Sebastopol Road, Sebastopol, To The Community Development Commission, (2) The Execution And Recordation Of All Documents Necessary To Accomplish The Sales (3) The Posting of Notices of Exemption from CEQA, And (4) Authorizing and Directing the Executive Director of the Community Development Commission To Execute the STD 213 Standard Agreement from the Department of Housing and Community Development and any Amendments Thereto

Whereas, The Department of Housing and Community Development ("Department") has issued a Notice of Funding Availability ("NOFA"), dated July 16, 2020, for the Homekey Program ("Homekey" or "Homekey Program"). The Department has issued the NOFA for Homekey grant funds pursuant to Health and Safety Code section 50675.1.1 (Assem. Bill No. 83 (2019-2020 Reg. Sess.), § 21.);

Whereas, the Homekey Program is a state grant program intended to provide temporary shelter and housing for individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are impacted by the COVID-19 pandemic;

Whereas, one of the permissible uses of Homekey Program funds is the acquisition of motel, hotel, or hostel properties for temporary shelter and future conversion of units from nonresidential to residential;

Whereas, the Sonoma County Community Development Commission ("Commission") applied for and was awarded \$9,856,000 in Homekey Program funding to purchase a hotel, operate the facility as a temporary shelter and convert it to affordable, long term housing (the "Project"). The housing will be restricted to affordable housing serving households earning no more than 30% of AMI as defined in the Department's Standard Agreement STD 213;

Whereas, in July, 2020 the Commission began negotiating with the owner of 635 Healdsburg Avenue, Santa Rosa California (Assessor Parcel Numbers 010-014-012 and 010-014-013) ("Santa Rosa Property");

Whereas, the Santa Rosa Property is an ideal location for permanent low-income

housing because it has 44 hotel rooms and is located within convenient walking distance of a variety of services including a high frequency bus line providing convenient service to medical services, grocery store and library, and a college, veterans center and youth center;

Whereas, the Commission applied for the Homekey Program grant specifically to purchase the Santa Rosa Property. Without this project ready hotel the Commission would likely not have been awarded these funds. The Owner of the Santa Rosa property and Commission have agreed to a purchase price of \$7,950,000 which is supported by an independent appraisal. The remaining Homekey funds will be used for eligible purposes including renovation and operation of the facility. The Commission is willing to purchase the Santa Rosa Property for the appraised value by utilizing the Homekey Program fund award;

Whereas, the conditions of the Project Homekey Standard Agreement require that the Commission provide documentary evidence of capacity to provide operating funds for the Project for at least five (5) years which has been satisfied;

Whereas, the Commission applied for \$6,744,000 in Homekey Program funding and was placed on the waiting list to purchase another hotel, operate the facility as a temporary shelter and convert it to affordable, long term housing (the "Sebastopol Property"). The housing will be restricted to affordable housing serving households earning no more than 30% of AMI as defined in the Standard Agreement STD 213;

Whereas, in August, 2020 the Commission began negotiating with the owner of 6751 Sebastopol Road in Sebastopol, California (Assessor Parcel Number 004-063-037-000 ("Sebastopol Property")); and

Whereas, The Owner of the Sebastopol Property and Commission have agreed to a purchase price of \$6,375,000, and the Commission is in the process of preparing an independent appraisal. The project has passed all grant required thresholds and remains on the waitlist due to funding being oversubscribed.

Now, Therefore, Be It Resolved that the Board of Supervisors of the County of Sonoma 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 use of the property for temporary shelter and affordable housing is consistent with the City of Santa Rosa General Plan and the current zoning.
3. California Environmental Quality Act. The purchase and conversion of the hotel to permanent housing is exempt from review under the California Environmental Quality Act for the following reasons:
 - a. The Project is categorically exempt under 14 CCR 15061(b)(3) because it can be seen with certainty that there is no possibility the activity may have a significant effect on the environment;
 - b. The Project is categorically exempt under 14 CCR 15301 because the activity consists of the operation of an existing structure or facility, involving negligible or no expansion of

existing or former use.

c. The Project is categorically exempt under California Public Resources Code Section 21080.50 because the activity is a conversion of a motel, hotel, residential hotel, or hostel into a supportive or transitional housing facility with minor interior or exterior alterations.

d. The Project is statutorily exempt under Health and Safety Code §50675.1.2, an exemption created specifically for the Homekey Program, which exempts projects that satisfy the following conditions, all of which are or will be satisfied by this project:

a. No units were acquired by eminent domain.

b. The units will be in decent, safe, and sanitary condition at the time of their occupancy.

c. The project proponent shall require all contractors and subcontractors performing work on the project to pay prevailing wages for any rehabilitation, construction, or alterations in accordance with Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

d. The project proponent obtains an enforceable commitment that all contractors and subcontractor performing work on the project will use a skilled and trained workforce for any rehabilitation, construction, or alterations in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

e. The project proponent submits to the lead agency a letter of support from a county, city, or other local public entity for any rehabilitation, construction, or alteration work.

f. Any acquisition is paid for exclusively by public funds.

g. The project provides housing units for individuals and families who are experiencing homelessness or who are at risk of homelessness.

h. Long-term covenants and restrictions require the units to be restricted to persons experiencing homelessness or who are at risk of homelessness, which may include lower income, and very low-income households, as defined by Section 50079.5, for no fewer than 55 years.

i. The project does not increase the original footprint of the project structure or structures by more than 10 percent.

4. Notice of Exemption. That, immediately upon the adoption of this resolution, the Interim Executive Director of the Commission is directed to post and to maintain the posting of a notice of exemption pursuant to 14 CCR 15301.

5. Authority to Sign Contracts; Recordation of Deeds. The Interim Executive Director of the Commission is authorized and directed to execute, on behalf of the Commission and in the forms on file with the Clerk, the Purchase and Sale Agreement for the Property and the certificate of acceptance required by Government Code Section 27281 for the Grant Deed for the Property and the Use Restriction and Affordability Covenant.

6. Authority to Administer Purchase and Sale Agreements. The Executive Director of the

Commission is authorized to take all actions necessary to administer the Purchase and Sale Agreements so as to complete the purchase and sale of the Santa Rosa Property and Sebastopol Property in the manner contemplated by the Agreement.

7. Escrow Instructions; Necessary Documents. County Counsel is directed to prepare and deliver appropriate escrow instructions and other necessary documents to Fidelity National Title Company to complete the transactions described in this Resolution. The Interim Executive Director of the Commission is authorized to sign all closing documents and to execute any other documents necessary to complete this transaction as described, including, without limitation, making any technical, non-substantive changes in closing documents with the prior approval of County Counsel.

Supervisors/Commissioners:

Rabbitt:	Zane:	Gore:	Hopkins:	Gorin:
Ayes:	Noes:	Absent:	Abstain:	

So Ordered.