

Renewal Enterprise District Action Item

TO: Board of Directors
FROM: Michelle Whitman, Executive Director; Karen Murphy, General Counsel
SUBJECT: Consider First Amendment to Renewal Enterprise District Agency Joint Exercise of Powers Agreement (JPA) and Protocols for New Members.

Summary: On December 17, 2020, as required by the JPA, the RED Board reviewed the terms and conditions of the JPA, reviewed the efficacy of the Agency and the JPA, and discussed whether any amendments are necessary or advisable, including regarding the addition of New Members. Based on direction to provide flexibility in considering New Members, staff is recommending approval of (1) a draft First Amendment to the JPA to clarify that the RED may consider New Members; and (2) consideration of protocols for entities interested in joining the RED.

Background

In separate public meetings, both held on December 4, 2018, the Sonoma County Board of Supervisors and Santa Rosa City Council voted to form the RED as a multi-jurisdictional opportunity to develop funding and other criteria to incentivize and encourage climate-smart housing and other community development projects. December 4, 2018 is recognized as the official formation date of the RED, which was created with an initial two-year pilot demonstration period in mind, as well as the effective date of the RED Joint Exercise of Powers Agreement (“JPA”).

As set forth in Section 3.05 of the JPA, on December 17, 2020, the RED Board reviewed the terms and conditions of the JPA and the efficacy of RED and the JPA, and considered the addition of New Members. “New Member” is defined as “any incorporated city or town within Sonoma County that may subsequently join this Agency with the authorization of the Board, pursuant to Section 4.02 of this Agreement.” Section 4.02(a), New Members, provides that “[a]fter two (2) years from formation of the Agency, upon submittal of an application for membership, New Members shall be admitted to the Agency so long as: (1) the New Member is an incorporated city or town located within the jurisdictional boundaries of the County of Sonoma; and (2) the New Member agrees to the terms of this Agreement.” Section 4.02(a) further provides that once an application is accepted by the Board of Directors, the JPA shall be amended to add the New Member.

The Board discussed retaining flexibility to consider the addition of New Members and staff noted that it would return with a proposed amendment to the JPA to confirm this approach. Staff has also prepared draft protocols for the consideration of New Members.

Agenda Item: 6b

Meeting Date: February 24, 2021

First Amendment to JPA

Based on Board discussion, staff proposes a clarifying amendment to the JPA to confirm that New Members “may,” rather than “shall,” be admitted to RED. This allows for flexibility in considering and adding New Members in accordance with adopted protocols and is consistent with provisions of the JPA that require Board authorization for approval of New Members.

The change is minor and shown in redline below:

Section 4.02 – New Members. After two (2) years from formation of the Agency, upon submittal of an application for membership, New Members ~~shall~~ may be admitted to the Agency so long as: 1) the New Member is an incorporated city or town located within the jurisdictional boundaries of the County of Sonoma; and 2) the New Member agrees to the terms of this Agreement.

Protocols for Adding New Members

Staff has prepared draft protocols for considering New Members consistent with the terms of the JPA. The protocols require an interested entity to contact RED staff and request to present their qualifications and interest to the RED Board. An interested entity must meet the requirements in the JPA and be (1) an incorporated city or town located within the jurisdictional boundaries of the County of Sonoma; and (2) agree to the terms of the JPA. New Members must also agree to contribute financially to the RED. The protocols provide that the RED Board shall consider the request of an interested entity and that any entity approved to join RED must obtain a resolution from its governing body. Lastly, the JPA must be executed by any approved New Member.

Staff Recommendation

It is recommended that the Board:

1. Approve the draft form of First Amendment to the RED JPA and direct staff to forward the draft to the City of Santa Rosa and the County of Sonoma for consideration.
2. Consider and provide direction on the Protocols for adding New Members.

Vote Requirement

Unanimous, per Section 5.09 of the JPA

Fiscal Impact

None.

List of Attachments

Exhibit A – Draft First Amendment to Joint Exercise of Powers Agreement

Exhibit B – Draft New Member Protocols

Contact

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