



County Administrator's Office
Office of County Counsel

County PG&E Funds Allocation to Renewal Enterprise District

May 11, 2021

Recommended Actions

1. Authorize the Chair of the Board of Supervisors to execute the First Amendment to Renewal Enterprise District Agency Joint Exercise of Powers Agreement.
2. Receive an update and information about the proposed Renewal Enterprise District (RED) Housing Fund.
3. Consider policy options related to the County's \$10 million contribution to the Renewal Enterprise District Housing Fund and provide direction to staff.
4. Authorize the County Administrator, in consultation with County Counsel, to execute a non-binding term sheet that reflects the Board's direction to staff and that will form the basis of the future, binding funding agreement and related documents.
5. Authorize the County Administrator, in consultation with County Counsel, to execute a funding agreement and other related documents for the \$10 million contribution with the Renewal Enterprise District Housing Fund.



Renewal Enterprise District (RED)

- In December 2018, the County and the City of Santa Rosa established the RED as a joint powers authority (JPA) to implement a shared vision for regional housing development and to accelerate the production of mid to high-density infill housing in transit rich areas.
- The RED Board includes two representatives each from the County Board of Supervisors and the City of Santa Rosa City Council
 - Supervisors Rabbitt and Coursey
 - Councilmembers Tibbetts and Fleming



RED Housing Fund Policy Options

- Form of contribution
 - Performance criteria / measurables
- Geographic limitations
- Use of County funds
- Short-term rentals
- Administrative costs



Form of Contribution: Grant vs. Loan

Grant

- Pros:
 - Eliminates need for subsequent action by board
- Cons:
 - Provides less control over use of funds
 - Will likely want to consider performance criteria and measurables

Loan

- Pros:
 - Provides greater control over use of funds
- Cons:
 - Limited term
 - Will require future actions by board



Geographical Limitations

- City's Approach
 - City funds can only be used in City limits
 - Initial focus limited to downtown Santa Rosa
- County's Options
 - Unincorporated areas coming online (pending Specific Plans/Priority Development Areas; pending housing sites rezoning/Rural Community Investment Areas)
 - Limit use of County funds to unincorporated areas
 - Require some equity between incorporated and unincorporated areas
 - RHNA sharing options
 - Other City-County/regional housing initiatives



Use of County Funds

- Market Rate Projects
 - Residential Use Restrictions
- Mixed Use Projects
- Affordability Requirements
- Entitled Projects vs. In the Pipeline



Short-term Rentals

- City's Approach
- County Options
 - Complete Ban
 - Affordable projects
 - Any time County funds used
 - Impose Limited Restriction on Market Rate Units



Administrative Costs

- Administrative Costs
 - Housing Fund administrative costs
 - Principal vs. Interest
 - Renewal Enterprise District Administrative Costs
 - Maximum Cap
- Soft Costs
 - Absolute ban
 - Allow for qualified affordable projects



Summary of Policy Options

- Form of contribution
 - Performance criteria / measurables
- Geographic limitations
- Use of County funds
- Short-term rentals
- Administrative / soft costs

