



Legislation Details (With Text)

File #: 2021-1112
Type: Consent Calendar Item **Status:** Passed
File created: 9/29/2021 **In control:** Board of Supervisors
On agenda: 11/16/2021 **Final action:** 11/16/2021
Title: Renewal Enterprise District Member Assessment
Sponsors: County Administrator
Indexes:
Attachments: 1. Summary Report, 2. Attach 1 - Budget Resolution, 3. Attach 2 - Memo from the RED on Member Assessment

Date	Ver.	Action By	Action	Result
11/16/2021	1	Board of Supervisors	Approved as recommended	Pass

To: Board of Supervisors
Department or Agency Name(s): County Administrator's Office
Staff Name and Phone Number: Nour Maxwell, 707-565-1743
Vote Requirement: 4/5th
Supervisory District(s): Countywide

Title:
Renewal Enterprise District Member Assessment

Recommended Action:

Approve a Budget Resolution increasing appropriations in the amount of \$50,000 from General Fund contingencies for a one-time member assessment to the Renewal Enterprise District. (4/5th Vote Required)

Executive Summary:

On December 4, 2018, your Board authorized the creation of the Renewal Enterprise District (the "RED") through a joint powers agreement with the City of Santa Rosa. As set forth in the joint powers agreement, the purposes of the RED include, among other things, achieving fire recovery rebuild goals and meeting current and previously unmet regional housing needs; honoring community separators and urban growth boundaries and implementing existing and future general plans and specific plans; incentivizing higher density, infill, and transit-oriented housing in designated areas; promoting zero net energy development and advancing climate resiliency; ensuring affordability and equity in housing development; and improving opportunities for local employers to recruit and retain a skilled workforce.

On May 11, 2021, your Board approved amendments to the RED joint powers agreement to allow the RED Board of Directors to consider and add new members in accordance with adopted protocols.

On September 14, 2021, your Board authorized the County Administrator, in consultation with County Counsel, to execute a loan agreement for a \$10 million loan from PG&E settlement funds to the newly formed RED Housing Fund. The RED Housing Fund is a nonprofit corporation that is a separate and distinct entity from the RED. The loan agreement authorized by your Board provides that County funds loaned to the RED Housing

Fund may only be used for providing financing, credit enhancement, and/or guarantees to support the development of housing projects that are (i) consistent with the Project Criteria adopted by the Board of Directors of the RED, and (ii) consistent with the provisions of the loan agreement. This loan to the RED Housing Fund is completely separate from the RED's own operating budget.

To date, neither the City of Santa Rosa nor the County have directly contributed to the RED's operating budget. During a budget study session at its February 24, 2021 meeting, RED Board members suggested that assessments on members should be considered to ensure that the RED is fully funded through the end of FY 2021/2022.

On May 28, 2021, the RED Board moved unanimously that members assess themselves a one-time total of \$50,000 each to support a combined one-time total of \$100,000 (city and county combined) to be used as RED general fund operating budget and reserves for FY 2021-2022.

Staff is recommending that your Board allocate \$50,000 in one-time County General Fund contingencies to the RED to reflect this one-time member assessment.

Discussion:

The RED's Joint Powers Agreement (JPA) states "All fees, costs and expenses incurred by the Agency may be funded from: (i) voluntary contributions from third parties, such as grants; (ii) advances or loans from the Members or other sources; (iii) bond revenue; (iv) taxes, assessments, fees and/or charges levied by the Agency under the provisions of the Act or otherwise provided by law; (v) contributions from an infrastructure Financing District or other tax increment generating mechanism; and, (vi) subject to the unanimous vote of the Board, assessments on the Members to carry out the activities of the Agency generally applicable to all Members" (Section 8.06 - Agency Funding).

As with other governmental agencies, the RED's budget is dynamic. Given that the RED is still a young agency, there are variables that warrant consideration now, and that may tap reserves in the future.

The RED Final Budget was approved by the RED Board on August 23, 2021, incorporating Board direction by including member contributions of \$50,000 per Founding Member, for a total of \$100,000, to contribute to the RED's general fund reserve. As New Members join the RED JPA, each will be required to contribute financially to the RED's budget. The RED's Fiscal Year 2021-2022 adopted budget achieves full agency funding and a balanced budget through the end of the fiscal year with these member assessments.

Strategic Plan:

N/A

Prior Board Actions:

- 6/11/2018 The Board of Supervisor voted to authorize the creation of the Renewal Enterprise District through a Joint Powers Agreement.
- 10/6/2020 The Board of Supervisors voted to provide a \$10 million loan as seed capital for the Renewal Enterprise District Housing Fund, on the condition that City of Santa Rosa matches the investment.
- 5/11/2021 The Board of Supervisors voted to authorize the Chair of the Board of Supervisors to execute the First Amendment to Renewal Enterprise District Agency Joint Exercise of Powers

Agreement; authorized the County Administrator, in consultation with County Counsel, to execute a non-binding term sheet reflecting the Board's direction to staff and to prepare and execute a funding agreement and other related documents for the \$10 million contribution with the Renewal Enterprise District Housing Fund.

- 9/14/2021 The Board of Supervisors adopted a resolution to authorize adjustments to the Adopted Budget for Fiscal Year 2021-2022 to enable the issuance of a loan in the amount of \$10,000,000 to the RED Housing Fund to support development of housing within Sonoma County; authorized the County Administrator to execute a loan agreement in substantially the same form as reviewed by the Board; and appointed Amanda Ruch as the County's representative to the RED Housing Fund Board of Directors.

FISCAL SUMMARY

Expenditures	FY 21-22 Adopted	FY22-23 Projected	FY 23-24 Projected
Budgeted Expenses			
Additional Appropriation Requested	\$50,000		
Total Expenditures	\$50,000		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies	\$50,000		
Total Sources	\$50,000		

Narrative Explanation of Fiscal Impacts:

This request for \$50,000 from General Fund contingencies will cover the RED member assessment for FY 2021-22. Currently no funding has been requested by the RED board for FY 2022-23 or beyond. If a request is made, it will be considered in the FY 2022-23 budget process.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

1. Budget Resolution
2. Memo from the RED on Member Assessment

Related Items “On File” with the Clerk of the Board:

N/A