



**Concurrent Adjourned Meetings Of  
SONOMA CITY COUNCIL  
&  
COMMUNITY DEVELOPMENT AGENCY  
Community Meeting Room  
177 First Street West, Sonoma CA  
January 30, 2012  
5:00 p.m.**

City Council  
Joanne Sanders, Mayor  
Ken Brown, Mayor Pro  
Tem  
Steve Barbose  
Laurie Gallian  
Tom Rouse

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**MINUTES**

**OPENING**

Mayor Sanders called the meeting to order at 5:05 p.m. Assistant City Manager Giovanatto led the Pledge of Allegiance.

PRESENT: Mayor Sanders and Councilmembers Barbose, Brown, Gallian, and Rouse  
ABSENT: None

ALSO PRESENT: City Manager Kelly, Assistant City Manager Giovanatto, City Clerk Johann, City Attorney Walter, Planning Director Goodison.

**1. COMMENTS FROM THE PUBLIC - None**

**2. COUNCILMEMBERS' COMMENTS AND ANNOUNCEMENTS**

**Item 2A: Councilmembers' Comments and Announcements**

Mayor Sanders dedicated the meeting in the memory of Thornton Jenkins.

CIm. Brown dedicated the meeting in the memory of Dick Senn and stated he would like to see City get more involved in the issue of the future of the Veteran's Memorial building.

CIm. Rouse announced a swimming pool meeting would be held the next evening at Ramekins.

CIm. Gallian reported attendance at the State of the Valley breakfast forum.

Mayor Sanders reported that the issue of the Plan Bay Area had been brought to her attention by a constituent and she encouraged everyone to do some research to learn more about the project and its potential impacts.

**3. REGULAR CALENDAR**

**Item 3A: Discussion, consideration and adoption of a Resolution of the City Council determining that the City of Sonoma shall not retain the housing assets and functions of the dissolved Sonoma Community Development Agency resulting in transfer of the housing assets and functions of the dissolved Sonoma Community Development Agency to the Housing Authority of the County of Sonoma, pursuant to Health and Safety Code Section 34176, or adoption of a Resolution of the City Council determining that the City of Sonoma shall retain the housing assets and functions of the dissolved Sonoma Community Development Agency pursuant to Health and Safety Code Section 34176.**

City Manager Kelly reported that pursuant to provisions of AB1X 26, the City could choose to retain or decline to retain its "housing assets and functions" of its soon to be former redevelopment agency. She said if a city chose to decline retention of the housing assets and functions, they would, by operation of law as set forth in Health and Safety Code Section 34176(b)(2), be transferred to the Housing Authority of the County of Sonoma upon the dissolution of the Sonoma Community Development Agency. She stated that Council had discussed this matter at a January 12, 2012 special meeting and at its regular meeting of January 18, 2012. Legal counsel advised that the decision regarding whether to retain the housing assets and functions of the former CDA be made through adoption of a resolution prior to dissolution of the Sonoma CDA on February 1, 2012.

**Item 3A: Retention of housing assets and functions, continued.**

City Manager Kelly also reported that staff had held two conference call discussions with the Sonoma Community Development Commission/Sonoma County Housing Authority staff regarding issues related to the transition. She said that due to the fact that under the current statutes the City would not receive an ongoing annual dedicated funding source for housing programs and projects, staff recommended adoption of a resolution declining to retain the housing assets and functions. If this course of action was taken, staff further recommended contracting out all remaining City housing functions. She said the draft resolution contained a rescission clause, which allowed the City to revisit the decision if favorable legislation was enacted by May 1, 2012.

Mayor Sanders invited comments from the public. David Brigode urged Council to retain the housing function.

Susie Merrill stated that if the property were given away it would take years to get back. She said her property would go on the market and the City would lose the opportunity to adjoin two parcels that would benefit the entire City.

David Cook stated the City should do what the other cities were doing and keep the property.

Laurie Zito, Urban Housing Communities, said there were beneficial financing structures and tax credits available for affordable housing projects. She stated the City should maintain control.

Clm. Barbose asked if the City would be able to sell the properties if it was the Successor Agency. City Manager Kelly responded it could and the funds would have to be used for affordable housing.

Kathleen Kane, Executive Director of Sonoma County Housing Authority, addressed the City Council. She stated the County was leaving their housing function with the agency which has existed since 1985. Kane said that without funding to maintain and administer them, the Sonoma properties would soon become liabilities. Her office, though also facing cuts, had the expertise to take over the responsibilities. She stated they would work in close communication with the City and noted that while her agency would seek City input, they would not be bound by it.

It was moved by Clm. Rouse, seconded by Clm. Brown, to adopt Res. No. 06-2012 entitled A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA, CALIFORNIA DETERMINING THAT THE CITY OF SONOMA SHALL NOT RETAIN THE HOUSING ASSETS AND FUNCTIONS OF THE DISSOLVED SONOMA COMMUNITY DEVELOPMENT AGENCY RESULTING IN TRANSFER OF THE HOUSING ASSETS AND FUNCTIONS OF THE DISSOLVED SONOMA COMMUNITY DEVELOPMENT AGENCY TO THE HOUSING AUTHORITY OF THE COUNTY OF SONOMA, PURSUANT TO HEALTH AND SAFETY CODE SECTION 34176.

Clm. Barbose stated he wanted to maintain control of the City's assets. He said the City could find a non-profit to take over Village Green.

Clm. Gallian stated the City would always be seeking additional affordable housing and she was inclined to retain the properties.

Clm. Rouse stated that the Council was going to have to shrink government and pointed out there was a well-trained housing authority willing to take over the City's assets and he believed the consolidation would help streamline the process for low-income applicants.

Clm. Brown stated he had confidence in the county agency and he felt it was time to move into the future.

City Attorney Walter confirmed that any projects would be subject to City zoning and other regulations.

Mayor Sanders stated that the City contracted out for Fire and Police services and questioned why not housing. She said creation of a "one stop shop" of experts would be more efficient than an overworked City Hall staff that already wore too many hats.

Being put to a vote, the motion to adopt the resolution carried three to two. Councilmembers Barbose and Gallian dissented.

**RECESS:** The meeting recessed from 6:30 to 6:35 p.m.

**Item 3B: Adoption of amended Enforceable Obligation Payment Schedule for former Sonoma Community Development Agency, pursuant to AB1X 26.**

Assistant City Manager Giovanatto reported that the City Council at its August 15, 2011 meeting, adopted an Enforceable Obligation Payment Schedule (EOPS) which was meant to document all financial commitments of the former Community Development Agency per the adopted Agency FY 2011-12 operating budget updated to include all additional new financial impacts resulting from the elimination of redevelopment such as audit and legal costs. She explained that the Sonoma Community Development Agency (CDA) and its Successor Agency, the City of Sonoma could only make payments on enforceable obligations listed on an EOPS until such time as the first Recognized Obligation Payment Schedule (ROPS) had been prepared by the Successor Agency, certified and approved by the Successor Agency's Oversight Board to take over the function initially served by the EOPS. Giovanatto added that the process for approving the ROPS may not be completed until May, thereby potentially leaving a gap between the period initially covered by the EOPS, through December 31, 2011, and the effectiveness of the first ROPS. This gap could lead to an inability to pay, and the resulting default under, various enforceable obligations. To avoid possibly defaulting on enforceable obligations between January and the operative date of the ROPS, legal counsel recommended that the City amend its existing EOPS prior to February 1, 2012 to extend the payment schedule for the enforceable obligations required to be paid by the CDA during January and its successor agency starting in February for the period from January 1, 2012 through June 30, 2012.

CIm. Gallian inquired why no payment obligation was shown for the SERAF Loan Payment due to the Housing Fund and the Sonoma Community Center Owner Participation Agreement. Giovanatto explained that there were no payments scheduled for 2012.

Mayor Sanders inquired about the amount of bond proceeds allocated for the Sonoma Valley Library remodel. Giovanatto responded that \$2.5 million had been set aside for the project and any leftover funds would be put towards repayment of the principal on the bond.

The public comment period was opened and closed with none received.

It was moved by CIm. Rouse, seconded by CIm. Gallian, to adopt the amended Enforceable Obligations Payment Schedule. The motion carried unanimously.

**4. COMMENTS FROM THE PUBLIC - None**

**5. ADJOURNMENT**

The meeting was adjourned at 6:43 p.m. in the memory of Dick Senn and Thornton Jenkins.

I HEREBY CERTIFY that the foregoing minutes were duly and regularly adopted at a regular meeting of the Sonoma City Council on the 7<sup>th</sup> day of May 2012.

  
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Gay Johann, MMC  
City Clerk