



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

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

AGENDA

Be Courteous - **TURN OFF** your cell phones and pagers while the meeting is in session.

OPENING

CALL TO ORDER & PLEDGE OF ALLEGIANCE
ROLL CALL (Gallian, Barbose, Rouse, Brown, Sanders)

1. COMMENTS FROM THE PUBLIC

At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the City Council at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Council consideration. Upon being acknowledged by the Mayor, please step to the podium and speak into the microphone. Begin by stating and spelling your name.

2. COUNCILMEMBERS' COMMENTS AND ANNOUNCEMENTS

Item 2A: Councilmembers' Comments and Announcements

3. REGULAR CALENDAR

(Matters requiring discussion and/or action by the Council)

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)

Staff Recommendation: Discuss, consider and adopt resolution retaining or declining to retain the CDA's housing assets and functions. Because under the current statutes the City would not receive an ongoing annual dedicated funding source for housing programs and projects, and thus the housing program would become a new General Fund expenditure, staff recommends adoption of a resolution declining to retain the housing assets and functions. If this course of action is taken, staff further recommends contracting out all remaining City housing functions. The resolution

retains a recession clause which allows the City to revisit the decision if favorable legislation is enacted by May 1, 2012.

Item 3B: Adoption of amended Enforceable Obligation Payment Schedule for former Sonoma Community Development Agency, pursuant to AB1X 26. (City Manager/Assistant City Manager)
Staff Recommendation: Adopt the Enforceable Obligation Payment Schedule.

4. COMMENTS FROM THE PUBLIC

5. ADJOURNMENT

I do hereby certify that a copy of the foregoing agenda was posted on the City Hall bulletin board on January 25, 2012.

GAY JOHANN, CITY CLERK

Copies of all staff reports and documents subject to disclosure that relate to any item of business referred to on the agenda are available for public inspection the Monday before each regularly scheduled meeting at City Hall, located at No. 1 The Plaza, Sonoma CA. Any documents subject to disclosure that are provided to all, or a majority of all, of the members of the City Council regarding any item on this agenda after the agenda has been distributed will be made available for inspection at the City Clerk's office, No. 1 The Plaza, Sonoma CA during regular business hours.

If you challenge the action of the City Council in court, you may be limited to raising only those issues you or someone else raised at the public hearing described on the agenda, or in written correspondence delivered to the City Clerk, at or prior to the public hearing.

In accordance with the Americans With Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk (707) 933-2216. Notification 48-hours before the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.



City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 3A

Meeting Date: 1/30/12

Department

Administration

Staff Contact

Linda Kelly, City Manager

Agenda Item Title

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

Summary

Pursuant to provisions of AB1X 26, a city may choose to retain or decline to retain its "housing assets and functions" of its soon to be former redevelopment agency. If a city chooses to decline retention of the housing assets and functions, such housing assets and functions shall, 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.

This issue was discussed by the City Council at a special meeting of January 12, 2012 and at its regular meeting of January 18, 2012. Legal counsel advises 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.

Staff is has held two conference call discussions with the Sonoma Community Development Commission/Sonoma County Housing Authority staff regarding issues related to the transition. The County, as the Successor Housing Agency, is granted the right to enforce affordability covenants and take other actions consistent with the former CDA's authority with respect to affordable housing.

Recommended Council Action

Discuss, consider and adopt resolution retaining or declining to retain the CDA's housing assets and functions. Because under the current statutes the City would not receive an ongoing annual dedicated funding source for housing programs and projects, and thus the housing program would become a new General Fund expenditure, staff recommends adoption of a resolution declining to retain the housing assets and functions. If this course of action is taken, staff further recommends contracting out all remaining City housing functions. The resolution retains a recession clause which allows the City to revisit the decision if favorable legislation is enacted by May 1, 2012.

Alternative Actions

Decision is required before February 1, 2012.

Financial Impact

AB1X 26 as written does not provide the 20% housing set-aside funding that was provided to the CDA prior to AB1X26. As such, if the City of Sonoma retained its housing assets and functions, no ongoing funding would be provided for Affordable Housing Program Management, Administration and Projects. The current fund balance in the City's Low to Moderate income (LMI) fund is approximately \$580,000, which would be transferred to the Successor Agency (the City of Sonoma) for remittance to the County Auditor-Controller for distribution to the taxing entities in the former CDA project area.

The housing properties currently owned by the CDA include the 20269 Broadway affordable housing site, Village Green II 34-unit apartment complex at 650 Fourth Street West, and a vacant parcel at 650 West Spain Street. The Sonoma Highway affordable housing site has been transferred to Affordable Housing Associates under an agreement which was signed February 8, 2011.

The CDA currently owes the Low to Moderate income (LMI) fund \$1,125,836 due to the 2010 loan from the LMI fund for the Supplemental Educational Revenue Augmentation Fund (SERAF) payment to the State. This liability is listed on the City's adopted Enforceable Obligation Payment Schedule. Under AB1X 26, the payback of this loan must be fulfilled. It is speculated that the Successor Housing Agency may receive the proceeds of this repayment; however, this is still unclear under current law. In addition, it is speculated that the City's affordable housing allocation in the 2011 Tax Allocation Bond could be applied to a future affordable housing project.

Emergency Legislation (SB 654) is being sought at the State legislative level to reinstate some form of funding for Successor Housing Agencies. SB 654 would ensure that any existing fund balances on deposit in the Low and Moderate Income Housing Fund of a dissolved redevelopment agency will be transferred to the Successor Housing Agency of the sponsoring community. As of this writing (January 25), SB 654 was headed to a floor vote on January 26.

Environmental Review
Status

- Environmental Impact Report
 Negative Declaration
 Exempt
 Not Applicable

- Approved/Certified
 No Action Required
 Action Requested
-

Attachments:

For and Against retaining Housing assets and functions
Housing Property Assets of CDA
Duties of Housing Administration Staff
Inventory of CDA and City Inclusionary and Subsidized Housing Units
Resolutions (2)

cc: Kathleen H. Kane, Executive Director, Sonoma County Community Development Commission,
Housing Authority, Redevelopment Agency
Jennifer Hainstock, District Director, Supervisor Brown

Former Housing Assets and Functions of CDA

<i>Arguments <u>for</u> retaining Housing assets and functions under City control</i>	<i>Arguments <u>against</u> retaining Housing assets and functions</i>
Local control – City Council would direct staff as Successor Housing Agency	No new or ongoing source of funding for City to administer housing programs and projects; would become a General Fund unfunded State mandate
City would continue to maintain an active role in the ongoing effort to provide and maintain affordable housing to meet City’s housing element goals	Expert staff with County Housing Agency; County has access to additional programs, resources and advice for tenants and landlords.
Staff would continue to monitor existing affordable housing covenants in-house, retaining control of process	Would monitor all existing covenants and obligations of former CDA
Retain control of housing real estate properties, including vacant Broadway affordable housing site which was purchased with intend to develop multifamily units	“One stop shop” for residents looking for housing in Sonoma Valley (would include City, Springs, El Verano, etc.)*
MAY retain control of SERAF loan proceeds to be paid back to LMI fund (\$1.1M)	Economies of scale, regionalized efficiencies (City now contracts with County for other major functions such as law enforcement)
MAY retain control of 2011 CDA TAB proceeds for affordable project (\$1.4M)	Staff time to function in this area may exceed that provided by City staff; higher level of effort toward housing
Staff works in many areas, housing being one of them (multitasking)	Opportunity to make City government smaller and more focused on core mandated duties
Retain and manage a housing program that closely reflects the needs of the City, its policies and changing needs	Lessens City liability for property ownership, management and oversight

*One stop shop concept would be fully implemented through a side Contract with County for remainder of Housing duties falling outside of former project areas.

CDA Property Summary				
Site	Address	Purchase Price	Estimated Current Value	Notes
Broadway Affordable Site	20269 Broadway	\$2,450,000	\$1,900,000	Vacant parcel. There are two billboards on this property. In 2013, whoever owns the property at the time will have a 90-day window to terminate the billboard lease. If this is not done, the lease will automatically renew for another ten years.
Village Green II	650 Fourth Street West	\$3,950,000	N.A.**	Rental housing for very low income residents. 34 units. Acquired by CDA to maintain affordability covenants.
650 W. Spain Street	650 West Spain Street	\$237,000*	\$50,000 – 150,000	Vacant parcel. Possible transfer to Habitat for Humanity has been contemplated.
Sonoma Hwy Affordable Site Transferred in 2011 to AHA.	19346 Sonoma Highway	\$2,530,000		Vacant parcel. On February 11, 2011, the CDA Board voted 5-0 to enter into an agreement with Affordable Housing Associates (AHA) that would transfer the site to AHA for development with affordable family rental housing if their application for tax credit financing is successful.

*Pro-rata proportion of larger purchase.

**There are two loans on this property: a USDA loan in the amount of \$800,000 and a commercial loan with Exchange Bank, of which the current balance is approximately \$2 million dollars. Transferring the property to a housing non-profit would not likely result in any significant return to the City.

DUTIES OF CITY HOUSING ADMINISTRATION STAFF
FUNDING THROUGH LOW TO MODERATE INCOME (LMI) FUND

Housing-Related Duties and Responsibilities (Hours per Month by Staff Position)

Development Services Director/Building Official

- Construction management for new construction and remodeling projects where the City serves as the construction manager.
[Hours for this item vary widely due to the fact that project hours only occur when there is an active LMI project. When a project is in progress, (such as the Sonoma Overnight Shelter) I will spend 10 to 15 hours per week on a project for 6-8 months.]
- Consultation, coordination, project planning and budgeting for ADA and other upgrade improvements for the affordable housing projects owned and/or managed by the City.
[Average of 5 hours/month]

Assistant City Manager

- General review/oversight for housing correspondence.
- Communication with redevelopment attorneys on housing issues.
- Coordination of financial and risk management issues related to affordable housing contracts.
- Oversight management of on-site property managers [HFC] – Village Green II.
[Average of 5 hours/month]

City Manager

- Oversee and manage staff assigned to housing programs.
- Confer with staff and developers on major housing developments; review and edit staff reports regarding same.
- Participate in and resolve housing problem areas requiring administrative decision or discretion.
- Interpret City housing policies as needed.
- Answer housing policy questions from elected officials.
- Communication with redevelopment attorneys on housing issues.
[Average of 5 hours/month]

Management Analyst

- Review Below Market Rate (BMR) housing applications for rental units and units for sale; send out correspondence following review and file correspondence in BMR address files. **[1- 2 hours a month]**
- Calculate maximum sales price for units (requested by property owner) for purposes of resale or refinancing. **[1- 2 hours a month]**

- Escrow: When unit has a sales contract and is in escrow, provide lender and Title Company with documents that need signed and recorded. **[2- 3 hours a month]**
- Phone calls and assisting customers at the front counter: Answer all questions related to the affordable housing program (varies greatly depending on number of units for rent or being offered for sale). **[4-8 hours a month]**
- Correspondence: Email owners, realtors, consultants and attorney’s regarding sales, foreclosures, and Wildflower subdivision calculations previously handled by Burbank Housing. Send out annual letter to landlords of rentals, requesting update on tenant income and rents charged. **[2-4 hours a month]**
[Range: 10-19 hours/month]

Administrative Services Manager

- Review BMR housing applications for rental units and units for sale; send out correspondence following review and file letter in BMR address files. **[1 hour a month]**
 - Calculate maximum sales price for units for purposes of resale or refinancing. **[1 hour month]**
 - Escrow: When unit has a sales contract and is in escrow, provide lender and Title Company with documents that need signed and recorded. **[2 hours a month]**
 - Phone calls and assisting customers at the front counter: Answer all questions related to the affordable housing program (varies greatly depending on number of units for rent or being offered for sale). **[4 hours a month]**
 - Correspondence: Email with owners, realtors, consultants and attorneys regarding sales, foreclosures and calculations.
[2 hours a month]
- [Range: 10 hours/month]**

Summary of Planning Department Housing Duties

Program Element	Planning Director	Associate Planner
<u>Housing Element, Updates:</u> Coordinate the periodic update of the Housing Element. Work with consultants on compiling and analyzing information. Participate in drafting and editing. Prepare staff reports and make presentations to the Planning Commission and City Council. Conduct outreach to interested agencies and organizations, such as the State Development of Housing and Community Development, as well as local and regional entities. Conduct environmental review. Prepare and circulate notices and agendas. (Remains City responsibility)	Primary	Support
<u>Housing Element, Implementation:</u> Prepare and process zoning text amendments and other ordinances and programs as called for in	Primary	Support

the Housing Element. Prepare annual report to HCD.		
<u>Program/Policy Administration:</u> Work with the City Manager, the Finance Director and others on housing policy and administrative issues. (Remains City responsibility, but lessened if City is not Successor Agency)	Primary	Support
<u>Tracking:</u> Track all affordable units by location, type and term. Track foreclosures. Work with the housing consultant, the management analyst and affected owners to deal with foreclosure issues. (Remains City responsibility unless contracted)	Support	Primary
<u>LMI Housing Projects, Planning:</u> Identify sites for LMI-funded affordable housing projects. Work with property owners, realtors, the City Manager and the Council on site acquisition. Prepare and circulate RFPs for affordable housing development. Analyze responses and coordinate consultant selection process. Work with selected consultant and CDA legal counsel on all aspects of project development. Assist in neighbor outreach. Coordinate environmental review. (Successor Agency responsibility)	Primary	Support
<u>LMI Projects, Ongoing:</u> Work with the Building Official to address maintenance issues. Coordinate with non-profit managers as needed to address operational issues.	Primary	N.A.
<u>Inclusionary/Density Bonus Programs:</u> Work with applicants and developers to ensure that the City's inclusionary housing requirement is met in applicable residential developments. Track inclusionary and affordable units in affordable housing database and report new units to the Management Analyst. Work with the Management Analyst and other staff on administrative and policy issues. (Remains City responsibility)	Primary	Support
<u>Homeless Shelter:</u> Meet periodically with the Shelter Manager and to review issues. (Remains City responsibility unless contracted)	Primary	N.A.
Estimated Monthly Hours:	8-16	4-8

CDA and City Subsidized and Inclusionary Affordable Housing Units

Unit Name	Year Built	Total Affordable	Affordable by Income Group			Funding Sources	Unit Type	Term of Restrictions	Within or Outside of Project Area	Covenant
			Very Low	Low	Moderate					
Subsidized Units										
Wildflower	2007	34		18	16	CDA, other?	Ownership	2052	Out	CDA
Village Green II	1983	34	34			CDBG, FmHA 515, Section 8	Senior rental	Project Lifetime	Out	CDA
Cabernet Apartments	1988	7	7			CDBG, CDA Funds/Burbank Housing Funds, CHFA	Senior Rental	2018	In	CDA
Sonoma Commons, Phase I	1995	14			14	Density Bonus	Ownership	2035	In	CDA
Sonoma Commons, Phase 2	2002	16			16	GMO exemption-Agency down payment assistance	Ownership	2032	In	CDA
Firehouse Village	2001	29	23	6		Density Bonus, GMO Exempt, CDA, CDBG, Tax Credits	Rentals	Project Lifetime	In	CDA
Sonoma Valley Oaks	2012	43	43			GMO Exempt, CDA, CDBG, HOME, Tax Credits	Rentals	2067	In	CDA
Sonoma Creek Apartments	1987	34	34			HUD/202, CDBG, CDA	Senior Rental	Project Lifetime	In	SCHC
Marcy Court	1991	16			16	CDA, other?	Ownership	2035	In	SCHC
Casa Primera	1992	13			13	CDA, other?	Ownership	2035	In	City
Palm Court	1992	18			18	CDA, other?	Ownership	2035	In	City
Total, Subsidized Units		258	141	24	93					
Inclusionary/Non-Subsidized Units										
Balma/Germano Apartments	1992	2			2	Density Bonus	Rental	2022	In	City
Sonoma Commons, Phase I	1995	14			14	Density Bonus	Ownership	2035	In	City
Maysonave Apartments (First Street East)	1996	10		10		Density Bonus	Senior Rental	2025	In	City
673 1st Street West Apartments	1996	8		8		Density Bonus	Senior Rental	2025	In	City
Sonoma Hills (West MacArthur)	1996	20		20		Density Bonus	Senior Rental	2025	In	City
Fryer Creek Village 1	1996	6			6	Density Bonus	Ownership	2035	In	City
Waterstone (Fryer Creek Drive)	2000	4		2	2	Inclusionary	2 Ownership 2nd unit rentals	2030	In	City
Troy Lane	2001	1		1		Inclusionary	Rental	2031	In	City
Fryer Creek Village 2	2001	6			6	Inclusionary	Ownership	2031	In	City
Lynch Office/Apartments (135 West Napa)	2002	1			1	Inclusionary	Rental	2047	In	City
Heritage Court/144 & 155 Piper Lane	2002	2			2	Inclusionary	Rentals	2047	In	City
MacArthur Village (281 East Mac Authur)	2003	6		3	3	Inclusionary	3 rental/3 ownership	2033	In	City
Bainbridge PUD (Leveroni Road)	2003	1			1	Inclusionary	Ownership	2048	In	City

CDA and City Subsidized and Inclusionary Affordable Housing Units

Unit Name	Year Built	Total Affordable	Affordable by Income Group			Funding Sources	Unit Type	Term of Restrictions	Within or Outside of Project Area	Covenant
			Very Low	Low	Moderate					
Brownstone Village (5th St. West)	2001	1			1	Inclusionary	2nd unit rental		In	City
Careros Lofts/649 1st St. West	2009	3			3	Inclusionary	Ownership	2044	In	City
Careros Village/623 1st St. West	2003	1			1	Inclusionary	Ownership	2058	In	City
Gamber Rentals (West MacArthur)	2004	4		2	2	Inclusionary	Rental	2037	In	City
Maple Place (961 Broadway)	2006	1			1	Inclusionary	Ownership	2051	In	City
Heritage Court II (Piper Lane)	2004	1			1	Inclusionary	Ownership	2049	In	City
Mulberry Place (990 First Street West)	2004	1			1	Inclusionary	Ownership	2049	In	City
McKenna Mixed Use/1254 Broadway	2007	1			1	Inclusionary	Ownership	2033	In	City
Willows Wild (Fourth Street West)	2007	4			4	Inclusionary	Ownership	2062	In	City
604 Curtin Lane	2006	1			1	Inclusionary	Ownership	2036	In	City
Willows Wild	2007	4			4	Inclusionary	Ownership	2062	In	
Vintage Sonoma (Fifth Street East)	2003	10		5	5	Inclusionary	Rentals	2033	Out	City
Eastside Estates Unit 3 (Fifth Street East)	2003	11		6	5	Inclusionary	Rental	2033	Out	City
Remembrance (Sixth Street East)	2003	5		3	2	Inclusionary	Rental	2058	Out	City
Sonoma Centro (19230 Sonoma Highway)	2003	1		1		Inclusionary	Rental	2048	Out	City
Starr Ranch (1337 Jones Street)	2005	4		2	2	Inclusionary	Ownership/Rental	2035	Out	City
Bel Terreno	2005	2			2	Inclusionary	Rental	2035	Out	City
Montini Subdivision (Fifth Street West)		4		2	2	Inclusionary	Ownership			
Total, Inclusionary/Non-Subsidized Units		140	0	65	75					
Total, All Units		398	141	89	168					

Total Inside Project Area	293	
Total Outside Project Area	105	
Total CDA Covenanted	177	(6 projects)
Rental	113	(4 projects)
Ownership	64	(2 projects)
Mixed	0	
Total City/SCHC Covenanted	221	(36 projects)
Rental	112	(16 projects)
Ownership	95	(17 projects)
Mixed	14	(3 projects)

CITY OF SONOMA

RESOLUTION NO. _____

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

WHEREAS, the Sonoma Community Development Agency (“CDA”) is a public body, corporate and politic, organized and existing under the California Community Redevelopment Law (Health & Safety Code Section 33000 *et seq.*); and

WHEREAS, the City of Sonoma is a municipal corporation and a general law city of the State of California (“City”); and

WHEREAS, on December 29, 2011, the California Supreme Court issued its opinion in the case *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of Assembly Bill 1x26 (“AB1x26”) and invalidated Assembly Bill 1x27; and

WHEREAS, the Court’s decision results in the implementation of AB1x26 which dissolves all the redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, pursuant to a provision of AB1x26, codified as Health and Safety Code Section 34176, the city, in the case of a redevelopment agency of a city, may elect to retain the housing assets and functions of the dissolved redevelopment agency; and

WHEREAS, the City Council, having considered the matter, has determined, in its legislative discretion, that it is in the best interests of the City for the City to NOT retain the housing assets and functions of the dissolved CDA; and

WHEREAS, with the foregoing determination, upon the dissolution of the CDA scheduled to occur, as of the date of this Resolution, on February 1, 2012, the housing assets and functions of the dissolved CDA are transferred to the Housing Authority of the County of Sonoma as “local housing authority” defined in Health and Safety Code Section 34176(b)(2);

NOW, THEREFORE, the City Council of the City of Sonoma resolves as follows:

Section 1. The foregoing Recitals are true and correct and are incorporated herein.

Section 2. The City Council hereby determines that the City of Sonoma shall not retain the housing assets and functions of the dissolved Sonoma Community Development Agency, and that such housing assets and functions shall, 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.

Section 3. The City Manager and his authorized designees are hereby authorized and directed to take such other and further actions and sign such other and further documents as is necessary and proper to implement this Resolution on behalf of the City.

Section 4. This Resolution is adopted in contemplation of the dissolution of the Sonoma Community Development Agency pursuant to AB1x26 occurring as of February 1, 2012. If the dissolution does not occur on that date because State legislation extends the dissolution date, this Resolution automatically shall be null and void without the necessity of any further action by the City Council so that the City Council may further consider the matter on or after February 1, 2012 in light of such extension and such other new information that may be available during the extension period.

Section 5. Notwithstanding the foregoing, the City Council hereby reserves the right to later rescind this Resolution and elect to retain the housing assets and functions of the dissolved Sonoma Community Development Agency. This right to later rescind is hereby reserved through and including May 1, 2012.

PASSED, APPROVED, AND ADOPTED this ____ day of January, 2012.

Joanne Sanders, Mayor

CITY OF SONOMA)
)
STATE OF CALIFORNIA) .ss

I, Gay Johann, City Clerk of the City of Sonoma, hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Sonoma at an adjourned regular meeting thereof held on January ____ 2012, by the following vote:

AYES:

NOES:

ABSENT:

Gay Johann, City Clerk

[SEAL]

CITY OF SONOMA

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SONOMA, CALIFORNIA 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

WHEREAS, the Sonoma Community Development Agency (“Redevelopment Agency”) is a public body, corporate and politic, organized and existing under the California Community Redevelopment Law (Health & Safety Code Section 33000 *et seq.*); and

WHEREAS, the City of Sonoma is a municipal corporation and a general law city of the State of California (“City”); and

WHEREAS, on December 29, 2011, the California Supreme Court issued its opinion in the case *California Redevelopment Association, et al. v. Ana Matosantos, etc., et al.*, Case No. S196861, and upheld the validity of Assembly Bill 1x26 (“AB1x26”) and invalidated Assembly Bill 1x27; and

WHEREAS, the Court’s decision results in the implementation of AB1x26 which dissolves all the redevelopment agencies in the State of California as of February 1, 2012; and

WHEREAS, pursuant to a provision of AB1x26, codified as Health and Safety Code Section 34176, the city, in the case of a redevelopment agency of a city, may retain the housing assets and functions of the dissolved redevelopment agency; and

WHEREAS, the City Council, having considered the matter, has determined, in its legislative discretion, that it is in the best interests of the City for the City to retain the housing assets and functions of the dissolved Redevelopment Agency;

NOW, THEREFORE, the City Council of the City of Sonoma resolves as follows:

Section 1. The foregoing Recitals are true and correct and are incorporated herein.

Section 2. The City Council of the City of Sonoma hereby determines that the City of Sonoma shall retain the housing assets and functions of the dissolved Sonoma Community Development Agency.

Section 3. The City Manager and her authorized designees are hereby authorized and directed to take such other and further actions and sign such other and further documents as is necessary and proper to implement this Resolution on behalf of the City.

Section 4. This Resolution is adopted in contemplation of the dissolution of the Sonoma Community Development Agency pursuant to AB1x26 occurring as of February 1, 2012. If the dissolution does not occur on that date because State legislation extends the dissolution date, this Resolution automatically shall be null and void without the necessity of any further action by the City Council so that the City Council may further consider the matter on or after February 1, 2012 in light of such extension and such other new information that may be available during the extension period.

Section 5. Notwithstanding the foregoing, the City Council hereby reserves the right to later rescind this Resolution and elect not to retain the housing assets and functions of the dissolved Sonoma Community Development Agency This right to later rescind is hereby reserved through and including May 1, 2012.

PASSED, APPROVED, AND ADOPTED this ____ day of January, 2012.

Joanne Sanders, Mayor

CITY OF SONOMA)
) .ss
STATE OF CALIFORNIA)

I, Gay Johann, City Clerk of the City of Sonoma, hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Sonoma at a special meeting thereof held on January ____ 2012, by the following vote:

AYES:

NOES:

ABSENT:

Gay Johann, City Clerk

[SEAL]



City of Sonoma
City Council
Agenda Item Summary

City Council Agenda Item: 3B

Meeting Date: 1/30/12

Department

Administration

Staff Contact

Linda Kelly, City Manager

Carol Giovanatto, Assistant City Manager

Agenda Item Title

Adoption of amended Enforceable Obligation Payment Schedule for former Sonoma Community Development Agency, pursuant to AB1X 26

Summary

At its meeting of August 15, 2011, the City Council adopted as an urgent agenda item the Enforceable Obligation Payment Schedule (EOPS). This schedule is meant to document all financial commitments of the former Agency per the adopted Agency operating budget [FY 2011-12] updated to include all additional new financial impacts resulting from the elimination of redevelopment [such as audit and legal costs].

The Sonoma Community Development Agency (CDA) and its Successor Agency, the City of Sonoma (starting February 1), can only make payments on enforceable obligations (other than bonded indebtedness) listed on an EOPS until such time as the first Recognized Obligation Payment Schedule (ROPS) has 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. 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 recommends that 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.

Recommended Council Action

Adopt the Enforceable Obligation Payment Schedule.

Alternative Actions

Direct amendments to the EOPS.

Financial Impact

The EOPS lists all known enforceable obligations of the former CDA as of the date of adoption.

Environmental Review

- Environmental Impact Report
- Negative Declaration
- Exempt
- Not Applicable

Status

- Approved/Certified
 - No Action Required
 - Action Requested
-

Attachments:

Updated Enforceable Obligations Schedule

cc: N/A

ENFORCEABLE OBLIGATION PAYMENT SCHEDULE
 Per AB 26 - Section 34167 and 34169 (*)

Project Name / Debt Obligation	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year	Payments by month - 2012							June 2012 payables for period July-December	TOTAL
					January	February	March	April	May	June			
1) 2003 Tax Allocation Bond	Bank of New York	Portion of Bonds issue to fund non-housing projects	\$ 13,804,000.00	954,127.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	954,127.00	\$ 1,908,254.00
2) 2003 Tax Allocation Bond	Bank of New York	Portion of Bonds issue to fund housing projects	3,451,000.00	238,532.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	238,532.00	\$ 477,064.00
3) 2010 Tax Allocation Bond	Bank of New York	Portion of Bonds issue to fund non-housing projects	11,961,566.00	744,866.00	0.00	0.00	0.00	0.00	0.00	0.00	147,382.00	892,248.00	\$ 1,637,114.00
4) 2010 Tax Allocation Bond	Bank of New York	Portion of Bonds issue to fund housing projects	2,990,389.00	186,217.00	0.00	0.00	0.00	0.00	0.00	0.00	36,913.00	223,130.00	\$ 409,347.00
5) 2011 Tax Allocation Bond	Bank of New York	Portion of Bonds issue to fund non- housing projects	13,646,000.00	1,243,440.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,243,440.00	\$ 2,486,880.00
6) 2011 Tax Allocation Bond	Bank of New York	Portion of Bonds issue to fund housing projects	1,450,000.00	169,560.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	169,560.00	\$ 339,120.00
7) City of Sonoma/1993 REFA COP financing	Municipal Finance Corporation	Percentage of financing [37%] to for Carnegie Library upgrade in 1993	83,560.00	41,781.00	41,781.00	0.00	0.00	0.00	0.00	0.00	0.00	41,781.00	\$ 83,562.00
8) Visitors Bureau Contract for Service	Sonoma Valley Visitors Bureau	Contract for Marketing & Promotion	218,000.00	218,000.00	18,167.00	18,167.00	18,167.00	18,167.00	18,167.00	18,167.00	18,167.00	236,167.00	\$ 454,167.00
9) Cooperative Funding Agreement dated March 2011 for Capital Construction Prjs within Project Area	Various Contractors	Local Capital projects funded through Tax Increment	831,870.00	831,870.00	0.00	0.00	0.00	0.00	0.00	0.00	831,870.00	831,870.00	\$ 1,663,740.00
10) Cooperative Funding Agreement dated March 2011 for Americans With Disabilities Act [ADA] Capital Improvement Prjs within Project Area	Various Contractors	Local Capital projects funded through Tax Increment	200,000.00	200,000.00	0.00	0.00	0.00	0.00	0.00	0.00	200,000.00	400,000.00	\$ 600,000.00
11) Cooperative Funding Agreement dated March 2011 for Wayfinding Signage Prjs within Project Area	Various Contractors	Local Capital projects funded through Tax Increment	70,000.00	70,000.00	0.00	0.00	0.00	0.00	0.00	0.00	70,000.00	140,000.00	\$ 210,000.00
12) Cooperative Funding Agreement dated March 2011 for Downtown Parking Improvement Prjs within Project Area	Various Contractors	Local Capital projects funded through Tax Increment	86,000.00	86,000.00	0.00	0.00	0.00	0.00	0.00	0.00	86,000.00	172,000.00	\$ 258,000.00
13) Cooperative Funding Agreement dated March 2011 for Agency Administration [Non-Housing]	City of Sonoma	Support of Agency duties including staff services, administration, fiscal reporting, operations	548,234.00	548,234.00	45,686.17	45,686.17	45,686.17	45,686.17	45,686.17	45,686.17	28,292.17	576,526.17	\$ 1,124,760.17
14) Economic Development Administration	City of Sonoma	Local business assistance and development program; economic development promotion	413,500.00	413,500.00	34,458.00	34,458.00	34,458.00	34,458.00	34,458.00	34,458.00	34,458.00	447,958.00	\$ 861,458.00
15) Cooperative Funding Agreement dated March 2011 for Graffiti Removal within Project Area	City of Sonoma	Costs for enforcement and personnel for graffiti removal and education in project area	60,000.00	60,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	65,000.00	\$ 125,000.00
16) Agreement to Acquire Historic Preservation Easement and Covenants	Sonoma Community Center	Acquisition of Historic Preservation Easement	500,000.00	50,000.00		0.00	0.00	0.00	25,000.00		0.00	50,000.00	\$ 100,000.00
17) City of Sonoma Funding Agreement entered into on 08/2009	Municipal Finance Corporation	Clean Renewable Energy Bonds [CREBS]	939,250.00	72,250.00	0.00	0.00	0.00	0.00	0.00	72,250.00	0.00	72,250.00	\$ 144,500.00
18) 2010 SERAF Loan Payment due to Housing Fund	Community Development Agency Housing Fund	Agency loan from LMI fund for payment of 2010 SERAF Payment	1,125,836.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
19) Cooperative Funding Agreement dated March 2011 for Agency Administration [Housing]	City of Sonoma	Support of Agency duties including staff services, administration, fiscal reporting, operations	230,728.00	230,728.00	59,535.00	59,535.00	59,535.00	59,535.00	59,535.00	59,535.00	59,535.00	290,263.00	\$ 520,991.00
20) Emergency/Homeless Shelter [Housing]	Sonoma Overnight Shelter	Contract for Shelter Operations	30,000.00	30,000.00	0.00	0.00	0.00	7,500.00	0.00	0.00	7,500.00	37,500.00	\$ 67,500.00
21) Village Green II Low Income Housing USDA Loan	United States Department of Agriculture	Affordable Senior Housing Project purchased in 2005 to maintain affordability	799,203.00	4,054.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,054.00	\$ 8,108.00
22) Village Green II Low Income Housing Exchange Bank Loan	Exchange Bank	Affordable Senior Housing Project purchased in 2005 to maintain affordability	2,070,560.00	136,961.00	11,413.00	11,413.00	11,413.00	11,413.00	11,413.00	11,413.00	11,413.00	148,374.00	\$ 285,335.00
23) Economic Development Program	City of Sonoma	Memorandum of Understanding between three parties: Sonoma Valley Chamber of Commerce, Sonoma County Community Development Commission and Sonoma Community Development Agency	69,360.00	69,360.00	5,780.00	5,780.00	5,780.00	5,780.00	5,780.00	5,780.00	5,780.00	75,140.00	\$ 144,500.00
24) Rutan and Tucker	Rutan and Tucker	Legal counsel for Successor Agency	6,600.00	80,000.00	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	8,333.33	20,000.00	\$ 100,000.00
25) Jeffrey A. Walter, a Professional Law Corporation	Jeffrey A. Walter, a Professional Law Corporation	Legal counsel for Successor Agency	11,900.43	50,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	10,000.00	\$ 60,000.00
26) C. G Uhlenberg	C. G Uhlenberg	Auditing services for former Sonoma Community Development Agency	10,000.00	17,000.00	0.00	5,000.00	0.00	6,000.00	0.00	0.00	6,000.00	10,000.00	\$ 27,000.00
27) Conestoga-Rovers Associates	Conestoga-Rovers Associates	Underground Storage Tank monitoring of 32 Patten, property owned by former Sonoma Community Development Agency	27,800.00	27,800.00	2,316.66	2,316.66	2,316.66	2,316.66	2,316.66	2,316.66	2,316.66	30,116.66	\$ 57,916.66
28) Tierra West Advisors, Inc.	Tierra West Advisors, Inc.	Affordable Housing Consultant	146.25	23,838.75	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	3,900.00	27,738.75	\$ 51,577.50
29) Capital Construction Projects within Project Area	Various Contractors	Local Capital Projects funded through 2011 Bond Proceeds, including \$600,000 for Sebastiani Theater renovation (See Attachment A)	12,196,000.00	1,466,900.00	0.00	0.00	952,550.00	0.00	600,000.00	0.00	514,350.00	1,981,250.00	\$ 3,448,150.00
30) 2011 Tax Allocation Bond	Bank of New York	Portion of bond proceeds to fund housing projects	1,450,000.00	500,000.00	0.00	0.00	0.00	0.00	0.00	0.00	500,000.00	500,000.00	\$ 1,000,000.00
31) Affordable Housing Projects within project area	Various Contractors	Low/Moderate Housing projects	104,448.00	500,000.00	0.00	0.00	0.00	0.00	0.00	0.00	500,000.00	500,000.00	\$ 1,000,000.00
32) Sonoma Community Center Owner Participation Agreement with Sonoma Community Development Agency	Sonoma Community Center	Redevelopment and Rehabilitation of Historic Building in Project Area	2,000,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$ -
33) Administrative Allowance for Successor Agency	City of Sonoma	Duties of Successor Agency	0.00	250,000.00								250,000.00	\$ 500,000.00
Totals - This Page			\$ 71,385,950.68	\$ 9,515,018.75	\$ 241,370.16	\$ 204,589.16	\$ 1,152,139.16	\$ 463,089.16	\$ 896,839.16	\$ 3,082,210.16	\$ 10,639,025.58	\$ 20,154,044.33	
Grand total - All Pages			\$ 71,385,950.68	\$ 9,515,018.75	\$ 241,370.16	\$ 204,589.16	\$ 1,152,139.16	\$ 463,089.16	\$ 896,839.16	\$ 3,082,210.16	\$ 10,639,025.58	\$ 20,154,044.33	

Note: The amounts shown are approximations and may be higher or lower. The amounts shown for each month are also approximations and may be higher or lower within a particular month.
 Note: June 2012 invoices payable are approximations and may be higher or lower.
 SEE ATTACHMENT A 2011 CDA TAB PROJECTS

**ATTACHMENT A
COMMUNITY DEVELOPMENT AGENCY
2011 TAB PROJECTS**

PROJECTS 2011 TAB		
Sonoma Valley Regional Library Improvement Project		\$ 2,500,000
Public Building Total		<u>\$ 2,500,000</u>

Napa Road Rehabilitation		\$700,000	
France Street		\$404,000	
Citywide Pavement Mgmt/Sidewalk/ADA/Storm Drain [breakdown]:			
Project Breakdown:	From:	To:	
Leveroni	Broadway	Hiking path	\$173,000
Second Street West	West Napa	West Spain	\$54,000
First Street West	344 First West	Hiking path	\$49,000
Fryer Creek Drive	Hiking path	Newcomb	\$74,000
Oregon Street	e/o Sixth West	Firth West	\$47,000
Seventh Street West	Studley	West Napa	\$35,000
Third Street West	Arroyo	Bettencourt	\$37,000
Church Street	Fifth West	Fourth West	\$71,000
Curtin Lane	Seventh West	Fifth West	\$230,000
Newcomb Street	w/o Fryer Creek	Broadway Street	\$133,000
Malet Street	First West	Broadway	\$24,000
Fifth Street West	West MacArthur	175' south	\$97,000
Fifth Street West	175' s/o W Mac	Harrington	\$88,000
Curtin Lane	601 Curtin Ln	Fifth West	\$190,000
Hayes Street	Where widens	Bettencourt	\$59,000
Fourth Street West	Bettencourt	Andrieux	\$97,000
Harrington Drive	440 Harrington	Manor Drive	\$91,000
Patten Street	Broadway	Austin	\$63,500
Fifth Street West	175' s/o W MacAr	Harrington	\$220,000
Barrachi Way	Perkins	Bachero	\$87,000
Broadway	MacArthur	Napa Road	\$500,000
ADA ramps, sidewalks	Citywide		\$575,500
Nathanson Creek Outfall	France Street	Nathanson Creek	\$50,000
West MacArthur Culvert	Third Street West	Fryer Creek	\$390,000
Fryer Creek Bypass	Bettencourt	Arroya Way	\$762,000
Robinson Road SD Impr.	Robinson		<u>\$570,000</u>

<i>Subtotal</i>		\$4,767,000
Bikeway Improvements-Fryer Creek Bridge		\$300,000
Leveroni & Broadway Turn Lane/Signal Improvements		\$200,000
Comprehensive Bike Lane and Signage		\$175,000
Chase Street Bridge Reconstruction		<u>\$550,000</u>
Streets/Sidewalks/Bikeways Total		<u>\$7,096,000</u>

Sebastiani Theater ADA Improvements		\$ 600,000
Sonoma Community Center		\$ 2,000,000
Grants - Partner Agencies		<u>\$ 2,600,000</u>

TOTAL ALL BOND CAPITAL PROJECTS \$12,196,000

AFFORDABLE HOUSING PROJECTS \$ 1,450,000