

**CITY OF CLOVERDALE  
CITY COUNCIL**

**RESOLUTION NO. 021-2020**

**A RESOLUTION OF THE CITY OF CLOVERDALE APPROVING A REUSE REPORT REQUIRED BY HEALTH AND SAFETY CODE SECTION 33433, AUTHORIZING THE EXECUTION OF A DISPOSITION AND DEVELOPMENT AGREEMENT FOR THE LEASE OF REAL PROPERTY TO CHERRY CREEK VILLAGE, L.P., ADOPTING FINDINGS IN CONNECTION WITH SUCH LEASE, APPROVING PREDEVELOPMENT FINANCING FOR THE PROJECT, AND AUTHORIZING EXECUTION OF DOCUMENTS IN CONNECTION WITH SUCH DISPOSITION AND FINANCING**

**WHEREAS**, the City owns 1.95 acres of real property located at 520 South Cloverdale Blvd., Sonoma County, known as Assessor's Parcel Numbers 001-310-041 and 001-310-042, (the "**Property**"); and

**WHEREAS**, the Property was originally purchased by the former Redevelopment Agency of the City of Cloverdale (the "**Redevelopment Agency**") in accordance with Community Redevelopment Law (Health and Safety Code Sections 33000 *et seq.*) with Low- and Moderate-Income Housing Funds; and

**WHEREAS**, on February 1, 2012, the Redevelopment Agency was dissolved pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "**Dissolution Law**"), and all housing assets of the Redevelopment Agency, including the Property, were transferred to the City pursuant to a housing asset transfer form as required under California Health & Safety Code § 34176(a)(2); and

**WHEREAS**, at the direction of the City Council, staff have negotiated the terms and conditions under which Cherry Creek Village, L.P. ("**Developer**") would lease the Property (the "**Lease**") from the City to develop, construct, own and operate a twenty-four (24) unit multi-family housing development affordable to extremely-low and very-low income households (the "**Project**"); and

**WHEREAS**, the Project, the Property and the terms and conditions for development and financing of the Project are more particularly described in a proposed Disposition and Development Agreement (the "**DDA**"), copies of which have been provided to the City Council; and

**WHEREAS**, the City Council adopted a Supplemental Mitigated Negative Declaration and Findings of Overriding Consideration for the Project; and

**WHEREAS**, California Health and Safety Code Sections 33430 and 33431 provide that the City may sell or lease property without public bidding provided the City holds a public hearing following publication of notice; and

**WHEREAS**, California Health and Safety Code Section 33433 provides that prior to a the lease or sale of property acquired with tax increment funds (i) the City must prepare and make available to the public a report (the "**Reuse Report**") describing the terms of the lease and development of the property, (ii) the legislative body must hold a public hearing following notice, and (iii) the legislative body must approve the conveyance by a resolution adopting specified findings; and

**WHEREAS**, the City has caused a Reuse Report to be prepared, and the City Council has caused notice to be published and has conducted public hearings in accordance with all legal requirements; and

**WHEREAS**, the lease payment for the Property will be One Dollar (\$1.00) per year; and

**WHEREAS**, the proposed City financing for the Project includes (i) a Predevelopment Loan (the "**Loan**") in the amount of Two Hundred Fifty Thousand Dollars (\$250,000), and (ii) a grant to Kingdom Development, administrative partner to the Developer, in the amount of One Million Nine Hundred Thousand Dollars (\$1,900,000) (the "**Grant**"); and

**WHEREAS**, the loan agreement for the Loan (the "**Loan Agreement**") has been presented to the City Council substantially in the form on file with the City Clerk; and

**WHEREAS**, the Developer and City staff have negotiated an Affordable Housing Regulatory Agreement ("**Regulatory Agreement**") which restricts residential rents in the Project at affordable levels for a period of 55 years substantially in the form on file with the City Clerk.

**NOW THEREFORE BE IT RESOLVED** that the City Council of the City of Cloverdale hereby:

1. Finds that the lease of the Property in accordance with the DDA will assist in the development of housing for extremely-low and very-low income households, will further the goals of the Redevelopment Plan of the former Redevelopment Agency, and will be consistent with the implementation plan adopted in connection therewith.
2. Finds that the consideration to be paid for the lease of the Property is not less than the fair reuse value of the Property at the use and with the covenants and conditions imposed by the DDA and the Regulatory Agreement.
3. Approves the Reuse Report.
4. Approves the lease of the Property to the Developer and the provision of the Loan and the Grant pursuant to the terms and conditions set forth in the DDA.
5. Approves the DDA, the Loan Agreement and the Regulatory Agreement, authorizes the Executive Director to execute and deliver the DDA, the Loan Agreement and the Regulatory Agreement substantially in the forms on file with the City Clerk, with such

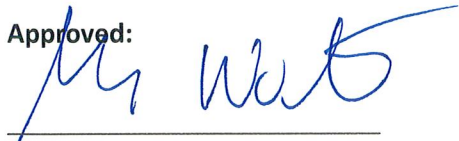
changes as may be approved by the City Attorney, and authorizes the recordation of a Memorandum of the DDA in the Official Records of Sonoma County.

6. Authorizes the Executive Director to execute such other documents and to take all other actions as necessary to carry out the intent of this Resolution.

The foregoing Resolution No. 021-2020 was duly introduced and adopted by the City Council of the City of Cloverdale at its regular meeting held on the 26th day of February 2020, by the following roll call vote:

<b>AYES:</b>	<b>(3)</b>	<b>Councilmember Bagby, Vice Mayor Turner, and Mayor Wolter</b>
<b>NOES:</b>	<b>(0)</b>	<b>None</b>
<b>ABSTAIN:</b>	<b>(1)</b>	<b>Councilmember Brigham</b>
<b>ABSENT:</b>	<b>(1)</b>	<b>Councilmember Cruz</b>

Approved:



Gus Wolter, Mayor

Attested:



Irene Camacho-Werby, City Clerk

I, IRENE CAMACHO-WERBY, City Clerk of the City of Cloverdale, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 021-2020 adopted by the City Council of the City of Cloverdale on the 26th day of February 2020.



Irene Camacho-Werby, City Clerk