



Renewal Enterprise District (RED)

Board Meeting

Regular Meeting

Date: December 19, 2022

Time: 11:00 A.M.

www.renewalenterprisedistrict.org

**In accordance with Executive Orders N-25-20, N-29-20 and Assembly Bill 361, the
December 19, 2022**

RED Board of Directors meeting will be held virtually.

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON

The December 19, 2022 RED Board Meeting will be facilitated virtually through Zoom.

Members of the public can participate in, watch or listen to the meeting using one of the two following methods:

1. Join the Zoom meeting application on your computer, tablet or smartphone at:
<https://us02web.zoom.us/j/86564371547>
Meeting ID: 865 6437 1547
2. Call-in and listen to the meeting:
Dial 1 (669) 900-6833
Enter Meeting ID: 865 6437 1547
or
iPhone one-tap:
+16699006833,,86564371547#

PUBLIC COMMENT PRIOR TO THE BOARD MEETING: Public Comment may be submitted via recorded voice message or email.

VOICE RECORDED PUBLIC COMMENT: To submit public comment via recorded message, please call 707-477-5653 by 5pm Friday, December 16th. State your name and the item number(s) on which you wish to speak. The recordings will be limited to two minutes. These comments may be played at the appropriate time during the board meeting.

EMAIL PUBLIC COMMENT: To submit an emailed public comment to the Board, email michelle.whitman@renewalenterprisedistrict.org. Please provide your name, the agenda number(s) on which you wish to speak, and your comment. These comments will be emailed to all Board members.

PUBLIC COMMENT DURING THE BOARD MEETING USING ZOOM: Members of the public who join the Zoom meeting, either through the Zoom app or by calling in, will be able to provide live public comment at specific points throughout the meeting.

EMAIL PUBLIC COMMENT: One may also email public comment to michelle.whitman@renewalenterprisedistrict.org throughout the meeting. All emailed public comments will be forwarded to all Board Members.

DISABLED ACCOMMODATION: If you have a disability which requires an accommodation or an alternative format to assist you in observing and commenting on this meeting, please contact the Clerk of the Board at (707) 477-5653 or by emailing Michelle Whitman at michelle.whitman@renewalenterprisedistrict.org by 12 pm Thursday, December 15th to ensure arrangements for accommodation.

The rules for public observation and comment supersede and replace the standard provisions on page four for the duration of the public health emergency.

11:00 A.M. CALL TO ORDER

1. **Call to Order, Roll Call and Approval of the Agenda**
(Items may be added or withdrawn from the agenda consistent with State law)
2. **Public comment on matters not listed on the agenda but within the subject matter jurisdiction of the Board**
3. **Consent Calendar**
 - a. Approve minutes of August 15, 2022 Board meeting
 - b. Approve Year-to-date Financial Report
 - c. Authorizing Teleconferencing to Ensure Safe Public Participation in Local Government Meetings
 - d. Approve 2023 meeting schedule
 - e. Renew Legal Service Agreement with Burke, Williams & Sorensen, extending the term through December 31, 2023, not to exceed amount of \$24,000
 - f. Budget Adjustment – Disburse Additional \$256,340 in Grant Proceeds to RED Housing Fund in Accordance with the Terms of the Kaiser Grant Agreement, and the RED/RHF Grant and Services Agreement.
4. **Informational Item – RED Housing Fund Update**
5. **Study Session – Board Discussion of Workplan and Vision for 2023**
6. **Closed Session** – The Renewal Enterprise District Board will consider the following in closed session: Public Employee Performance Evaluation – Executive Director
7. **Closed Session Report Out**
8. **Adjournment**

Member Agency	Directors
<i>County of Sonoma</i>	Chris Coursey (Chair)
<i>City of Santa Rosa</i>	Eddie Alvarez, Alternate
<i>City of Santa Rosa</i>	Victoria Fleming
<i>County of Sonoma</i>	David Rabbitt

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format, or requires another person to assist you while attending this meeting, please contact Michelle Whitman, (707) 477-5653, as soon as possible to ensure arrangements for accommodation.

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Meeting Documents: The associated documentation is available at the offices of the JPA listed above and on the website at: www.RenewalEnterpriseDistrict.org

Any changes to the date of the hearing, or any other updates will be noticed on the above website. For more information, please contact Michelle Whitman, Michelle.Whitman@RenewalEnterpriseDistrict.org



Renewal Enterprise District (RED) Board Meeting, Minutes - DRAFT

Regular Meeting

Date: August 15, 2022

Time: 11:00 A.M.

www.renewalenterprisedistrict.org

In accordance with AB 361, Governor Newsom's March 4, 2020 State of Emergency due to the COVID-19 pandemic, and the Sonoma County Public Health Officer's Recommendation for Teleconferenced Meetings, the August 15, 2022 RED Board of Directors meeting will be held virtually.

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON

The August 15, 2022 RED Board Meeting will be facilitated virtually through Zoom.

Members of the public can participate in, watch or listen to the meeting using one of the two following methods:

1. Join the Zoom meeting application on your computer, tablet or smartphone at:
<https://us02web.zoom.us/j/83934547439>
Meeting ID: 839 3454 7439
2. Call-in and listen to the meeting:
Dial 1 (669) 900-6833
Enter Meeting ID: 839 3454 7439
or
iPhone one-tap:
+16699006833,,83934547439#

PUBLIC COMMENT PRIOR TO THE BOARD MEETING: Public Comment may be submitted via recorded voice message or email.

VOICE RECORDED PUBLIC COMMENT: To submit public comment via recorded message, please call 707-477-5653 by 5pm Friday, August 12. State your name and the item number(s) on which you wish to speak. The recordings will be limited to two minutes. These comments may be played at the appropriate time during the board meeting.

EMAIL PUBLIC COMMENT: To submit an emailed public comment to the Board, email (michelle.whitman@renewalenterprisedistrict.org). Please provide your name, the agenda number(s) you wish to address, and your comment. These comments will be emailed to all

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The rules for public observation and comment supersede and replace the standard provisions on page four for the duration of the public health emergency.

See following page for Agenda Items

11:00 A.M. CALL TO ORDER**1. Call to Order and Approval of the Agenda**

(Items may be added or withdrawn from the agenda consistent with State law)

Chair Coursey called the meeting to order at 11:06 AM. Executive Director Michelle Whitman took roll, noting that a quorum was present, consisting of the following Directors: Victoria Fleming, Tom Schwedhelm, David Rabbitt, and Chris Coursey. The agenda, was approved unanimously.

Members of the RED Housing Fund attending for item #4, joint study session: Veronica Ferguson, Jen Klose, David Gouin, Michelle Whitman.

2. Public comment on matters not listed on the agenda but within the subject matter jurisdiction of the Board

Time open: 11:06

Time closed: 11:07

Public speakers: None; Chair invited public comment, no one came forward and there were no prerecorded or emailed comments submitted.

3. Consent Calendar

- a. Authorize Teleconferencing to Ensure Safe Public Participation in Local Government Meetings.
- b. Approve minutes of June 20, 2022 Board meeting
- c. Approve Year-to-Date Financial Report
- d. Authorize Renewal Enterprise District (RED) Executive Director, Michelle Whitman, to accept an invitation to join the Bay Area Housing Finance Authority's BAHFA Advisory Committee.

Time open: 11:08

Time closed: 11:15

Public speakers: None; Chair invited public comment, no one came forward and there were no prerecorded or emailed comments submitted.

Board questions and comments on the Consent items 3a-3d:

Schwedhelm questioned why the staff report for item 3d states that ED Whitman would participate on BAHFA Advisory Committee using personal rather than compensated time. Whitman reported that in the future BAHFA may be involved in a ballot measure campaign and that if that were to happen, she would need to use personal time for the campaign activity. Schwedhelm recommended that for liability reasons the ED should participate in her official, compensated capacity except for campaign activities, which would be on her personal, uncompensated time. All Board members agreed with the approach, and appreciate that the RED could contribute and represent the unique North Bay perspective and experience.

Action: Approve items 3a-3d as presented with exception that ED Whitman would participate on BAHFA Advisory Committee in an official, compensated role except for any future campaign activity related to BAHFA, which she would participate in on her personal, uncompensated time.

Vote count:

AYE Schwedhelm AYE Fleming AYE Rabbitt AYE Coursey

Note: Roll call vote was taken at 12:20 PM

4. RED/RED Housing Fund Joint Study Session - Study Session items are items for in-depth discussion and possible direction to staff. No action will be requested.

a. Review of RED Housing Fund (RHF or Fund) Lending Activity; and

b. Discussion of opportunities for future RED/RED Housing Fund collaboration.

Time open: 11:16

Time closed: 12:19

Public speakers: None; Chair invited public comment, no one came forward and there were no prerecorded or emailed comments submitted.

RED Board questions and comments:

Coursey: Hearing RED and RHF colleagues' comments that with future lending capacity, the RHF could pursue more innovative projects, however the groundbreaking launch of the new Fund, and demand for its products, signals early success and should be celebrated as innovative. It is a testament that the Fund is well suited to address the current need in Sonoma County, and can evolve to meet future needs and goals. Questions whether potential RED members are interested in joining the JPA for mission aligned reasons beyond its powers to issue Essential Function Bonds, Michelle answers that the RED needs to be of value, one way or another. Chair Coursey would like to add members who are interested in what the RED is currently doing since its Board has not made a final decision to expand into bond issuance.

Fleming: Reflects back to series of challenging RED Board meetings to adopt Project Criteria, which felt futile at times. Today, with the expedient launch of the Fund, and commendable speed in underwriting and closing loans so housing can break ground, the Fund is cutting edge, exciting, meeting the community needs, aligning well with Criteria. Encourages RHF staff and Board to network with developers and stakeholders to identify ways to make more innovative, interesting, exciting housing developments financially feasible as they seek to include more elements from Criteria. Will continue to participate in and support fundraising and capital building efforts and has seen past efforts pay off. Could justify geographical expansion and new members to encourage smart growth housing. Regarding shared capacities of the RED and RHF, feels well supported and that the RHF is successfully carrying out the purposes of the RED.

Rabbitt: Project Criteria was intended to spur downtown housing production for all incomes, happy to see that more than half of the first round of Fund loans will build affordable units, looking forward to future new housing meeting more ambitious policy goals (e.g. shared or public open space incorporated into projects), excited by what the Fund has achieved so far. Regarding expansion, always expected the RED to grow along the 101 corridor, along with SMART and is supportive of doing so to build housing that reduces vehicle miles traveled.

Schwedhelm: Recommends that the RED and RHF coordinate more significantly with City's and County's lobbyists to arrange visits, build relationships that can lead to funding opportunities, he will talk to Mayor Rogers on this point.

RHF Board questions and comments:

Ferguson: Happy with the range of affordability across projects that applied for funding, including housing for vulnerable communities. When possible, future lending should favor projects that include more or even all the RED's evaluation criteria features. Would like to

attract and fund more innovative, cutting edge, catalytic projects. Encourages working with City and County lobbyists. Wonders if City and County housing funds could be more efficiently administered or distributed through the RHF when appropriate. Observes that shared capacities of the RED and RHF have been very supportive of both Boards.

Klose: Projects are getting more difficult to finance due to high materials and labor costs, rising interest rates, which will require innovation from project sponsors. Would like to see RHF providing gap funding to builders using cutting edge materials, technologies, products to rein in costs.

Gouin: Healthcare sector is a natural funding partner for the RED and RHF, he will help with connections to decision makers with healthcare providers.

5. Action Item: Review and consider approval of Fiscal Year 2022-2023 Final Budget

Recommended Action: Approve the Fiscal Year 2022-2023 Final Budget and approve Budget Resolution

Time open: 12:21

Time closed: 12:32

Public speakers: None; Chair invited public comment, no one came forward and there were no prerecorded or emailed comments submitted.

Board questions and comments:

Fleming: Asks for clarification on sources of FY22-23 revenue.

Action: Approve FY22-23 Final Budget and approve Resolution

Vote count:

AYE Schwedhelm AYE Fleming AYE Rabbitt AYE Coursey

6. Executive Director's Report

Time open: 12:32

Time closed: 12:37

Public speakers: None; Chair invited public comment, no one came forward and there were no prerecorded or emailed comments submitted.

Board questions and comments:

Fleming: Interested in being involved in a development summit with City Manager.

7. Adjournment Meeting was adjourned at 12:37 PM

Member Agency	Directors
County of Sonoma	Chris Coursey (Chair)
City of Santa Rosa	Tom Schwedhelm (Vice Chair)
County of Sonoma	David Rabbitt
City of Santa Rosa	Victoria Fleming

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Renewal Enterprise District Consent Item

TO: Board of Directors
FROM: Michelle Whitman, Executive Director
SUBJECT: Financial Report through November 30, 2022

Summary: The Renewal Enterprise District's (RED) total YTD revenue is \$(0), and \$2,443.00 in expenses were incurred through November 30, 2022.

Background

This report covers the full fiscal year 2022/23 through November 30, 2022
The RED's Preliminary Budget for FY 22/23 is \$587,663.00
Income for FY22/23 is \$(0)*
Expenses for FY22/23 are \$325,591.87
Net income balance for FY22/23 is \$223,783.01

*Note that the interpretation of Renewal Enterprise District financials may be less intuitive than others because the agency's primary source of revenue, grants, are pre-funded. This requires a delay in revenue recognition on the financial reports due to a lag time between expense recognition and revenue recognition. This why expenses appear greater than income. This is a factor of the Auditor, Controller, Treasurer, Tax Collector's accounting system as relates to costs charged to a grant.

Staff Recommendation

Accept the financial report

List of Attachments

Exhibit A - Agency Budget Performance as of November 30, 2022.

Contact

Michelle Whitman, Executive Director, 707-543-3087 Michelle.Whitman@RenewalEnterpriseDistrict.org

Item #3b, Exhibit A

Renewal Enterprise District Budget to Actual					
As Of = @current-fiscal-month-end; Years = 1; Chart Fields = Fund,Account					
Fund [74751]					
Run: 2022-12-02 10:28 AM					
		FY 2023			
		Year-To-Date			
		Adjusted	Year-To-Date	Remaining	% of
Account	Account Description	Budget	Actual	Balance	Budget
Fund: 74751 – Renewal Enterprise Distr JPA					
Account Type: 00004 – All Revenues					
44002	Interest on Pooled Cash	(6,000.00)	(2,516.60)	(3,483.40)	42%
45301	Charges for Services	(75,000.00)	(25,000.00)	(50,000.00)	33%
46215	Other Grants	(297,444.00)	(74,292.26)	(223,151.74)	25%
	Total Revenue	(378,444.00)	(101,808.86)	(276,635.14)	27%
Account Type: 00005 – All Expense/Expenditure Accts					
51201	Administration Services	11,865.00	5,375.76	6,489.24	45%
51207	Client Accounting Services	18,000.00	1,731.11	16,268.89	10%
51212	Outside Counsel - Legal Advice	24,000.00	1,425.00	22,575.00	6%
51226	Consulting Services	236,354.00	73,400.00	162,954.00	31%
53502	Community Grants	297,444.00	243,660.00	53,784.00	82%
	Total Expenditures	587,663.00	325,591.87	262,071.13	55%
	Net Cost	209,219.00	223,783.01	(14,564.01)	

Renewal Enterprise District

Consent Item

TO: Board of Directors
FROM: Michelle Whitman, Executive Director
SUBJECT: Resolution Ratifying Proclamation of State of Emergency by Governor Gavin Newsom and Authorizing Remote Teleconference Meetings of the Renewal Enterprise District, for a Period of 30 Days, Pursuant to Brown Act Provisions.

Summary: Consider approval of a Resolution ratifying Proclamation of State of Emergency by Governor Gavin Newsom, and authorize remote teleconference meetings of the Renewal Enterprise District, for a period of 30 Days, pursuant to Brown Act provisions

Background

During times of crisis or emergency, it is essential that public agencies are able to continue to provide service to the public. To assist in those efforts, Assembly Bill 361 (Rivas) allows public agencies to meet remotely as they did under the Governor's Executive Orders related to COVID-19.

Governor Newsom signed Assembly Bill 361 (AB 361) on September 16, 2021, which amends the Ralph M. Brown Act to provide additional provisions that allow meetings of legislative bodies to continue to be conducted via teleconference. This Resolution makes the findings to confirm the current conditions allow teleconference meetings pursuant to AB 361 for the Board of the Renewal Enterprise District and on behalf of Commissions and Committees created by the Board of Directors pursuant to Government Code Section 54952(b) . This will allow members of the public to safely observe and participate in Renewal Enterprise District meetings during the continued pandemic.

Discussion

AB 361 comes as the provisions of Executive Order No. N-29-20 (as revised by Executive Order No. N-08-21), which modifies the requirements for the conduct of meetings via teleconference during the COVID-19 pandemic, expired on September 30, 2021.

AB 361 allows a local agency legislative body to hold a meeting utilizing teleconferencing without complying with the standard teleconferencing requirements if the Governor has proclaimed a State of Emergency and if the local Public Health Officer continues to recommend social distancing measures to protect the public's health and safety during local government meetings. These conditions continue to exist.

Governor Newsom's March 4, 2020 Proclamation of Emergency related to the COVID-19 pandemic is still in effect. In addition, the Sonoma County Public Health Officer continues to recommend teleconferencing or social distancing to protect the public's health and safety during local government meetings.

Agenda Item: 3c

Meeting Date: December 19, 2022

If a meeting is held via teleconference under AB 361, the following requirements apply:

- Notice of the meeting must continue to be given in compliance with the Brown Act
- The notice must continue to include the means by which the public may access the meeting and provide public comment
- The public must continue to have access to the meeting via a call-in option or internet-based service option. The agency does not have to provide an in-person option for the public to attend
- Staff should continue to check the broadcast and the ability to take call-in or internet-based public comment to confirm the public has continued access

Staff Recommendation

Adopt a resolution of the Board of Directors of the Renewal Enterprise District authorizing teleconference meetings in compliance with AB 361 to continue to allow members of the public to safely participate in local government meetings.

Vote Requirement

Majority

Fiscal Impact

None

List of Attachments

Exhibit A – Sonoma County Public Health Officer Recommendation to Continue to Use Teleconferencing for Local Government Meetings

Exhibit B – Resolution

Contact

Michelle Whitman, Executive Director, 707-543-3087 Michelle.Whitman@RenewalEnterpriseDistrict.org



Sonoma County Public Health Recommendations for Safely Holding Public Meetings

September 22, 2021

Each local government agency is authorized to determine whether to hold public meetings in person, online (teleconferencing only), or via a combination of methods. The following are recommendations from Sonoma County Public Health to minimize the risk of COVID-19 transmission during a public meeting of a legislative body held in compliance with Government Code section 54953(e):

1. Online meetings (teleconferencing meetings) are strongly recommended as those meetings present the lowest risk of transmission of SARS-CoV-2, the virus that causes COVID-19.
2. If a local agency determines to hold in-person meetings, offering the public the opportunity to attend via a call-in option or an internet-based service option is recommended, when possible, to give those at higher risk of and/or higher concern about COVID-19 an alternative to participating in person.
3. If a local agency holds in person meetings, a written safety protocol should be developed and followed. It is recommended that the protocol require social distancing – i.e., six feet of separation between attendees – and face masking of all attendees in compliance with [Order of the Health Officer of the County of Sonoma C19-25](#).
4. If a local agency holds in person meetings, seating arrangements should allow for staff and members of the public to easily maintain at least six-foot distance from one another at all practicable times.
5. Consider holding public meetings outdoors. Increasing scientific consensus is that outdoor airflow reduces the risk of COVID-19 transmission compared to indoor spaces. Hosting events outdoors also may make it easier to space staff and members of the public at least six feet apart.
6. Current evidence is unclear as to the added benefit of temperature checks in addition to symptom checks. We encourage focus on symptom checks as they may screen out individuals with symptoms but no fever and help reinforce the message to not go out in public if you are not feeling well.
7. Consider a voluntary attendance sheet with names and contact information to assist in contact tracing of any cases linked to a public meeting.

Dr. Sundari R. Mase, MD MPH
Health Officer of the County of Sonoma

Item 3c, Exhibit B

WHEREAS, the Board of Directors of the Renewal Enterprise District desires to affirm a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California, and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that the Renewal Enterprise District shall conduct its meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, members of the public can participate in, watch or listen to the meeting using one of the two following methods: by joining the Zoom application on their computers or by calling in to the meeting.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE RENEWAL ENTERPRISE DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. The Board hereby proclaims that a local emergency now exists throughout Sonoma County, and the SARS-CoV-2 B.1.617.2 (Delta) variant has been circulating in Sonoma County and is highly transmissible in indoor settings, requiring multi-component prevention strategies to reduce spread.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 17, 2020.

Section 4. Remote Teleconference Meetings. The Executive Director and Board of Directors of the Renewal Enterprise District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) January 18, 2023 or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the Renewal Enterprise District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

Item 3c, Exhibit B

PASSED AND ADOPTED by the Board of Directors of the Renewal Enterprise District, this 19th day of December, 2022, by the following vote:

___ Fleming ___ Rabbitt ___ Schwedhelm ___ Coursey

AYES:

NOES:

ABSENT:

ABSTAIN:

So Ordered.

Renewal Enterprise District Consent Item

TO: Board of Directors
FROM: Michelle Whitman, Executive Director
SUBJECT: Approve 2023 meeting schedule

Summary: Consider approval of 2023 meeting schedule

Background

According to the Joint Exercise of Powers Agreement (JPA), the RED Board shall establish by resolution, bylaws, or other procedure a regular meeting time and place. The Board may vote to change the regular meeting time and place provided that the new location remains at a place within the RED's jurisdictional boundaries (JPA 5.05).

Section 5.1 of the RED Bylaws states that all regular meetings of the Board shall be held at the location and time as set forth in a resolution adopted by the Board of Directors.

RED Board meetings are typically held on the third Monday of every other month beginning at 11:00. When possible, meetings are held in the Sonoma County Transportation Authority Board Room, 411 King Street, Santa Rosa, California, 95404, unless it is anticipated that the number of members of the public expected to attend would exceed the capacity of the facility or the facility is unavailable. In such case, another facility within the RED's jurisdictional boundaries may be used. However, during the pandemic, meetings have been conducted by teleconference accordance with Executive Orders N-25-20, N-29-20 and Assembly Bill 361, suspending or modifying certain portions of the Ralph M. Brown Act, while such orders are in force and effect.

This agenda item requests approval of the proposed 2023 regular Board meeting schedule, as follows:

2023 Meeting Dates
February 6
April 3
June 19
August 21
October 23
December 18

Staff recommends the February 2023 meeting to take place on February 6th due to scheduling conflicts related to proximity of holidays. Staff also recommends the April 2023 meeting to take place on April 3 due to a scheduling conflict.

Staff Recommendation

Approve Resolution setting the 2023 meeting dates, with a regular start time of 11:00 AM

List of Attachments

Exhibit A, Resolution

Fiscal Impact

None

Contact

Michelle Whitman, Executive Director, 707-543-3087 Michelle.Whitman@RenewalEnterpriseDistrict.org

RESOLUTION NO. RED-23-_____

**A RESOLUTION OF THE BOARD OF DIRECTORS SETTING THE TIME AND
PLACE FOR HOLDING REGULAR MEETINGS OF THE RENEWAL
ENTERPRISE DISTRICT BOARD OF DIRECTORS**

WHEREAS, Government Code section 54954(a) provides that “each legislative body of a local agency ... shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings”; and

WHEREAS, Section 5.05 of the RED’s Joint Powers of Exercise Agreement (JPA) provides that the Board may “establish by ordinance, resolution, bylaws, or other procedure a regular meeting time and place”; and

WHEREAS, Section 5.1 of the Board’s amended Bylaws provides that the time and place for holding regular meetings is established by resolution; and

WHEREAS, the Renewal Enterprise District Board of Directors has resolved to meet the third Monday of every other month at 11:00 a.m. at the SCTA Board Room, 411 King Street, Santa Rosa, California, 95404; and

WHEREAS, the Board of Directors desires to adopt this resolution setting and modifying the meeting time and place for regular meetings, as well as allowing for an adjustment in the event of a declared emergency.

NOW, THEREFORE, BE IT RESOLVED BY THE RENEWAL ENTERPRISE DISTRICT BOARD OF DIRECTORS, AS FOLLOWS:

1. Regular meetings of the Renewal Enterprise District Board of Directors shall be held on the third Monday of every other calendar month, at 11 a.m., if not a legal holiday, and if a legal holiday, then the regular meeting will be adjourned to a specified time and location. Meetings shall be held in the Sonoma County Transportation Authority Board Room, 411 King Street, Santa Rosa, California, 95404, unless it is anticipated that the number of public expected to attend would exceed the capacity of the facility or the facility is unavailable. In such case, another facility within the RED’s jurisdictional boundaries may be used. In addition, meetings may be conducted by teleconference pursuant to the provisions of the Governor’s Executive Orders N-25-20 and N-29-20, and Assembly Bill 361, suspending or modifying certain portions of the Ralph M. Brown Act, while such orders are in force and effect.

2. In the event of an emergency, as declared by the federal, state or local government, the District Executive Director may adjust the time of a regular meeting to ensure the health and safety of staff and residents and continuity of District operations.
3. This resolution shall amend, replace and supersede any and all previous actions setting the time and place of regular meetings of the Renewal Enterprise District Board of Directors.

PASSED, APPROVED, AND ADOPTED this 19th day of December, 2022.

Fleming: ____ Rabbitt: ____ Schwedhelm: ____ Coursey: ____

VOTES:

Ayes:- ____ Noes: ____ Absent: ____ Abstain: ____

Date

Chair
Renewal Enterprise District

Renewal Enterprise District Consent Item

TO: Board of Directors
FROM: Michelle Whitman, Executive Director
SUBJECT: Renewal of Legal Service Agreement with Burke, Williams & Sorensen, extending the term through December 31, 2023, not to exceed amount of \$24,000.

Summary: Consider renewal of Legal Service Agreement with Burke, Williams & Sorensen, serving as General Counsel to the RED, extending the term through December 31, 2023, not to exceed amount of \$24,000.

Background

On December 3, 2019 the Renewal Enterprise District released a Request for Proposals (RFP) for legal services. The RFP was circulated to a list of ten law firms experienced in serving public agencies and nonprofit clients. The RED Executive Director, City of Santa Rosa and County of Sonoma attorneys evaluated four firms that submitted proposals. A finalist was identified, and references were checked before a recommendation to award the contract to Burke, Williams & Sorensen (BWS) was made to the RED Board.

Reference checks confirmed BWS attorneys' ability to perform as General Counsel for the RED, as well as the firm's expertise in housing finance. References were questioned about the firm's approach to cost management; responses were all positive, indicating "the team is cost conscious and efficient; institutional knowledge equates to less research needed; the firm has templates for a variety of purposes that save time and money; and bills are clear and fair."

BWS is an 80-year-old firm with 128 attorneys statewide serving 200 local governments and entities. Sue Bloch has extensive real estate, housing finance and development experience, and in particular, a deep understanding of affordable housing development and finance, HUD and HCD funding, and local housing trust funds. Sue has been involved with the planning and startup phases of the RED Housing Fund (RHF) and her familiarity with the RHF is expected to be beneficial on several levels, including risk management and cost containment.

Note that while rates are increasing as of January 1, 2023, BWS has not increased rates for representation of RED since the original agreement was signed more than 2 ½ years ago.

Staff Recommendation

Renew the Legal Service Agreement with Burke, Williams, Sorensen, included as Exhibit A, to continue to serve as General Counsel to the RED, extending the term through December 31, 2023, not to exceed amount of \$24,000.

Vote Requirement

Majority

Agenda Item: 3e

Meeting Date: December 19, 2022

Fiscal Impact

Up to \$24,000 payable as compensation for legal services provided by Burke, Williams, Sorensen through December 31, 2023. Funding was previously incorporated into the FY 2022-2023 Final Budget.

List of Attachments

Exhibit A – Legal Services Agreement (w Exhibits A & B)

Contact

Michelle Whitman, Executive Director, 707-543-3087

Michelle.Whitman@RenewalEnterpriseDistrict.org

LEGAL SERVICES AGREEMENT

This Legal Services Agreement ("Agreement") dated as of _____, 202_ ("Effective Date"), is made by and between the Renewal Enterprise District ("RED"), a California joint powers authority, and Burke, Williams & Sorensen, LLP, a Limited Liability Partnership ("Attorney"). This Agreement is required by Business and Professions Code Section 6148 and is intended to fulfill its requirements.

RECITALS

WHEREAS, Attorney specializes in general counsel for public agencies, and has significant experience and recognized expertise in housing finance, development, real estate, labor and employment law, and

WHEREAS, the RED Executive Director is authorized to enter into legal service agreements on behalf of the RED for an amount up to \$24,000.00; and

WHEREAS, the RED Executive Director has determined that Attorney's assistance is needed in connection with general counsel legal services.

NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

AGREEMENT

1. Services. Attorney will provide legal assistance to the RED Executive Director and Board members as may be appropriate, and advisory and representation services to the RED as described in Exhibit A. Such requests shall be made through the RED and Attorney shall always keep the RED Executive Director adequately informed of the matters Attorney is handling on its behalf. Attorney shall keep the RED Executive Director fully advised of the progress in each matter. Attorney shall provide RED Executive Director with periodic updates, as may be appropriate.
2. Compensation. Compensation to Attorney for services shall be at the rates set forth in Exhibit A, provided however that total payments hereunder shall not exceed \$24,000.00. The rates set forth in Exhibit A shall not be adjusted without a formal amendment to this Agreement as provided for in section 12 of this Agreement.
3. Term. The term of this Agreement shall commence upon the Effective Date and shall terminate on December 31, 2023.

4. Standard of Care. The RED has relied on the professional ability, professional experience, and training of Attorney as a material inducement to enter into this Agreement. Attorney warrants that all work will be performed in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance by RED of work performed by Attorney shall not operate as or be interpreted to be a waiver or release.
5. Billing and Timekeeping. Billing statements shall be provided on a monthly basis to the RED, and shall include the following information:
 - a. The date and time spent performing services. Minimum billing times shall not exceed one-tenth of an hour.
 - b. Summary description of the services performed regarding the designated matter, with a separate time allocation for each function (e.g., telephone calls, research, drafting);
 - c. Separate itemization of non-legal costs by type.
 - d. Total fees and costs of the matter to date.
 - e. For any extraordinary expenses, the invoice must include the date and who gave prior approval for incurring such expense.
 - f. All invoices submitted must include the following statement signed by the firm's supervising attorney:

"I have personally examined this billing statement. All entries are in accordance with the Legal Services Agreement, are correct and reasonable for the services performed and the costs incurred, and no item on this statement has been previously billed to the RED."
6. Non-Reimbursable Services. Attorney shall not be reimbursed for any of the following expenses:
 - a. Travel expenses, except to the extent approved in accordance with Section 7 below; provided, however, that the RED will reimburse Attorney for mileage costs in accordance with Exhibit A for travel between San Rafael and Santa Rosa, and for travel time between San Rafael and Santa Rosa up to a maximum not-to-exceed aggregate amount of \$5,000, using the lesser of actual round trip travel time from San Rafael to Santa Rosa or \$500 per round trip.
 - b. Unnecessary messenger or express mail charges.
 - c. Normal overhead functions such as word processing or typing time, scheduling of depositions, ordering records, calendaring functions, filing, indexing, proofreading or copying time, or any other procedures that are of a secretarial nature.
 - d. Meals, overtime, office supplies, or attorney time for preparation of bills or audit responses.

- e. Expenses for experts or Attorneys that have been retained without the prior written approval of the RED Executive Director.
 - f. Photocopying charges in excess of \$25.00 in any billing cycle without prior written approval of the RED Executive Director.
 - g. Office supplies, local telephone charges, per-page fax charges, conference call line charges, routine mail, etc.
 - h. Intra office conferencing time of more than one attorney for routine matters, unless such conference involves expert opinion.
 - i. Replacement attorney learning time or other ramp-up learning costs.
7. Direction and Extraordinary Expenses. Attorney shall seek pre-approval from the RED Executive Director or RED Board for all extraordinary expenses before the same is incurred by Attorney. By way of example, extraordinary expenses shall include expenses for preparing complex motions, undertaking significant legal research or substantial drafting, retaining experts and Attorneys, and out-of-town travel.
8. Termination. This Agreement may be terminated by the RED at any time, subject to equitable proportional payments due to Attorney. All files, written material, and documents will be transferred to the RED upon such termination. Attorney will be available to consult with the RED or, should one be retained, with the RED's new attorney with respect to facts and circumstances of any matters previously worked on by Attorney for a reasonable period of time following such termination.
9. Withdrawal. Attorney may withdraw as permitted under the Rules of Professional Conduct of the State Bar of California.
10. No Suspension or Debarment. Attorney warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Attorney also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration. If the Attorney becomes debarred, Attorney has the obligation to inform the RED.
11. Status of Attorney. The parties intend that Attorney, in performing the services under this Agreement, shall be an independent contractor and shall control the work and the manner in which it is performed. Attorney shall acquire no rights or status in the service of the RED. Attorney is not to be considered an agent or employee of the RED and is not entitled to participate in any pension plan, insurance, bonus, or similar benefits the RED provides its employees. In the event the RED exercises its right to terminate this Agreement pursuant to the terms herein, Attorney expressly agrees that Attorney shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.
12. Modification. If, during the term of this Agreement, it becomes necessary to amend or add to its terms, conditions, scope or requirements, such amendment or addition shall only be

made after mutual agreement of Attorney and the RED and by way of execution of a written modification to this Agreement.

13. Insurance. With respect to performance of work under this Agreement, Attorney shall maintain and require all of its subcontractors performing work pursuant to this Agreement to maintain, insurance as described in Exhibit B, which is attached hereto and incorporated herein, by this reference.
14. Indemnity. Attorney agrees to defend, indemnify, and hold harmless the RED, its officers, agents, and employees, from and against any and all actions, claims, damages, liabilities, or expenses (including without limitation, loss or damage to any person or entity, and loss or damage to RED property or the property of others) that may be asserted by any person or entity, including Attorney, arising out of or in connection with the negligent performance or willful misconduct of Attorney hereunder, except to the extent due to the gross negligence or willful misconduct of the RED. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Attorney or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts.
15. Rules of Professional Conduct. Nothing contained herein shall be construed to relieve Attorney of Attorney's obligations under the Rules of Professional Conduct.
16. Merger. This Agreement contains the entire agreement of the parties. No other agreement, statement or promise made on or before the effective date of this agreement will be binding on the parties.
17. Taxes. Attorney agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Attorney agrees to indemnify and hold the RED harmless from any liability which it may incur to the United States or to the State of California as a consequence of Attorney's failure to pay, when due, all such taxes and obligations. If the RED is audited for compliance regarding any withholding or other applicable taxes, Attorney agrees to furnish the RED with proof of payment of taxes on these earnings.
18. Conflict of Interest. Attorney covenants that Attorney presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the services hereunder. Where an actual or potential conflict of interest, as defined in the California Rules of Professional Conduct, arises in Attorney representing another party in a matter, the RED must waive any such actual or potential conflict before Attorney may represent such other party. Further, Attorneys representing the RED must file an annual Statement of Economic Interests (Form 700) with the RED Clerk.
19. Nondiscrimination. Attorney shall comply with all applicable federal, state, and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation, or other prohibited basis, including without limitation the

RED's Non-Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated by this reference.

20. Assignment and Delegation. Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.
21. Method and Place of Giving Notice, Submitting Bills and Making Payments. All notices, bills, and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills, and payments sent by mail shall be addressed as follows unless otherwise specified on the applicable invoice:

RED: Michelle Whitman, Executive Director
100 Santa Rosa Avenue, Room 5
Santa Rosa, CA 95404
(707) 543-3087
michelle.whitman@renewalenterprisedistrict.org

Attorney: Susan Bloch, Partner
Burke, Williams & Sorensen, LLP
1901 Harrison Street, Suite 900
Oakland, CA 94612
(510) 903-8809
sbloch@bwslaw.com

And when so addressed, shall be deemed given upon deposit in the United States mail, postage prepaid. In all other instances, notices, bills, and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills, and payments are to be given by giving notice pursuant to this paragraph.

22. No Waiver of Breach. The waiver by the RED of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or promise or any subsequent breach of the same or any other term or promise contained in this Agreement.

23. Applicable Law and Forum. This Agreement shall be construed and interpreted according to California Law, and any action or proceeding to enforce this Agreement or for the breach thereof shall be brought or tried in the County of Sonoma.
24. AIDS Discrimination. Attorney agrees to comply with the provisions of Article II of Chapter 19 of the Sonoma County Code, prohibiting discrimination in housing, employment, and services because of AIDS or HIV infection during the term of this Agreement and any extensions of the term.
25. Counterparts. This Agreement may be executed in several counterparts and all counterparts so executed shall constitute one agreement that shall be binding on all of the parties, notwithstanding that all of the parties are not signatory to the original or same counterpart.
26. Retention of Materials. Attorney agrees to maintain adequate documentation to substantiate all charges as required under Sections 5-6 of this Agreement and shall make such documentation available to authorized representatives of the RED for inspection at any reasonable time. Attorney agrees to maintain its documentation related to the performance of this Agreement and shall allow the RED access to such documentation during the performance of this Agreement and for a period of four (4) years after completion of services hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Dated: _____, 202__

Attorney:

By: _____

Dated: _____, 202__

Renewal Enterprise District:

By: _____

Michelle Whitman

Executive Director

Renewal Enterprise District

Item #3e, Exhibit A

CERTIFICATES OF INSURANCE ON

FILE WITH AND APPROVED BY:

By: _____

Executive Director,

Renewal Enterprise District

Dated: _____

EXHIBIT A (TO LSA)

SERVICES

Attorney will be expected to provide services including but not limited to the following:

1. Represent and advise the RED Board, Executive Director and officers in all matters of law pertaining to their office. Give advice and opinions on the legality of all matters under consideration by the RED or officers of the RED.
2. Attend and represent the RED's legal interests at RED Board meetings, workshops, and other meetings as specified by the RED. The RED's Attorney may be requested to attend one Board meeting bimonthly and other meetings as needed. Regular RED Board meetings are typically held the last Wednesday of every other month at 1:00 p.m.
3. Provide legal opinions, advice, assistance, and consultation to the RED Board, Executive Director and staff. The range of services routinely requested of the RED's Attorney includes, but are not limited to, the following areas of municipal law:
 - a. the Brown Act;
 - b. the Public Records Act;
 - c. conflicts of interest;
 - d. election law;
 - e. contracts;
 - f. leases and other property transactions;
 - g. personnel and disability laws;
 - h. employee relations and labor negotiations;
 - i. pending and current state and federal legislation and court decisions;
 - j. tort liability and risk management;
4. Provide training and advice to the RED Executive Director and staff related to the Brown Act, AB1234, conflicts of interest, and other legal requirements imposed by statute.
5. Review, approve, and prepare ordinances, resolutions, staff reports, contracts, deeds, leases, and other legal documents required by the RED.
6. Represent the RED in civil litigation brought on behalf of or against the RED as necessary and directed by the RED Board.
7. Perform such other legal duties as may be required to complete the performance of the functions mentioned above.

COMPENSATION

In consideration for the provision of legal services, the RED agrees to compensate Attorney as follows:

1. Use of Appropriate Personnel. Within the Attorney's law firm, research and minor discovery work should be performed by the lowest level of personnel (e.g., junior attorneys, paralegals) capable of performing a given task. Responsibility for the quality of the work product remains with the assigned attorney.
2. Multiple Attorney Conferences/Attendance. The RED will not pay for attendance by more than one representative from Attorney's law firm at meetings, court appearances, conferences, or other similar events without prior written notice to and approval by the RED Executive Director. The RED retains the right to approve or disapprove of multiple attorney attendance at such events.
3. Payments. Attorney's law firm will invoice the RED on a monthly basis for all fees accrued during the preceding month, and the amounts due under such invoice shall be payable within thirty (30) days after the RED's receipt of such invoice.

Hourly Rates for Legal Services, effective January 1, 2023

Partners \$375 - \$405

Associate Attorneys \$320-350

Paralegals \$195

For matters for which RED's legal fees are reimbursed by third parties (e.g., loan transactions and similar matters):

Partners \$425 - \$455

Associate Attorneys \$360 - \$390

Paralegals \$215

Expenses

In-house reproduction charges: Black and white 20¢ per page, color \$1 per page

Mileage: Current IRS rates), calculated from the Burke office nearest to the RED (San Rafael), subject to the calculation and limits set forth in the Agreement.

Facsimile: \$1 per page

All other costs reasonably and necessarily incurred in compliance with the Agreement in performing services for the RED: At cost

EXHIBIT B (TO LSA)
INSURANCE REQUIREMENTS

A. Insurance Policies: Attorney shall, at all times during the terms of this Agreement, maintain and keep in full force and effect, the following policies of insurance with minimum coverage as indicated below and issued by insurers with AM Best ratings of no less than A-:VI or otherwise acceptable to the RED.

Insurance	Minimum Coverage Limits	Additional Coverage Requirements
1. Commercial general liability	\$ 1 million per occurrence \$ 2 million aggregate	Coverage must be at least as broad as ISO CG 00 01 and must include completed operations coverage. If insurance applies separately to a project/location, aggregate may be equal to per occurrence amount. Coverage may be met by a combination of primary and umbrella or excess insurance but umbrella and excess shall provide coverage at least as broad as specified for underlying coverage. Coverage shall not exclude subsidence.
2. Business auto coverage	\$ 1 million	ISO Form Number CA 00 01 covering any auto (Code 1), or if Attorney has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$ 1 million per accident for bodily injury and property damage.
3. Professional liability (E&O)	\$ 1 million per claim \$ 1 million aggregate	Attorney shall provide on a policy form appropriate to profession. If on a claims made basis, Insurance must show coverage date prior to start of work and it must be maintained for three years after completion of work.

- | | | |
|---|--------------|--|
| 4. Workers' compensation and employer's liability | \$ 1 million | As required by the State of California, with Statutory Limits and Employer's Liability Insurance with limit of no less than \$ 1 million |
| | | per accident for bodily injury or disease. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the RED for all work performed by the Attorney, its employees, agents and subcontractors. |

B. Endorsements:

1. All policies shall provide or be endorsed to provide that coverage shall not be canceled, except after prior written notice has been provided to the RED in accordance with the policy provisions.
2. Liability, umbrella and excess policies shall provide or be endorsed to provide the following:
 - a. For any claims related to this project, Attorney's insurance coverage shall be primary and any insurance or self-insurance maintained by RED shall be excess of the Attorney's insurance and shall not contribute with it; and,
 - b. **The JPA Board of the Renewal Enterprise District, its officers, agents, employees and volunteers are to be covered as additional insureds on the CGL policy.** General liability coverage can be provided in the form of an endorsement to Attorney's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used.

- C. Verification of Coverage and Certificates of Insurance:** Attorney shall furnish original certificates and endorsements effecting coverage required above. Certificates and endorsements shall make reference to policy numbers. All certificates and endorsements are to be received and approved by the RED before work commences and must be in effect for the duration of the Agreement. The RED reserves the right to require complete copies of all required policies and endorsements.

D. Other Insurance Provisions:

1. No policy required by this Agreement shall prohibit Attorney from waiving any right of recovery prior to loss. Attorney hereby waives such right with regard to the indemnitees.
2. All insurance coverage amounts provided by Attorney and available or applicable to this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement limits the application of such insurance coverage. Defense costs must be paid in addition to coverage amounts.

3. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either Attorney or the RED. Self-insured retentions above \$10,000 must be approved by the RED. At the RED's option, Attorney may be required to provide financial guarantees.
4. Sole Proprietors must provide a representation of their Workers' Compensation Insurance exempt status.
5. The RED reserves the right to modify these insurance requirements while this Agreement is in effect, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Renewal Enterprise District Consent Item

TO: Board of Directors
FROM: Michelle Whitman, Executive Director
SUBJECT: Approve a \$256,340.00 budget adjustment; disburse additional grant proceeds to RED Housing Fund (RHF) in accordance with the terms of the Kaiser Grant Agreement, and the RED/RHF Grant and Services Agreement.

Summary: Approve \$256,340.00 budget adjustment; disburse additional grant proceeds to RED Housing Fund (RHF) to pay for ongoing start-up and operating expenses for the RHF, in accordance with the terms of both the Kaiser Permanente/EBCF Grant Agreement, and RED/RHF Grant and Services Agreement approved by the RED Board on October 18, 2021.

Background

In response to the unmet need for affordable, infill housing in urban areas of Sonoma County, the RED launched an effort to design and implement a new housing fund that would help accelerate the production of this much-needed type of housing. The initiative resulted in the formation of the RED Housing Fund (RHF), a 501(c)(3) federal tax-exempt public charity established to catalyze development of substantially more housing to meet the County's needs in a way that protects the environment, supports economic renewal, builds disaster resiliency, and improves the well-being of the County and all its residents.

In August 2021 RED applied for a \$1,000,000.00 grant from the Kaiser Permanente's National Community Benefit Fund, to support RHF start-up and general operating expenses through its first three years. On October 18, 2021, the RED received a grant award, with the entire \$1,000,000.00 disbursed to the RED in one installment. The grant agreement between the Kaiser Permanente National Community Benefit Fund and the RED states that the grant purpose is for the North Bay Fire Recovery and Rebuilding Framework, with the explicit goal to "pay for start-up and operating expenses for the RED Housing Fund," as referenced in the RED's grant proposal.

On October 18, 2021, the RED Board of Directors approved a Grant and Services Agreement (Exhibit A) with the RHF to enable the RHF to request and receive grant funds that the RED holds on its behalf, such as the Kaiser Permanente grant. The Agreement allows the RHF to submit regular requests to the RED, as a Form of Schedule (Exhibit B), for disbursement of grant funds, describing both incurred expenses and anticipated expenses, to be backed up by invoices, contracts, and other documentation to evidence and substantiate anticipated or actual expenses. In addition, the Agreement allows RHF to contract with RED for administrative services for a three-year period. Under the Agreement, the RED receives compensation of \$75,000.00 annually, or \$6,250.00 per month, to be paid from the Kaiser Permanente grant proceeds.

Today, the RED Housing Fund requests the disbursement of an additional \$256,340 from the Kaiser grant. The rationale for the request is twofold. First, the funds can earn a significantly higher rate of return (interest) in RHF's reinvestment accounts. Second, demonstrating ownership of the funds will put RHF in position to leverage the Kaiser grant by applying for a grant from the State of California's Local Housing Trust Fund program, which requires a 1:1 match.

Adjusted FY2022/2023 Budget

Dept ID: 66150100		Fiscal Year 2022 - 2023		Fiscal Year 2022 - 2023	
		Change from Prior Year		Adjusted	
		Final Budget	Actual	Budget	Change from Final Budget
Account	Description				
	Revenues				
46215	Other Grants - Hewlett Foundation		(175,821)	-	-
46215	Community Foundation Sonoma County		-	-	-
46215	Kaiser Permanente (EBCF) - RED Admin Services	75,000	25,000	75,000	-
46215	Kaiser Permanente (EBCF) - Other RHF Expenses	222,444	(52,056)	478,784	256,340
46029	Burbank Housing		-	-	-
46029	Rebuild North Bay Foundation		-	-	-
46029	MidPen		-	-	-
	Expected Grant Revenues	-	(1,000)	-	-
			-	-	-
42610	Member Assessments	-	(250,000)	-	-
44002	Interest on Pooled Cash	6,000	1,440	6,000	-
45301	Charges for Services	75,000	25,000	75,000	-
46200	Miscellaneous		-	-	-
	Total Revenues	378,444	(427,437)	634,784	256,340
	Expenditures				
51201	Administration Services and Supplies	11,864	2,162	11,864	-
51207	Client Accounting Services	18,000	4,315	18,000	-
51212	Outside Legal Counsel	24,000	6,630	24,000	-
51226	Consulting Services	236,354	88,598	236,354	-
51602	Business Travel/Mileage		-	-	-
51803	RED Housing Fund Planning	-	(95,560)	-	-
51916	County Service Charge		(693)	-	-
53501	Contribution to Other Governments	-	(15,000)	-	-
53501	RED grant to housing project		-	-	-
53502	Grant Pass through for Admin Services	75,000	25,000	75,000	-
53502	Grant Pass through for other RHF Expenses	222,444	(52,056)	478,784	256,340
51249	Other Professional Services for RHF		-	-	-
	Total Expenditures	587,663	(36,603)	844,002	256,340
	Starting Fund Balance	944,388	581,294	944,388	-
	Revenues	378,444	(427,437)	634,784	256,340
	Expenditures	(587,663)	36,603	(844,002)	(256,340)
	Unearned Revenue Adjustment - Hewlett Foundation		175,821	-	-
	Unearned Revenue Adjustment - Community Foundation		-	-	-
	Unearned Revenue Adjustment - EBCF - RED Admin Services	(75,000)	(575,500)	(75,000)	-
	Unearned Revenue Adjustment - EBCF - Other RHF Expenses	(222,444)	(397,444)	(478,784)	(256,340)
	Change in Fund Balance Reserve	-	100,000	-	-
	Rounding Adjustment		-	-	-
	Net Increase/(Decrease) in Fund Balance	(506,663)	(1,087,957)	(763,002)	(256,340)
	Ending Fund Balance available for budgeting	437,725	(506,663)	181,386	(256,340)

Agenda Item: 3f

Meeting Date: December 19, 2022

Staff Recommendation

Approve budget adjustment to disburse additional \$256,340 in Grant Proceeds to RED Housing Fund in Accordance with the Terms of the Kaiser Grant Agreement, and the RED/RHF Grant and Services Agreement.

Vote Requirement

Three-fourths vote needed for budget adjustment approval

Fiscal Impact

Fiscal Year 2022/2023 Budget adjustment of \$256,340. Revenue recognition increases to offset equivalent expenditure in 2022/2023.

List of Attachments

Exhibit A – RED/RED Housing Fund Grant and Services Agreement

Exhibit B – RED/RED Housing Fund Form of Schedule

Exhibit C – FY2022/2023 Budget Adjustment Resolution

Contact

Michelle Whitman, Executive Director, 707-543-3087 Michelle.Whitman@RenewalEnterpriseDistrict.org

Item 4, Exhibit A

GRANT AND SERVICES AGREEMENT

This Grant and Services Agreement (this “**Agreement**”) is entered into effective as of October 19, 2021 (the “**Effective Date**”), by and between the RED Housing Fund, a California nonprofit public benefit corporation (“**RHF**”), and the Renewal Enterprise District, a Joint Powers Authority created under California Government Code Section 6500 *et seq.* (“**RED**”). RHF and RED are collectively referred to herein as the “**Parties**.”

RECITALS

A. The City of Santa Rosa and the County of Sonoma established RED effective as of December 4, 2018, as a separate public agency pursuant to the provisions of the California Joint Exercise of Powers Act (Government Code Section 6500 *et seq.*) in order to further the production of housing within its jurisdiction.

B. RHF was incorporated on July 7, 2021, to provide financing to housing projects located within the RED’s jurisdiction that align with the RED’s Board-adopted project criteria. RHF anticipates contracting with various qualified third parties, vendors, and service providers to support the operation of RHF and implement its financing program.

C. The Kaiser Permanente National Community Benefit Fund of The East Bay Community Foundation has awarded RED a \$1,000,000 grant to be used for RHF’s general operating expenses (“**Grant Funds**”).

D. This Agreement sets forth the terms, conditions, and procedures that will govern RED’s disbursement of Grant Funds to RHF, and RED’s provision of administrative support services to RHF.

AGREEMENT

1. Schedules for Use of Grant Funds. From time to time, RHF shall prepare and submit to RED a schedule substantially in the form attached hereto as Exhibit A (“**Schedule**”) describing incurred expenses and anticipated expenditures eligible to be funded by Grant Funds (“**Eligible Uses**”). Each such Schedule shall itemize and describe each proposed Eligible Use in sufficient detail for RED to confirm its eligibility for funding from Grant Funds. Each Schedule shall be accompanied by invoices, contracts, and other documentation to evidence and substantiate anticipated or actual Eligible Uses, and RHF agrees to promptly provide such additional documentation as RED may reasonably request. Concurrently with the execution of this Agreement, RHF has submitted a Schedule for expenses incurred and anticipated to be incurred through December 31, 2021.

2. Disbursement of Grant Funds; Additional Funds. RED shall disburse Grant Funds to RHF within 30 days of receipt of each Schedule in the full amount requested therein, unless the balance of Grant Funds is insufficient to cover the requested amount, in which case RED shall

disburse the remaining balance of Grant Funds. All Grant Funds distributed to RHF shall be disbursed to an account that RHF shall designate in writing to RED. Except as set forth in Section 5 below, all Grant Funds shall be reserved solely for disbursement to, or at the written direction of, RHF, and all Grant Funds disbursed to, or at the direction of RHF, shall be considered and treated as a grant from RED to RHF. If RED receives additional funds on behalf, or for the benefit of RHF, such funds will be considered "Grant Funds" as such term is used in this Agreement, and the procedures set forth in this Agreement shall govern disbursement of such additional funds, unless the Parties agree otherwise in writing. Subject to compliance with applicable requirements of the grantor, upon RHF request, RED shall promptly disburse to RHF all Grant Funds that have been provided for the purpose of funding RHF's housing finance and lending program.

3. Periodic Statement of Available Grant Funds. Upon RHF's request, RED will provide periodic statements listing remaining available Grant Funds and any additional Grant Funds that are anticipated to become available for RHF use.

4. Compliance with Grant Agreements. The Parties each agree to comply with all terms of any agreement pursuant to which Grant Funds have been made available for use by RHF, and shall cooperate to provide any documentation that any provider of Grant Funds may require for its reporting, recordkeeping, or administrative purposes. RED will promptly provide written notice to RHF of any instance of noncompliance with the terms of any such agreement that could adversely affect the actual or anticipated availability of Grant Funds to RHF.

5. Provision of Services to RHF; Retention of Grant Funds for Services. RED agrees to provide the services described in Exhibit B ("Services") to RHF. As compensation for Services, for the three-year period commencing upon the Effective Date and ending on the third anniversary of the Effective Date, RED shall be entitled to retain up to [\$75,000] of Grant Funds per year as compensation for Services provided. RED shall provide an annual statement to RHF detailing the use of Grant Funds that RED has retained as compensation for delivery of Services.

6. Term. The term of this Agreement shall commence upon the Effective Date, and unless the Parties agree to extend the term, shall terminate when RED has transferred all Grant Funds to RHF. The Parties may agree to revise this Agreement or may enter into a new agreement to address any continued RED provision of Services to RHF. The Parties' obligations to provide documentation pursuant to Section 4, and the indemnities provided pursuant to Section 7 shall survive the expiration or sooner termination of this Agreement.

7. Indemnity. Each Party shall indemnify, defend, and hold harmless the other Party and its officers, directors, agents, contractors, consultants, and employees ("**Indemnified Parties**"), from and against any and all claims, losses, proceedings, damages, causes of action, liabilities, costs, and expenses (including without limitation, reasonable attorneys' fees), arising from or caused by any act, omission, or negligence of the indemnifying party or its officers, directors, agents, contractors, consultants or employees in the performance of this Agreement except to

the extent arising from or caused by the gross negligence or willful misconduct of an Indemnified Party.

8. General Provisions.

8.1 Binding on Successors; No Assignment without Consent. This Agreement shall bind and benefit the Parties and their successors and permitted assigns. Neither Party may assign any of its rights or obligations under this Agreement to any other party without the prior written consent of the other Party.

8.2 Further Assurances. The Parties each agree to take all such actions and to make, execute and deliver such other documents and instruments as reasonably requested to carry out the provisions, intent and purpose of this Agreement.

8.3 Amendments. This Agreement may not be changed, modified or rescinded except in writing, signed by the Parties, and any attempt at oral modification of this Agreement shall be void and of no effect.

8.4 Notices. All required or permitted reports, demands and notices may be sent to the Parties at the addresses set forth below or such other address as a Party may specify in writing to the other Party by overnight delivery service, in which case notice is effective upon delivery if delivery is confirmed by the delivery service, or by electronic mail, in which case notices shall be deemed delivered upon the sender's receipt of an acknowledgement from the intended recipient provided that, if such notice is not sent during the normal business hours of the recipient, such notice shall be deemed to have been sent at the opening of business on the next business day of the recipient.

For RHF: RED Housing Fund
 PO Box 3531
 Santa Rosa, CA 95402-3531
 Attention: Veronica Ferguson, President
 Email: vafrph@gmail.com

For RED: Renewal Enterprise District
 PO Box 3531
 Santa Rosa, CA 95402-3531
 Attention: Jack Tibbetts, Chairman
 Email: jtibbetts18@gmail.com

8.5 Entire Agreement. This Agreement, together with Exhibits A and B, attached hereto and incorporated herein by reference, is the entire agreement between the Parties relating to the subject matter of this Agreement, and supersedes all prior written or oral communications with respect thereto. Each Party acknowledges that it has not relied upon any

promise, representation or warranty not expressly set forth in this Agreement in executing this Agreement.

8.6 Headings; Interpretation. The section headings and captions used herein are solely for convenience and shall not be used to interpret this Agreement. Any reference to a particular section of this Agreement shall mean a reference to all subsections thereof. The Parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both Parties, and the Parties agree, that since both Parties have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the Parties, but rather according to its fair meaning as a whole, as if both Parties had prepared it.

8.7 No Third-Party Beneficiaries. Except as expressly set forth herein, nothing contained in this Agreement is intended to or shall be deemed to confer upon any person, other than the Parties and their respective successors and assigns, any rights or remedies hereunder.

8.8 Severability. If any provision of this Agreement is declared unconstitutional, invalid or beyond the authority of either Party, the remaining provisions of this Agreement shall continue in full force and effect provided that the remainder of the Agreement can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the Parties.

8.9 No Waiver. No waiver by either Party of any default or breach of any covenant by the other Party shall be implied from any omission to take action on account of such default and no express waiver shall affect any default other than the default specified in such waiver and then such waiver shall be operative only for the time and to the extent stated in such waiver. Waivers of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. No waiver of any provision under this Agreement shall be effective unless in writing and signed by the waiving party.

8.10 Authority; Authorized Signatories. RHF and RED each represent and warrant that it is authorized to execute this Agreement and that the persons executing this Agreement on their behalf have been duly authorized to do so.

8.11 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

SIGNATURES ON FOLLOWING PAGE.

IN WITNESS WHEREOF, the Parties have executed this Grant and Services Agreement as of the date first written above.

RED HOUSING FUND
a California nonprofit public benefit
corporation

By: _____

Print Name: Veronica Ferguson

Title: President and CEO

RENEWAL ENTERPRISE DISTRICT, a California
joint powers authority

By: _____

Print Name: Jack Tibbetts

Title: Chairman

Exhibit A (to Grant and Services Agreement)

FORM OF SCHEDULE FOR USE OF GRANT FUNDS

To: RED

From: RED Housing Fund (RHF)

Date: _____, 2021

RHF requests disbursement of a total of \$_____ in Grant Funds for the following eligible costs incurred or anticipated to be incurred during the time period _____, 20__ through _____, 20__:

<u>Type of Use:</u>	<u>Detail:</u>	<u>Amount Requested:</u>
[e.g. Administration	<i>[ex. Accounting services provided by xx]</i>	[\$_____]
Operating		
Lending Program		
Support]		
Total Requested:		[\$_____]

Submitted by: _____,
RHF Authorized Officer

Exhibit B (to Grant and Services Agreement)

RENEWAL ENTERPRISE DISTRICT SCOPE OF SERVICES

The Renewal Enterprise District (“**RED**”) agrees to provide the following services to RED Housing Fund (“**RHF**”) in accordance with the terms and conditions set forth in the Grant and Services Agreement, dated XXX, between RED and RHF (the “**Agreement**”). This Exhibit B is incorporated into the Agreement.

Administrative Services:

RED will provide the following administrative services to RHF. Such services may be provided by consultants, contractors, and employees of RED.

- Receive grant funding (“**Grant Funding**”) from various organizations on behalf, or for the benefit of RHF, and disburse such funds to, or at the direction of, RHF pursuant to the terms of the Agreement;
- Timely prepare and submit such reports as providers of Grant Funding may require;
- Procure, obtain, and if applicable, extend insurance coverage provided to RED to RHF, including without limitation, if applicable, general liability coverage and directors’ and officers’ coverage, and provide evidence of such insurance coverage to RED; provided, that pursuant to Section 5 of the Agreement, RED shall be entitled to retain Grant Funds in the amount of the pro rata cost of providing such coverage to RHF;
- Supervise and assist in the preparation and distribution of RHF’s quarterly and annual reports to its stakeholders (including, without limitation, the City of Santa Rosa, the County of Sonoma, and the RED Board of Directors);
- Facilitate, organize, prepare, and distribute materials for meetings of the RHF Board of Directors;
- Oversee record keeping, document archiving, and compliance, including filing of required reports to grantors, and to local, State and federal agencies;
- Facilitate and administer RHF contracts with third parties, vendors, and service providers;
- Assist with general management and administration of RHF, as needed; and
- Permit RHF to utilize RED office space and equipment, as needed.

Item # 3f, Exhibit B

FORM OF SCHEDULE FOR USE OF GRANT FUNDS

To: RED

From: RED Housing Fund (RHF)

Date: December 20, 2022

In accordance with the Grant and Services Agreement between the RED Housing Fund and the Renewal Enterprise District, effective as of October 19, 2021, RHF requests disbursement of a total of \$256,340 in Grant Funds for the following eligible costs anticipated to be incurred during the time period July 1, 2023 through October 31, 2024.

<u>Type of Use:</u>	<u>Detail:</u>	<u>Amount Requested:</u>
Lending Program Support / Operating	Monthly consulting services by Forsyth Street	\$120,000
Lending Program Support	Monthly loan servicing fees, loan set up, draw review by FSAM	\$29,375
Lending Program Support	Underwriting/Closing fees to Forsyth Street for 3 projects	\$32,965
Operating	Anticipated Tax Return Preparation	\$4,000
Operating	Anticipated legal fees by Burke, Williams, Sorenson	\$20,000
Operating	Anticipated accounting fees by Truong Accounting	\$20,000
Operating	Anticipated audit fees to Pisenti & Brinker	\$24,000
Operating	Anticipated insurance fees	\$3,000
Operating	Miscellaneous expenses - wire fees, PO Box, mail, etc.	\$3,000
Total Requested		\$256,340

Submitted by: _____,
RHF Authorized Officer

Resolution No. 2023-_____

Renewal Enterprise District
Santa Rosa, California
December 19, 2022

RESOLUTION OF THE BOARD OF DIRECTORS OF THE RENEWAL ENTERPRISE DISTRICT (RED), COUNTY OF SONOMA, STATE OF CALIFORNIA, ADOPTING AN ADJUSTMENT TO THE FINAL RED BUDGET FOR FISCAL YEAR 2022/2023: 1) TO RECOGNIZE AN ADDITIONAL \$256,340 IN REVENUE DRAWN FROM A KAISER PERMANENTE GRANT; 2) AUTHORIZING A \$256,340 BUDGET ADJUSTMENT TO ACCOUNT FOR RECOGNITION OF ADDITIONAL GRANT REVENUE; AND 3) DISBURSE AN ADDITIONAL \$256,340 FROM KAISER GRANT PROCEEDS IN ACCORDANCE WITH THE RED-RED HOUSING FUND GRANT AND SERVICES AGREEMENT.

WHEREAS, in response to the well-documented unmet need for affordable, infill housing in urban areas of Sonoma County, the RED launched an effort to design and implement a new housing fund that would help accelerate the production of this much-needed type of housing, resulting in the formation of the RED Housing Fund (RHF), a 501(c)(3) federal tax-exempt public charity; and

WHEREAS, the RHF requires grant funding in order to support the RHF's operating costs as it starts up, and until it generates sufficient revenue from lending activities to be self-sustaining; and

WHEREAS, the RED applied for a \$1,000,000 grant to be received over 3 years from the Kaiser Permanente National Community Benefit Fund to be used for the RHF's start-up and general operating expenses; and

WHEREAS, on October 18, 2021, the RED received a grant award letter from the Kaiser Permanente National Community Benefit Fund administrator at the East Bay Community Foundation indicating that a \$1,000,000 grant would be disbursed to the RED in one installment rather than three; and

WHEREAS, on October 18, 2021, the RED Board of Directors approved a Grant and Services Agreement with the RHF to enable the RHF to request and receive grant funds that the RED holds on its behalf, such as the Kaiser Permanente grant; and

WHEREAS, the adjustments to the RED Budget for Fiscal Year 2022/2023 shall be processed as described in the Budgetary Adjustment Request Form, attached hereto and incorporated herein as Attachment A.

NOW, THEREFORE, BE IT RESOLVED that the Final RED Budget for Fiscal Year 2022/2023 shall be adjusted to account for increased revenue recognition to fund an additional \$256,340 grant disbursement permitted by the Kaiser Permanente grant agreement and authorized by the RED/RED Housing Fund Grant and Services Agreement.

BE IT FURTHER RESOLVED that the Executive Director, acting as Clerk, shall deliver a certified copy of this resolution to the Sonoma County Auditor-Controller.

Resolution No. 2023-_____
Renewal Enterprise District
Santa Rosa, California
December 19, 2022

THE FOREGOING RESOLUTION was moved by Director _____, seconded by _____,
and approved by the following vote:

Director Fleming	_____
Director Rabbitt	_____
Director Schwedhelm	_____
Director Coursey	_____

Ayes:	Noes:	Absent:	Abstain:
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SO ORDERED

I, the undersigned, certify that the foregoing resolution was duly adopted at a regular meeting of the Board of Directors of the Sonoma County Transportation Authority held on December 19, 2022.

Michelle Whitman, Executive Director
Clerk, Renewal Enterprise District

[illegible]

Item 3f, Exhibit C

Dept ID: 66150100	Fiscal Year 2022 - 2023		Fiscal Year 2022 - 2023	
	Final Budget	Change from Prior Year Actual	Adjusted Budget	Change from Final Budget
Description				
Revenues				
Other Grants - Hewlett Foundation		(175,821)		-
Community Foundation Sonoma County		-		-
Kaiser Permanente (EBCF) - RED Admin Services	75,000	25,000	75,000	-
Kaiser Permanente (EBCF) - Other RHF Expenses	222,444	(52,056)	478,784	256,340
Burbank Housing		-		-
Rebuild North Bay Foundation		-		-
MidPen		-		-
Expected Grant Revenues	-	(1,000)	-	-
		-		-
Member Assessments	-	(250,000)	-	-
Interest on Pooled Cash	6,000	1,440	6,000	-
Charges for Services	75,000	25,000	75,000	-
Miscellaneous		-		-
Total Revenues	378,444	(427,437)	634,784	256,340
Expenditures				
Administration Services and Supplies	11,864	2,162	11,864	-
Client Accounting Services	18,000	4,315	18,000	-
Outside Legal Counsel	24,000	6,630	24,000	-
Consulting Services	236,354	88,598	236,354	-
Business Travel/Mileage		-		-
RED Housing Fund Planning	-	(95,560)	-	-
County Service Charge		(693)		-
Contribution to Other Governments	-	(15,000)	-	-
RED grant to housing project		-		-
Grant Pass through for Admin Services	75,000	25,000	75,000	-
Grant Pass through for other RHF Expenses	222,444	(52,056)	478,784	256,340
Other Professional Services for RHF		-		-
Total Expenditures	587,663	(36,603)	844,002	256,340
Starting Fund Balance	944,388	581,294	944,388	-
Revenues	378,444	(427,437)	634,784	256,340
Expenditures	(587,663)	36,603	(844,002)	(256,340)
Unearned Revenue Adjustment - Hewlett Foundation		175,821		-
Unearned Revenue Adjustment - Community Foundation		-		-
Unearned Revenue Adjustment - EBCF - RED Admin Services	(75,000)	(575,500)	(75,000)	-
Unearned Revenue Adjustment - EBCF - Other RHF Expenses	(222,444)	(397,444)	(478,784)	(256,340)
Change in Fund Balance Reserve	-	100,000	-	-
Rounding Adjustment		-		-
Net Increase/(Decrease) in Fund Balance	(506,663)	(1,087,957)	(763,002)	(256,340)
Ending Fund Balance available for budgeting	437,725	(506,663)	181,386	(256,340)

Renewal Enterprise District Informational Item

TO: Board of Directors
FROM: Michelle Whitman, Executive Director
SUBJECT: Update on RED Housing Fund lending activity to accelerate the creation of infill, mid-to-high density housing near transit, jobs, services, and other amenities that build healthy, complete communities.

Summary: Update on RED Housing Fund lending activity to accelerate the creation of infill, mid-to-high density housing near transit, jobs, services, and other amenities that build healthy, complete communities. This report is an update on actions taken by the Red Housing Fund ("RHF" or the "Fund") Board since the last RED Board Meeting on August 15, 2022.

Background

In response to the need for more affordable and market rate infill housing in urban areas of Sonoma County, the Renewal Enterprise District (RED) launched an effort to design and implement a new Housing Fund that could help accelerate the creation of infill, mid-to-high density housing near transit, jobs, services and other amenities that help build healthy, complete communities.

Review of Funding Recommendations, and Activities Taken Since Last Meeting

The following is a review and update on the developments recommended for funding by the RHF Board and receiving preliminary loan commitments:

- Acme Family Apartments, located at 1885 Roseland Avenue, featuring 77 one-, two-, and three-bedroom units affordable to households earning between 30-60% of the Area Median Income (AMI), \$800,000. **Loan closed October 2022, project under construction, anticipated construction end date is November 2023.**
- Aviara, located at 1385 West College Avenue, featuring 136 units of two- and three-bedroom units affordable to households earning between 30-60% of AMI, \$2,400,000. **Loan closed June 2022, project under construction, anticipated completion date is October 2023.**
- Casa Roseland, located at 665 Sebastopol Road, featuring 75 one-, two-, and three-bedroom units affordable to households earning between 30-60% of AMI, \$3,471,289.
- 420 Mendocino Avenue Apartments, located at 420 Mendocino Avenue, featuring 163 studio, one- and two-bedroom units in the heart of downtown Santa Rosa, \$7,000,000. **Preliminary underwriting discussions have started.**
- Pullman Lofts, located at 701 Wilson Street, featuring a total of 114 one- and two-bedroom workforce-attainable units across three phases of development, \$1,300,000. **Loan closes December 2022, site work has started, anticipated construction end date for Phase III is December 2023.**
- South Park Commons, located at 702 Bennett Valley Road, featuring 62 studio, one-, two-, and

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three-bedroom units affordable to households earning between 15-50% of AMI, \$4,000,000.

Aviara, Acme, and Pullman have broken ground and are progressing through construction. The remaining projects are aiming to close loans and break ground in 2023. All are required to start within 18 months and successfully complete the Fund's underwriting, due diligence, and loan closing process. Note that with the exceptions of loans already closed, these projects, and the loan amounts listed, are subject to change as the Fund proceeds to full due diligence and underwriting prior to each loan closing.

Since the last RED Board Meeting on August 15, 2022 the RED Housing Fund Board has authorized and approved the following actions:

- **Approved and closed a \$800,000 subordinate construction to permanent loan to ACME Family Apartments;**
- **As Borrower, approved and closed with Enterprise Community Loan Fund on a \$1,000,000 loan for new, low cost, lending capital;**
- **Approved and distributed 06/30/2022 Quarterly Loan Portfolio Report;**
- **Approved a \$1,300,000 Subordinate Construction Loan to Pullman Lofts to Support the Construction of 114 Units of Multifamily Housing; and**
- **Budget Package – Approved FY 2022 Budget Adjustment, Approved FY 2023 Preliminary Budget.**

Next Steps

Staff and Forsyth Street are beginning to underwrite projects targeting to close in early 2023. Credit memorandums for the selected projects will be presented and reviewed by the RHF Board, who will then decide whether to approve the loan and authorize a distribution of funding.

Staff Recommendation

N/A, informational only

Vote Requirement

N/A

Fiscal Impact

This item has no associated fiscal impact.

Contact

Michelle Whitman, Executive Director, 707-543-3087 Michelle.Whitman@RenewalEnterpriseDistrict.org



Renewal Enterprise District (RED)

County of Sonoma | City of Santa Rosa

Item #4 RED Housing Fund Update





Status Update

Project Name & Affordability	Address	Loan Amount	Units	Status
Aviara <i>Affordable to households earning 30-60% AMI</i>	1385 West College Avenue	\$2,400,000	136	Loan closed June 2022, under construction
Pullman Lofts <i>Workforce-attainable units</i>	701 Wilson Street	\$1,300,000	114	Loan closes in December 2022, under construction
Acme Family Apartments <i>Affordable to households earning 30-60% AMI</i>	1885 Roseland Avenue	\$800,000	77	Loan closed in October 2022, under construction
Casa Roseland <i>Affordable to households earning 30-60% AMI</i>	665 Sebastopol Road	\$3,471,289	75	Expected closing in Q2 2023
420 Mendocino Avenue Apartments <i>Market units downtown</i>	420 Mendocino Avenue	\$7,000,000	163	Expected closing in Q1 2023
South Park Commons <i>Affordable to households earning 15-50% AMI</i>	702 Bennett Valley Road	\$4,000,000	62	Expected closing in Q1 2023
Total		\$18,971,289	627	



Projects Under Construction



Aviara, anticipated construction end date
10/30/2023



Acme Family Apartments, anticipated
construction end date 11/30/2023



Projects Under Construction



Pullman Lofts, anticipated construction
end date 12/30/2023



Capital Raising Effort

The Fund has been making efforts to attract additional capital to expand its lending capacity, for which it has conducted the following negotiations:

Application Date	Source	Amount	Status
Ongoing	State of California General Fund	\$20,000,000	Targeting fiscal year 2022-23 budget process
4/22	Community Supported Projects funding via Congressman Mike Thompson	\$2,000,000	Not awarded. Will reapply in 2023
5/6	County ARPA funding	\$1,575,000	Not awarded
5/16	Local Housing Trust Fund	\$500,000	Not awarded, will reapply in 2023
6/15	Enterprise Community Partners	\$1,000,000	Loan closed and funded November 2021, proceeds deployed to Aviara
Ongoing	U.S. Department of the Treasury Community Development Financial Institution (CDFI) certification	-	Evaluating the CDFI certification requirements; with certification, the Fund can apply for technical and financial assistance grant awards



Next Steps

- RHF will continue to underwrite, close, and service its project loans throughout 2022 and into 2023
- Forsyth Street Asset Management, an SEC-regulated Registered Investment Advisor, has been hired to provide loan servicing functions to RHF through December 2022, new contract pending
- As the Fund closes its loans, its loan manual, operating budget, financial model, form loan documents, and related lending infrastructure will be reviewed, updated, and/or revised as necessary, pending RHF Board approval
- In the interim, RHF continues to explore fund development as it seeks to grow its lending capital

Renewal Enterprise District Study Session

TO: Board of Directors
FROM: Michelle Whitman, Executive Director
SUBJECT: Board Discussion of Vision and Workplan for 2023

Summary: Board Discussion of Workplan and Vision for 2023.

Background

Five years ago, history making wildfires stressed the importance of ensuring community-wide economic vitality by meeting housing development goals in the form of the Renewal Enterprise District (RED), a Joint Powers Authority (JPA). A \$1,000,000 grant award from the William and Flora Hewlett Foundation launched the RED as a multi-jurisdictional opportunity to develop funding and other criteria to incentivize and encourage climate-smart housing and other community development projects.

The overarching goal of the RED is to catalyze and facilitate development of substantially more housing to meet a diversity of needs within the County, and in a way that protects the environment, supports economic renewal, and improves the well-being of the County and its residents.

The RED's Joint Exercise of Powers Agreement defines the purposes of the Agency as:

1. Achieving the Founding Members' fire recovery rebuild goals and meeting current and previously unmet regional housing needs;
2. Honoring community separators and urban growth boundaries, and implementing existing and future general plans and specific plans;
3. Incentivizing higher density, infill and transit-oriented housing in Priority Development Areas, Transit Priority Areas, Designated Opportunity Zones, Rural Investment Areas, and Employment Investment Areas;
4. Promoting zero net energy development and advancing climate resiliency at the regional, neighborhood, and homeowner scale;
5. Ensuring affordability and equity in housing development;
6. Improving opportunities for local employers to recruit and retain a skilled workforce; and
7. Ensuring transparency and accountability regarding achievement of housing goals.

Review of RED Impact

The following is a review of notable initiatives and activities to date:

- With RED technical and financial assistance in 2020, grant applications for state funding were awarded \$37,656,673 to support the development of 345 units of mixed income, transit-

oriented housing in four separate developments located in Roseland and downtown Santa Rosa, with 37% of the units deed restricted as affordable. Total cost for the four projects is \$183,408,406, and one project, Sage Commons, was fully occupied by Q1 2021.

- In 2021 another award totaling over \$9.5 million dollars was announced from the Infill Infrastructure Grant program to build infrastructure for four separate housing developments located in downtown Santa Rosa, totaling 400 units, with 34% of units deed restricted as affordable. The grant also provides funding for one City of Santa Rosa Public Improvement project. Total costs for these projects are \$220 million.
- Award announcements are expected imminently for the current round of Infill Infrastructure Grants, with a RED assisted application in a strongly competitive position for \$20,651,354 to support infrastructure, this time for six separate residential projects totaling 518 units of mixed income housing, along with the renovation of City-owned Martin Luther King, Jr. Park. Each of the seven components are within 1 mile of the Downtown Santa Rosa SMART Station, and all of the components connect to the amenities, services, and jobs of downtown Santa Rosa. Total project costs associated with the application exceed \$250 million. An additional \$105 million is coming soon from a new Infill Infrastructure Grant “Catalytic Program.” RED staff, City of Santa Rosa, and grant consultants are considering a RED-assisted application for a catalytic project.
- The RED was instrumental in a recent \$14.5 million Cal Home Disaster program award to Burbank Housing. RED staff identified a fatal flaw in the program that rendered it virtually useless to most Sonoma County residents. The RED appealed to the Program Administrator at the State of California Department of Housing and Community Development, drafting and then submitting a revision to the Notice of Funding Availability (NOFA). The revision was accepted, making the program effective and valuable to Sonoma County residents aspiring to first-time home ownership, with up to \$100,000 available per household available for down payment assistance. Burbank Housing is working with public and private sector stakeholders to rollout the program.
- Alongside local elected officials, editorial board members and other affordable housing advocates, the RED engaged in a multi-jurisdictional, interdisciplinary and community-wide effort to secure an allocation of federal disaster Low Income Housing Tax Credits to match the proportion of Sonoma County’s losses against the total allotment of credits, consistent with Congressman Mike Thompson’s intent that credits be allocated to the counties most directly impacted by the 2017 and subsequent wildfires. The effort has so far significantly increased Sonoma County’s tax credit allocation, adding approximately \$240 million in affordable housing investment within Sonoma County over the ten-year effective lifecycle of the credits. The RED Housing Fund is leveraging the investment by partially funding a number of these projects, prompting two to groundbreaking in 2022.
- The RED Housing Fund is operating to fill funding gaps and leverage additional resources to jumpstart stalled infill housing projects. The Fund is using its first \$21 million in lending capital to jumpstart the construction of six multifamily housing developments guided by RED Project Criteria, producing 625 new, desperately needed homes. Projects costs for the first round of projects exceed \$326 million.
 - \$1,485,000 in grant funding and donations was raised to support the creation of, and startup overhead for the Fund. The Sonoma County Board of Supervisors and City of Santa Rosa each contributed a \$10 million loan (\$20 million total) as seed capital for the

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Fund. Enterprise Community Loan Fund provided an additional \$1 million in lending capital.

- Three projects - Aviara, Acme, and Pullman, are in various stages of production. The remaining projects aim to close loans and break ground in 2023. All are required to start within 18 months of recommendation and successfully complete the Fund's underwriting, due diligence, and loan closing processes. Note that with the exceptions of loans already closed, these projects, and the loan amounts listed, are subject to change as the Fund proceeds to full due diligence and underwriting prior to each loan closing.

Other initiatives making progress include:

- Analysis of Enhanced Infrastructure Financing Districts. Next steps include a Fiscal Impact Report produced by consultants to the City of Santa Rosa, a Board of Supervisors Study Session, and if warranted, Board of Supervisors and City Council Resolutions of Intent.
- Opportunity to exercise JPA powers to issue Essential Function Bonds to increase inventory of low- and moderate-income housing through both acquisition and new construction.
- Bay Area Housing Finance Authority (BAHFA), the first regional housing finance authority in California. Like RED, BAHFA embraces a collaborative approach to delivering housing affordability at scale. BAHFA is preparing a Business Plan to outline how the authority will advance a 3Ps framework (production, preservation, protection) by taking an equity-focused approach that prioritizes communities most impacted by the affordability crisis. Beginning in January 2024, the ABAG Executive Board and BAHFA Board may take action on a potential regional housing measure in the form of a \$10 billion general obligation bond. Jurisdiction allocation for Sonoma County (excluding Santa Rosa) is \$282,080,554, and Santa Rosa's allocation is \$120,891,666. The RED's Executive Director has been appointed the BAHFA's Advisory Committee, which will begin work early in 2023 to shape a draft Business Plan and Equity Framework.

With the benefit of grant funding and donations, the RED has been able to work boldly to design, introduce and test initiatives presenting new solutions for climate smart housing production in Sonoma County. Despite disruptive events, the RED has demonstrated both value and significant potential for further achievement of its members' policy goals. Already, there are hundreds of millions of new dollars flowing into infill housing projects at all levels of affordability in Sonoma County, an outcome that would have been slower or even unlikely to materialize without the RED's collaborative, innovative, entrepreneurial approach to identifying and deploying collaborative solutions.

Board Discussion of Workplan and Vision for 2023

Today the RED staff seeks direction on workplan and vision for 2023. Past Board direction emphasized delivering on the RED's early initiatives. Success in attracting significant, new financial resources, in addition to the the launch of the RED Housing Fund, are mission-fulfilling, economy-building accomplishments that are producing new housing inventory now, with hundreds of additional homes in line for occupation in the next two to five years.

As noted during the agency's presentation of its Final FY 2022-2023 Budget in August, the RED may not be sustained at historic levels after the close of the current fiscal year on June 30 absent additional financial support. Careful budgeting and fundraising extended support for the the RED over five years,

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instead of the two years envisioned under the original Hewlett Grant Agreement. Without support from Members or other outside sources, there will be a reduction in programming and expenditures in the next fiscal year. For FY 2023-2024, forecastable unrestricted revenue is the \$75,000.00 generated by the RED/RHF Grant and Services agreement, in addition to an estimated \$5,000.00 in interest earned on pooled cash. There also will most likely be a modest fund balance carrying over from FY 2022-2023.

Feedback given today will inform a budget workshop scheduled for presentation to the RED Board in February 2023. With added revenue, priorities the Board might consider include:

- Functions to maintain RED baseline functions, e.g., budget, audit, required filings, insurance, accounting, website, legal services, Brown Act meetings. *(May require additional Member support or use of fund reserve).*
- Expand consideration of the use of Essential Function Bonds to increase and preserve the inventory of affordable housing, provide greater levels of public benefit, and foster the addition of new JPA Members. *(Requires additional Member support or use of fund reserve).*
- Continue financial and technical assistance for collaborative grant applications, e.g., Infill Infrastructure Grant and Affordable Housing, Sustainable Communities Grant. *(Requires additional Member support or use of fund reserve).*
- Track and provide feedback on public policy and legislation supportive of transit oriented, infill housing production, in line with RED Project Criteria and RED Legislative Principles. *(No additional resources required).*
- Continue to provide administrative support to the RED Housing Fund and scan for opportunities to expand the Fund's balance sheet and lending capacity. *(This activity is supported through Grant and Services Agreement with RED Housing Fund).*
- Monitor, participate in, and report on BAHFA and proposed bond measure. *(May require additional Member support or use of fund reserve).*
- Propose and help facilitate a joint City/cities/County of Sonoma meeting on housing. *(May require additional Member support or use of fund reserve).*

Staff Recommendation

None. This item is an opportunity for the Board to provide feedback on the work plan for 2023, discuss priorities, and provide direction to staff on the Board's vision for the coming year, as well as the future scope of the agency.

Vote Requirement

N/A

Fiscal Impact

This item is a study session with no associated fiscal impact at this time.

List of Attachments

None

Contact

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Renewal Enterprise District (RED)

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Item 5 Study Session Workplan and Vision for 2023





Renewal Enterprise District (RED)

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The purposes of the JPA

1. Achieving fire recovery rebuild goals and meeting current and previously unmet regional housing needs;
2. Honoring community separators and urban growth boundaries, implementing existing and future general plans and specific plans;
3. Incentivizing higher density, infill and transit-oriented housing in appropriately planned areas;
4. Promoting zero net energy development and advancing climate resiliency;
5. Ensuring affordability and equity in housing development;
6. Improving opportunities for local employers to recruit and retain a skilled workforce; and
7. Ensuring transparency and accountability regarding achievement of housing goals.



Renewal Enterprise District (RED)

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- The RED helps:**
- ✓ Attract Significant Financial Resources
 - ✓ Foster Developer Interest
 - ✓ Launch RED Housing Fund
 - ✓ Connect Partners & Stakeholders
 - ✓ Advance Projects To Completion
 - ✓ Raise visibility of Sonoma County as part of Bay Area housing ecosystem

The RED:
Credible, Trusted,
Regional Model,
Producing Real Results



Renewal Enterprise District (RED)

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Successes

- Applications awarded \$47.2 million in State funding to support the development of 745 units of mixed income, transit-oriented housing, 36% deed-restricted as affordable.
- Low Income Housing Tax Credits to match the proportion of Sonoma County's losses, \$240 million in new investment.
- RED Housing Fund with \$21 million in lending capital
- \$14.5 million Cal Home Disaster grant for first time homebuyer down payment assistance.

Progressing

- Pending application- \$20.6 million for infrastructure to build 518 new units of mixed income housing, along with the renovation of City-owned MLK, Jr. Park.
- Advancing Enhanced Infrastructure Financing District(s) formation.
- Possible exercise of JPA powers to increase inventory of low- and moderate-income housing through both acquisitions and new construction.
- Bay Area Housing Finance Authority (BAHFA), potential for \$10 billion regional housing bond, if successful over \$282 million allocated to Sonoma County (excluding Santa Rosa), and over \$120 million to Santa Rosa.



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Examples of Workplan priorities for Board discussion:

1. Functions to maintain RED baseline functions, e.g., budget, audit, required filings, insurance, accounting, website, legal services, Brown Act meetings. *(May require additional Member support or use of fund reserve).*
2. Advance consideration of the use of Essential Function Bonds to increase and preserve the inventory of affordable housing, provide greater levels of public benefit, and foster the addition of new JPA Members. *(Requires additional Member support or use of fund reserve).*
3. Continue financial and technical assistance for collaborative grant applications, e.g., Infill Infrastructure Grant and Affordable Housing, Sustainable Communities Grant. *(Requires additional Member support or use of fund reserve).*



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Examples of Workplan priorities for Board discussion, cont.:

4. Track and provide feedback on public policy and legislation supportive of transit oriented, infill housing production, in line with RED Project Criteria and RED Legislative Principles. *(No additional resources required).*
5. Continue to provide administrative support to the RED Housing Fund and scan for opportunities to expand the Fund's balance sheet and lending capacity. *(This activity is supported through Grant and Services Agreement with RED Housing Fund).*
6. Monitor, participate in, and report on BAHFA and proposed bond measure. *(May require additional Member support or use of fund reserve).*
7. Propose and help organize or facilitate a joint City/cities/County of Sonoma meeting on housing. *(May require additional Member support or use of fund reserve).*



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Discussion and Direction...