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June 19, 2017

Board of Supervisors
County of Sonoma
575 Administration Drive
Santa Rosa, CA
Attention: Christine Culver

Re: County of Sonoma and Chanate Community Development Partners, LLC
Disposition and Development Agreement

Dear Ms. Culver:

Note: This is an updated version of the email letter I sent to Christine Culver on June 19, 2017. The content has not been changes, but some of the grammatical errors in the original document have been corrected for transmittal to County Counsel.

Thank you for returning my phone call to Supervisor Zane.

Attached is an updated copy of the letter I delivered to the Board of Supervisors and the individual Supervisors on Friday, June 16, 2017. The updated letter, dated June 19, 2017, adds a few words to my paragraph 5 on page three for clarity and corrects a typo. Please forward the updated letter to the supervisors.

Some of the questions I have regarding the Chanate project are as follows:

1. What persons or entities were involved in the drafting of the Request for Proposal pertaining to the development of the Chanate campus? Were any individuals or entities associated with the Chanate Community Development Partners, directly or indirectly, in any way and involved in the determination of the terms and provisions of the Request for Proposals.
2. Who initially drafted the Disposition and Development Agreement (DDA) for the Chanate Campus Project? Was it DDA drafted by County Counsel or did the Chanate Community Development Partners (CCDP) present the County with a proposed DDA?
3. Have any of the Supervisors actually read the DDA? If so, which Supervisors have actually read the proposed agreement?
4. Is Supervisor Zane "aware of the existence of the" claw back" provision of paragraph 3.4 on page 26 of the DDA wherein if the city of Santa Rosa will not approve at least 650 residential units and 50 veterans units for the Chanate project the County will attempt to claw back the project and the County will attempt to approve 700 units through its own entitlement processes? If Supervisor Zane was aware of this provision, why has the project always been referred to as pertaining to 400 to 800 housing units

whereas the intention is for the County to approve 700 to 860 units? As I discussed with you by phone, the use of the description that their maximum units for the project is 800 housing units is misleading in that that figure does not include an additional 50-60 veterans units.

5. The DDA at page 26, paragraph 3.4 provides that the County staff will work with the developer to assist in the developer obtaining Project approvals from the City of Santa Rosa. What is the justification for spending County resources and monies to assist the developer in obtaining entitlements from the City of Santa Rosa? Was Supervisor Zane aware of this provision of the DDA? Was the fact that under the terms of the DDA they County is committed to spending County staff time and resources to assist the developer in obtaining entitlements from the City valued for the purpose of the turn determining the overall net sales price of the property? If the expenditure of County resources to assist the developer was not considered in determining the sales price of the parcels, why was it not considered?

6. My interpretation of the DDA is that under paragraph graph 6.11 at page 4 of the DDA, the DDA can subsequently modified by agreement of the County Administrator with approval of County Counsel without any review of the modifications by the County Board of Supervisors or the public. Does Supervisor Zane interpret paragraph 6.11 of the DDA as I have set forth herein above? Was Supervisor Zane aware of the terms and impact of paragraph 6.11 prior to today? If she was aware of the terms and impact of paragraph 6.11, when did she become so aware? When were you aware of the provisions of paragraph 6.11? What is Supervisor Zane's rationale for the delegation of the duties of the Board of Supervisors to the County Administrator and County Counsel under paragraph 6.11?

7. Does Supervisor Zane believe that the development of 400 to 860 housing units on the Chanate Campus will not have a significant effect on the environment? If so, what facts the she relied upon for determination that the project will not have a significant effect on the environment?

8. Page 31 paragraph 3.17.2 provides that ... "Neither the holder of any mortgage...nor...any person or entity ... who acquires title or possession to the Disposition Property by foreclosure... or otherwise shall be obligated by the provisions of this agreement to construct or complete the improvements on the property or to guarantee such construction or completion." (Emphasis added.) What is Commissioner Zane's or County Counsel's interpretation of this provision of the DDA agreement? I find the use of the undefined term "or otherwise" to allow the interpretation of the agreement in such a manner that any subsequent titleholder could avoid the DDA agreement. This Supervisor Zane have an opinion as to the interpretation of this provision of the DDA agreement? If so, what is Supervisor Zane's interpretation of this provision of the DDA agreement?

9. Assuming the sale of the Chanate property pursuant to the current DDA is completed, and the traffic conditions require the widening of Chanate Road to four lanes, who would be responsible for the cost of widening Chanate Road? Was the possibility that Chanate would have to be widened considered by the County or Supervisor Zane? If so, what were the considerations regarding the possibility of widening Chanate and who would pay for it? It also appears that the project will undoubtedly require additional schools for the residents of the up to 860 housing units. Who would pay for additional schools and other infrastructure costs caused by the development of the Chanate property? Is there any consideration of passing those costs on to see CCDP? If not, why not?

10. It appears that the County agreed to a \$1 million reduction in the purchase price in exchange for see CCDP agreeing to a conservation easement on parcel J. Did Supervisor Zane take into consideration the fact that the property would actually be transferred to see CCDP and that they will be able to retain any financial benefits derived from the conservation easement in determining the amount of the reduction in the purchase price due to the conservation easement on parcel J? Is there an independent appraisal of the value of parcel J with and without the conservation easement? Is an independent appraisal of the value of parcel J as a distinct and separate parcel from the remaining properties on the Chanate project with regards to the value of a conservation easement? Is not the County required to obtain it and

appraisal of any property that it sells? Is not the County required to only sell property for its fair market value? What does Supervisor Zane believe is the fair market value of parcel J is, as a separate parcel? What factors did Supervisor Zane rely upon in making her determination of the fair market value of parcel J?

Finally, I request that the Board of Supervisors reconsider the of the sale of the Chanate complex to CCDP and in the interim that Supervisor Zane and County Counsel hold town hall meetings where the public can ask questions about the DDA and the sale of the property in general both to Supervisor Zane and County Counsel.

Thank you for your assistance with this matter.

Sincerely,

James J. Barnes