

**Resolution No. 2022-XXX N.C.S.  
of the City of Petaluma, California**

**AUTHORIZING EXTENTION OF LOAN TERM FOR 575 VALLEJO STREET ASSOCIATES  
EXPIRING DECEMBER 11, 2022 AND FINDING THAT THIS ITEM IS NOT A “PROJECT”  
PURSUANT TO CEQA GUIDELINES SECTION 15378(b)(4-5)**

**WHEREAS**, the Vallejo Street Senior Apartments owned and operated by 575 Vallejo Street Associates, with Petaluma Ecumenical Projects (PEP Housing) as predecessor-in-interest, is a 45-unit affordable housing development at 575 Vallejo Street in Petaluma providing housing for seniors with low- and very-low-income; and

**WHEREAS**, the City of Petaluma provided funding to PEP Housing to acquire and develop the 575 Vallejo Street property in the form of a loan in the amount of \$591,800 secured by a Borrowers Note on December 11, 1992; and

**WHEREAS**, the City of Petaluma provided additional funding to PEP Housing to acquire and develop the 575 Vallejo Street property in the form of an additional loan amount of \$260,000 secured by a Modification Agreement on October 6, 1993; and

**WHEREAS**, the 30-year term of the December 11, 1992, Borrowers Note securing the loan and subsequent modification totaling \$851,800 for 575 Vallejo Street Associates/Petaluma Ecumenical Projects Petaluma from the City expires on December 11, 2022; and

**WHEREAS**, the City of Petaluma supports the production and preservation of affordable housing for its lower income and vulnerable populations; and

**WHEREAS**, the Petaluma General Plan 2025 includes policies to provide essential housing to all Petalumans and including Policy 6.1 to support efforts to prevent homelessness, and Policy 9.1 to promote the integration of affordable and special needs housing projects on existing neighborhoods; and

**WHEREAS**, the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378, as the action does not meet CEQA's definition of a “project,” because approving a loan term extension is not a project as it does not commit the City to a definite course of action (See City of Irvine v. County of Orange (2013) 221 Cal 4th 846, 865) and because this action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment; and,

**WHEREAS**, 575 Vallejo Street Associates/PEP Housing plans to continue operation of the Vallejo Street Senior Apartments affordable housing project in accordance with all requirements of the Affordability Restrictions Agreement pertaining to 575 Vallejo Street entered into by the City of Petaluma and PEP Housing on December 11, 1992 and recorded with the Sonoma County Recorder as record number 1992 0156854; and,

**WHEREAS**, this item was agenized in compliance with state and local laws.

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

1. Declares the above recitals to be true and correct and are incorporated herein by reference.

2. Finds that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15378, as the action does not meet CEQA's definition of a "project," because approving a loan extension is not a project as it does not commit the City to a definite course of action (See City of Irvine v. County of Orange (2013) 221 Cal 4th 846, 865) and because this action constitutes organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment pursuant to CEQA Guidelines Section 15378(b)(4). Furthermore, environmental compliance was already completed when the initial loan was approved.
3. Authorizes the City Manager or other authorized representative to execute a new Modification Agreement with 575 Vallejo Street Associates/PEP Housing pertaining to the property at 575 Vallejo Street in Petaluma. The new Modification Agreement will extend the term of the \$851,800 loan expiring on December 11, 2022, for another 10 years. The principal amount under the modified Note shall accrue simple interest at the rate of three percent (3 %) per annum commencing with the execution date of the new Modification Agreement.

Under the power and authority conferred upon this Council by the Charter of said City.

**REFERENCE:**

I hereby certify the foregoing Resolution was introduced and adopted by the Council of the City of Petaluma at a Regular meeting on the 21<sup>st</sup> day of November 2022, by the following vote:

Approved as to  
form:

\_\_\_\_\_  
City Attorney

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**ATTEST:**

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

**EXHIBIT A**

**TITLE**

Text/Chart/Image