

July 2, 2021

Kristina Tierney
Associate Planner
CITY OF SONOMA
No. 1 The Plaza
Sonoma, California 95476-6618

RE: PRELIMINARY APPLICATION FOR HOUSING DEVELOPMENT PROJECT AT 216, 230, AND 254 1ST STREET EAST, SONOMA, CA

Thank you for your letter dated June 23, 2021. We respond to each comment below, have updated the plans, and attach additional requested information. Nevertheless, it is our opinion that the application materials submitted on May 17, 2021 were complete pursuant to SB 330, SB 35, the Permit Streamlining Act, and Sonoma's preliminary application requirements to the extent they comply with state law. We reserve all rights.

1. The Project is proposed pursuant to the State Density Bonus Law ("DBL"), Cal Gov. Code § 65915. Section 65915(f) provides that an applicant can elect a lesser percentage of density increase, including but not limited to no density increase. The Project provides the maximum allowable gross residential density and does not seek a density increase above that amount. This complies with the DBL.

2. The Project proposes a substantial rehabilitation of the two existing residential units and not a demolition. Also, SB 330 requires that a preliminary development application just include the number of existing residential units on the project site that will be demolished and whether each existing unit is occupied or unoccupied. (Cal. Gov. Code § 65941.1(a)(15)). SB 330 does not require information necessary to determine compliance with Cal. Gov. Code § 66300(d). A city's SB 330 checklist shall not require or request any information beyond that expressly identified in §65941(a). (Cal. Gov. Code § 65941.1(b)(3)). Nevertheless, we provide the following information:

- There are two existing rental units on the project site.
- Neither of the units are proposed to be demolished.
- To the best of our knowledge, neither of the units meets the definition of a "protected unit." We can provide further information on request to the extent necessary.
- Neither of the units are subject to rent or price controls.

3. We are not aware of any legal requirement that an owner addresses in the Secretary of State filing match an address on the SB 330 preliminary application. A city's SB 330 checklist shall not require or request any information beyond that expressly identified in §65941(a). (Cal. Gov. Code § 65941.1(b)(3)). Nevertheless, the address listed in the application is accurate. The next LLC Statement of Information Filing is not due until March 2023, and will reflect this address.

4a. See attached document authorizing Next Generation Homes, Inc. to act as a manager.

4b. See attached document authorizing Brian Hanley to sign on behalf of Next Generation Homes, Inc.

5a. Number of hard copy sets for submittal noted, per section 17 on page 4.

5b. To clarify, the project consistently proposes a total of 52 units (2 remodeled units plus 50 units of new construction). Please refer to "New and Remodeled Units" exhibit on sheet A5.

5c. Please refer to “New and Remodeled Units” exhibit on sheet A5 for clarification.

5d. Please refer to “Existing and On-Site Trees” exhibit on sheet A4 for clarification.

5e. Noted. Setbacks to be clarified per section 19.18.020.

5f. Please refer to “New and Remodeled Units” exhibit on sheet A5 for clarification.

6. We have made it clear several times that we could submit the check as early as May 17, 2021 and asked for the City to inform us how we could best deliver it. We did not receive any direction until this comment.

Thank you,



Don Ricci
Director of Neighborhood Residential

**FIRST AMENDMENT
OF
THE OPERATING AGREEMENT
OF
CAYMUS 216-254 1ST STREET EAST LLC**

This First Amendment of the Operating Agreement (this "Amendment") is made as of May 13, 2021, by and among the parties listed on the signature pages hereof (collectively referred to as the "Members" or individually as a "Member"), with reference to the following facts:

WHEREAS the Members executed the certain Operating Agreement for Caymus 216-254 1st Street East LLC, a Delaware limited liability corporation, dated May 9, 2015, as amended from time to time ("Agreement"); and

WHEREAS, the undersigned, being all of the Members, hereby wish to adopt the following Amendment to the Agreement:

Now, therefore, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Members agree as follows:

1. Section 2.32 of the Agreement shall be amended to include the following after the first sentence thereof:

“Co-Manager” shall mean Brian Hanly, solely in his capacity as Chief Executive Officer of Next Generation Homes Inc. The Co-Manager shall have the authority to sign any applications, permits, and other such land use authorizations as they relate to the project located at 216-254 1st Street East, Sonoma, California. The Co-Manager shall have no other authority under this Agreement except as explicitly stated in this Section 2.32. The Co-Manager is neither a Member nor the Manager and, as a result, shall have not be permitted to exercise any rights granted to, or be responsible for performing any duties or obligations assigned to, a Member or the Manager. In acting within the limited scope of authority granted pursuant to this Section 2.32, Brian Hanly, as the Co-Manager (in his capacity as the Chief Executive Officer of Next Generation Homes Inc.) and in his individual capacity, shall be deemed a Covered Person for the purposes of this Agreement shall be entitled to any and all rights, benefits and protections afforded to a Covered Person under this Agreement and applicable law, including but not limited to, the rights, benefits and protections of a Covered Person as described in Section 5.11 of this Agreement.”

2. Except as expressly amended by this Amendment, the Agreement shall remain unmodified and in full force and effect.


3. This Amendment constitutes the Members’ entire agreement and understanding with respect to all matters referred to in this Amendment.

4. This Amendment shall be binding upon and inure to the benefit of the Members and their respective successors and assigns.

In Witness Whereof, the undersigned have executed this Amendment as of the date set forth above.

“MANAGER”

Hatchery Investments, LLC
(FKA: CAYMUS CAPITAL, LLC)
a Delaware limited liability company

By:  _____
Edmond Routhier,
Managing Member

SIGNATURE PAGES OF OTHER MEMBERS FOLLOW


**MEMBER SIGNATURE PAGE TO FIRST AMENDMENT OF THE OPERATING AGREEMENT OF
CAYMUS 216-254 1ST STREET EAST LLC**

IN WITNESS WHEREOF, the undersigned has signed this Agreement as of the date set forth opposite the signature below.

“MEMBER”

Entities:

Next Generation Homes Inc. (Name of Entity)
a California Corporation (Type of Entity)

 (Signature) Date: 5/17/21

By: Brian Hanly
(Print Name)
Its: CEO (Title)

Individuals:

_____ (Signature) Date: _____

By: _____
(Print Name)

Signature of spouse if funds are to be invested
in joint name or are community property:

_____ (Signature) Date: _____

By: _____
(Print Name)

**WRITTEN CONSENT OF THE MEMBERS
OF BOARD OF DIRECTORS
OF NEXT GENERATION HOMES, INC.**

In accordance with California law, authorizing the taking of action by the members of the Board of Directors by unanimous consent without a meeting, the undersigned, being all the members of the Board of Directors of Next Generation Homes, Inc., a California corporation ("Corporation"), hereby consent to the following actions and adopt the following resolutions, effective May 12, 2021:

WHEREAS, the members of the Board of Directors have determined that it is in the best interests of the Corporation, as Co-Manager for Caymus 216-254 1st Street East LLC, a Delaware limited liability company, to execute and deliver the Housing and Development Project (Preliminary Application) required by the Planning and Community Services Department of the City of Sonoma ("Department"), relating to the development of the real property located at 216, 230, 254 1st Street East, Sonoma, CA ("Application");

WHEREAS, the members of the Board of Directors have reviewed the Application; and

WHEREAS, the members of the Board of Directors authorize Brian Hanly (as President and Chief Executive Officer) to execute the Application and to deliver the Application to the Department.

RESOLVED, the members of the Board of Directors hereby approve the execution of the Application by the Corporation and the delivery thereof by the Corporation to the Department.

RESOLVED, the members of the Board of Directors hereby authorize and direct either Brian Hanly, as the President and Chief Executive Officer, to execute the Application, on behalf of the Corporation, and to deliver the Application to the Department.

In accordance with the laws of the State of California, this written consent may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same written consent.



Brian Hanly, Director



Donnie Hanly, Director