

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: MEGAN BASINGER, DIRECTOR
SUBJECT: APPROVAL OF TRANSFER OF OWNERSHIP AND
ASSUMPTION OF HOUSING AUTHORITY REGULATORY
AGREEMENT AND LOANS FOR CYPRESS RIDGE
APARTMENTS – 1815 MEDA AVENUE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Housing and Community Services Department recommends that the Housing Authority, by resolution, conditionally approve the following for Cypress Ridge Apartments, located at 1815 Meda Avenue: 1) the transfer of ownership from Meda Cypress Ridge, L.P. to Post Cypress Ridge, L.P.; 2) the assumption of the Housing Authority Regulatory Agreement and loans, in the principal amount of \$1,881,729; 3) extension of the Housing Authority loans from October 27, 2049 to December 10, 2059 to align with the terms of the Regulatory Agreement; and 4) subordination of the Housing Authority loans to a first mortgage, in the approximate amount of \$14.1 million to allow Post Cypress Ridge, L.P. to purchase the property.

EXECUTIVE SUMMARY

Burbank Housing Development Corporation (BHDC) is selling 1815 Meda Avenue, known as Cypress Ridge Apartments (Project), currently owned by Meda Cypress Ridge, L.P., and has entered into a purchase agreement with Post Cypress Ridge, L.P., an affiliate of Post Investment Group. The Project is a 122-unit apartment community affordable to households at 30%, 50%, and 60% of area median income (AMI), with two (2) unrestricted manager's units. The Housing Authority has loans on the property, in the principal amount of \$1,881,729, maturing on October 27, 2049, and a Regulatory Agreement securing affordability through December 10, 2059. As part of this transaction, Post Investment Group is seeking the Housing Authority's approval to assume the loans and Regulatory Agreement; extend the maturity date of the loans to December 10, 2059 to align with the terms of the Regulatory Agreement; and subordinate to a first mortgage, in the approximate amount of \$14.1 million, to allow Post Cypress Ridge, L.P. to purchase the property.

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BACKGROUND

The Project consists of 122 units affordable to households at 30%, 50%, and 60% AMI, with two (2) unrestricted managers' units. Affordability is secured by a Regulatory Agreement expiring on December 10, 2059. The balance of the Housing Authority loans as of February 28, 2026, is \$2,115,427 (\$1,881,729 principal plus \$233,698 interest).

BHDC is selling the property and has entered into a Purchase Agreement with Post Investment Group. The sale of the property and assumption of the Housing Authority's Regulatory Agreement and loans, and extension of the loan terms, by a new owner require Housing Authority approval.

PRIOR HOUSING AUTHORITY REVIEW

On November 25, 1991, the Housing Authority, by Resolution Number 631, approved a loan in the amount of \$195,000 for the acquisition and development of the Project, three percent (3%) interest, deferred for 30 years, and due on January 22, 2022.

On June 22, 1992, the Housing Authority, by Resolution Number 664, approved a further advance for the Project in the amount of \$77,500 for development costs under the same terms as the prior loan.

On September 27, 1993, the Housing Authority, by Resolution Number 729, approved a further advance for the Project in the amount of \$48,500 for development costs under the same terms as the prior loan.

On June 20, 1994, the Housing Authority, by Resolution Number 770, approved a further advance for the Project in the amount of \$185,000 for development costs under the same terms as the prior loan.

On July 24, 1995, the Housing Authority, by Resolution Number 847, approved a further advance for the Project in the amount of \$24,650 for development costs under the same terms as the prior loan.

On November 22, 1999, the Housing Authority, by Resolution Number 1081, approved a further advance for the Project in the amount of \$300,000 for development of the Project, three percent (3%) interest, residual cash receipts, deferred for 30 years, and due on October 27, 2030.

On September 25, 2000, the Housing Authority, by Resolution Number 1115, approved a further advance for the Project in the amount of \$450,000 for development costs under the same terms as the prior loan.

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On August 27, 2001, the Housing Authority, by Resolution Number 1165, approved a further advance for the Project in the amount of \$715,000 for development costs under the same terms as the prior loan.

On December 16, 2019, the Housing Authority, by Resolution Number 1671, approved an extension of the loan terms for 19 years from October 27, 2030 to October 27, 2049.

ANALYSIS

Per the purchase agreement, Post Investment Group will purchase the Project for \$18.8 million with a first mortgage in the approximate amount of \$14.1 million (5.2% amortized for 35 years with the first seven (7) years of payments at interest only), plus the existing Housing Authority's loans of \$2,115,427 (as of February 28, 2026). The balance of \$4.7 million will be paid in cash. Based on a January 27, 2026, appraisal, which reported the Project's value at \$18.83 million, the Loan-to-Value (LTV) ratio is approximately 0.86. Using the Project's estimated average Net Operating Income (NOI) of \$1,484,469, the financing structure yields a Debt Service Coverage Ratio (DSCR) of 1.48.

Post Investment Group maintains a portfolio that incorporates more than 140 properties in 13 states, among them 53 Low-Income Housing Tax Credit (LIHTC) developments. California represents a strategic market for Post Investment Group, which currently holds 35 assets statewide. Post Investment Group's execution of five (5) LIHTC acquisitions in California in 2025 further reinforces its extensive expertise and specialization in affordable and tax-credit housing. Post Investment Group is contracting with Burbank Housing Management Corporation (BHMC) to continue as the manager of the Project.

Subject to Housing Authority approval, Post Investment Group will continue to operate the property as affordable housing consistent with the terms of the Housing Authority's Regulatory Agreement. Approval of this item ensures the long-term preservation of affordable housing in Santa Rosa.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the Housing Authority's budget.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a "project" subject to the California Environmental Quality Act (CEQA) because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the proposed action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the

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project may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not Applicable.

NOTIFICATION

BHDC and Post Investment Group have been notified of the meeting.

ATTACHMENTS

- Resolution
- Letter from Post Investment Group, December 30, 2025

PRESENTER

Koy Stewart, Program Specialist