



TRANSFER OF OWNERSHIP, ASSUMPTION OF REGULATORY AGREEMENTS AND LOANS FOR CYPRESS RIDGE APARTMENTS

February 23, 2026

Housing & Community Services

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Background

- Apartment complex comprised of 122 units affordable to households at 30%, 50%, 60% of Area Median Income (AMI), with 2 unrestricted managers' units
- Owned by Meda Cypress Ridge, L.P., Burbank Housing Development Corporation (BHDC) as General Partner
- Housing Authority has 2 loans due October 27, 2049
- \$1,881,729 principal plus \$233,698 interest as of Feb. 28, 2026
- Regulatory Agreement securing affordability to December 10, 2059

Background

- BHDC entered into a Purchase Agreement with Post Investment Group
- Post Investment Group – Located in Beverly Hills, CA, demonstrates strong operational capacity and financial stability managing 140 properties across 13 states with 35 properties currently in the CA
- Sale of the property and assumption of the Housing Authority's Regulatory Agreements and loans, and the extension of loans terms requires Housing Authority approval

Analysis

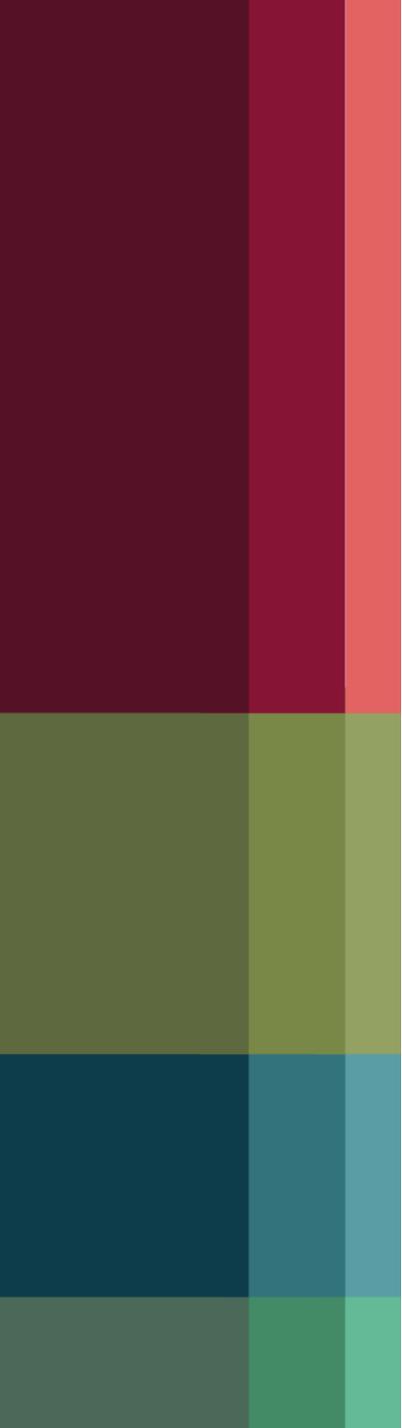
- Proposed Financing
 - \$14.1 million – First Mortgage
 - \$4.7 million – Cash
 - \$18.8 million – Purchase Price
- Loan-to-Value = 0.86 based on appraised value of \$18.83 million
- Debt Service Coverage Ratio = 1.48
- Requires subordination of Housing Authority's loan to first mortgage

Analysis

- If approved, Post Cypress Ridge, L.P., an affiliate of Post Investment Group will own the property
- Post Investment Group will continue to operate the property as affordable housing consistent with the Housing Authority Regulatory Agreement
- Post Investment Group will contract with Burbank Housing Management Corporation to continue property management
- Approval of this item ensures the long-term preservation of affordable housing in Santa Rosa

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.

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Questions?