

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA APPROVING THE FOLLOWING FOR BENTON VETERANS' VILLAGE, 1055 BENTON STREET: TRANSFER OF OWNERSHIP FROM COMMUNITY HOUSING SONOMA COUNTY TO PEP HOUSING OR AN AFFILIATE LIMITED LIABILITY COMPANY (LLC); ASSUMPTION OF HOUSING AUTHORITY REGULATORY AGREEMENT, DENSITY BONUS HOUSING AGREEMENT, PROJECT BASED VOUCHER HOUSING ASSISTANCE PAYMENTS CONTRACT, AND LOANS, IN THE PRINCIPAL AMOUNT OF \$1,572,294, AND A CITY OF SANTA ROSA LOAN, IN THE PRINCIPAL AMOUNT OF \$895,448, BY PEP HOUSING OR AN AFFILIATE LLC; AND EXTENSION OF THE HOUSING AUTHORITY'S LOANS AND CITY LOAN TO OCTOBER 22, 2073 TO ALIGN WITH THE TERMS OF THE REGULATORY AGREEMENT AND DENSITY BONUS HOUSING AGREEMENT.

WHEREAS, Benton Veterans Village, located at 1055 Benton Street (Project), currently owned and operated by Community Housing Sonoma County (CHSC), is a seven (7) unit housing complex affordable to households with incomes between 30% and 80% of Area Median Income (AMI), secured by a Regulatory Agreement and Density Bonus Housing Agreement expiring on October 22, 2073; and

WHEREAS, on June 17, 2014, the Housing Authority, by Resolution Number 1581, approved a loan in the amount of \$567,512 for the acquisition and development of the Project, three percent (3%) interest, residual cash receipts, deferred for thirty (30) years and due on July 17, 2044; and

WHEREAS, on July 27, 2015, the Housing Authority, by Resolution Number 1600, approved a further advance of funds for the Project in the amount of \$171,141 for development costs under the same terms of the prior loan; and

WHEREAS, on October 26, 2015, the Housing Authority, by Resolution Number 1604, approved six (6) Veterans Affairs Supportive Housing (VASH) vouchers for the Project under a fifteen (15) year Project-Based Housing Assistance Payments (PBV HAP) contract, to expire on August 21, 2033; and

WHEREAS, on July 25, 2016, the Housing Authority, by Resolution Number 1616, approved a second further advance for the Project in the amount of \$833,641 for development costs, three percent (3%) interest, residual cash receipts, deferred for 55 years to align with the maturity date of a California Department of Housing and Community Development (HCD) Veterans Housing and Homelessness Prevention Program (VHHP) loan due on July 28, 2071; and

WHEREAS, on May 23, 2017, the City Council, by Resolution Number 2017-080, approved a commitment of loan funds in the amount of \$895,448 for development costs, three percent (3%) interest, residual cash receipts, deferred for 55 years and due on January 9, 2073; and

WHEREAS, Resolution Number 2017-080, authorized the Director of Housing and Community Services to execute agreements on behalf of the City, including assignment and assumption agreements; and

WHEREAS, a portion of the Housing Authority's loan, in the principal amount of \$412,767, is funded with federal HOME Investment Partnerships Community Housing Development Organization (HOME-CHDO) funds; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has provided the City with a waiver to allow the sale of the property from CHSC, a certified CHDO, to a non-CHDO entity, PEP Housing; and

WHEREAS, sale of the property and assumption of the Housing Authority's Regulatory Agreement, Density Bonus Housing Agreement, PBV HAP contract, loans, City loan, and extension of the loan terms, by a new owner require Housing Authority approval; and

WHEREAS, PEP Housing will continue to operate the property as affordable housing consistent with the terms of the Housing Authority's Regulatory Agreement and Density Bonus Housing Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa approves the following subject to the conditions and terms including but not limited to the items listed below:

1. Transfer of ownership from CHSC to PEP Housing or an affiliate LLC;
2. Assumption of the Housing Authority's Regulatory Agreement, Density Bonus Housing Agreement, PBV HAP contract, and loans, in the principal amount of \$1,572,294, plus a City of Santa Rosa loan in the principal amount of \$895,448 by PEP Housing or an affiliate LLC;
3. Extension of the Housing Authority's loans and City loan from July 28, 2071 and January 9, 2073, respectively, to October 22, 2073 to align with the terms of the Regulatory Agreement and Density Bonus Housing Agreement; and
4. Loan terms of three percent (3%) simple interest per annum, with payments from residual cash receipts, due on October 22, 2073.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Executive Director, or designee to execute any agreements and related loan documents for the Project.

IN HOUSING AUTHORITY DULY PASSED this 26th day of January, 2026.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____ APPROVED: _____
Secretary Chair

APPROVED AS TO FORM: _____
City Attorney