



ASSUMPTION OF REGULATORY AGREEMENTS, PROJECT BASED VOUCHER HOUSING ASSISTANCE PAYMENTS CONTRACT, AND LOANS Benton Veterans Village

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Housing & Community Services

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Background

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- 7 one-bedroom units affordable to households at 30-80% of Area Median Income (AMI)
- Owned by Community Housing Sonoma County (CHSC)
 - HA Loans – \$1,572,294 principal plus \$428,447 interest as of Jan. 31, 2026
Due July 28, 2071
 - City Loan – \$895,448 principal plus \$216,673 interest as of Jan. 31, 2026
Due July 9, 2073
- Regulatory Agreement and Density Bonus Housing Agreement to October 22, 2073
- Project-Based Voucher Housing Assistance Payments (PBV HAP) Contract to August 21, 2033

Background

- CHSC is winding down operations and selling the property
- Entered into a Purchase Agreement with PEP Housing
- PEP Housing – Local non-profit organization with a longstanding mission to provide affordable housing
- PEP Housing – demonstrates strong operational capacity and financial stability managing 19 properties with over 670 units
- Sale of the property and assumption of the Housing Authority's agreements and loans, City loan, and extension of loan terms requires Housing Authority approval
- City loan – Director of Housing and Community Services authorized to execute agreements

Analysis

- PEP Housing will purchase the property for \$20,000 and assume the Housing Authority's loan and City loan plus the following:
 - \$1,013,750 – California Department of Housing and Community Development (HCD) Veterans Housing and Homelessness Prevention Program (VHHP)
 - \$105,000 – Federal Home Loan Bank of San Francisco Affordable Housing Program (AHP)
- PEP Housing will continue to operate the property as affordable housing consistent with the Housing Authority's agreements
- Approval of this item ensures the long-term preservation of affordable, supportive housing in Santa Rosa

Recommendation

The Housing and Community Services Department recommends that the Housing Authority, by resolution, conditionally approve the following for Benton Veterans Village, located at 1055 Benton Street: 1) the transfer of ownership from Community Housing Sonoma County to PEP Housing or an affiliate Limited Liability Company (LLC); 2) the assumption of the Housing Authority's Regulatory Agreement, Density Bonus Housing Agreement, Project-Based Voucher Housing Assistance Payments 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 Limited Liability Company LLC; and 3) 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.

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Questions?