

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA
APPROVING THE TERMINATION AND RELEASE OF THE REGULATORY
AGREEMENT UPON THE SALE AND FULL REPAYMENT OF THE HOUSING
AUTHORITY'S LOAN FOR STONEHOUSE/ATHENA HOUSE LOCATED AT 3555
SONOMA HIGHWAY, ASSESSOR'S PARCEL NUMBER 180-120-033

WHEREAS, in 2010 the Housing Authority approved Resolution 1489 providing a loan in the amount of \$200,000 to assist California Human Development Corporation (CHDC) with the purchase of Stonehouse Inn located at 3555 Sonoma Highway, Assessor Parcel Number 180-120-033 (Property); and

WHEREAS, the acquisition of the Property allowed CHDC to consolidate its existing Athena House programs, previously operated at multiple locations, into one facility; and ;

WHEREAS, the Housing Authority's loan to CHDC was accompanied by a Regulatory Agreement with a thirty year term that restricted 28 of the 40 at the Property to individuals at or below 80% of area median income (AMI); and

WHEREAS, in August 2011, the Housing Authority approved Resolution 1524, providing a further advance of \$27,151 to assist with rehabilitation of the Property, the Further Advance brought the Housing Authority's total loan to \$227,151; and

WHEREAS, CHDC began operating the Stonehouse/Athena House program on the Property in August 2012, initiating the thirty-year term of the Regulatory Agreement; and

WHEREAS, in Spring 2022, CHDC provided notification that they would be ceasing operation of Stonehouse/Athena House due to operational funding constraints;

WHEREAS, CHDC listed the Property with a commercial real estate broker in July 2022, the Property has conducted marketing outreach including mailings, online listing on Loopnet, a site specific Youtube video, and nearly two dozen showings; and

WHEREAS, staff has been in communication with CHDC, their consultants and legal counsel regarding the sale of the Property; CHDC has received a written offer that necessitates the termination and release of the Regulatory Agreement, and

WHEREAS, the termination and release of the Regulatory Agreement will not establish a precedent due to unique circumstances, including the following: 1) the Property is one of a limited number of temporary housing sites that have been funded by the Housing Authority and it provides drug and alcohol treatment, not permanent housing; and 2) the Property, which provided 40 treatment beds while operating, required the program participants to share rooms, reducing the ability for the Property to be used as independent living; and 3) due to site constraints the Property is not well suited for affordable housing development; and

WHEREAS, in order to recapture the loan funds provided for the acquisition and rehabilitation of the Property, the Housing Authority is being requested to authorize the termination and release of the Regulatory Agreement;

WHEREAS, the Housing Authority determines that this is not a “project” under CEQA and is therefore exempt from review pursuant to CEQA Guidelines Section 15378; and

WHEREAS, the Housing Authority has reviewed the request from California Human Development Corporation and approves the termination and release of the Regulation Agreement based on the conditions identified below.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa hereby approves the termination and release of the Regulatory Agreement from APNs 180-120-033 upon the sale of the Property and repayment of the outstanding principal and accrued interest to the Housing Authority, subject to the following conditions: .

1. The approval to terminate and release the Regulatory Agreement upon repayment of the outstanding principle and accrued interest remains valid as long as the Borrower continues to make timely amortized loan payments. The loan payments will cease at the close of sale upon the final payment of principal and interest on the loans.
2. The approval to terminate and release the Regulatory Agreement recorded against the Property is valid for six months from the date of this Resolution (July 23, 2023). A three month extension may be approved by the Executive Director if there is an extension of the closing of the sale.

BE IT FURTHER RESOLVED that the Housing Authority hereby authorizes the Executive Director to execute agreements and related documents necessary to complete the transaction described herein.

DULY AND REGULARLY ADOPTED by the Housing Authority of the City of Santa Rosa this 23rd day of January, 2023.

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: _____
Chair

ATTEST: _____
Secretary

APPROVED AS TO FORM: _____
City Attorney