

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: MEGAN BASINGER, DIRECTOR
SUBJECT: APPROVING AN EXTENSION FOR THE MATURING LOAN AND
REGULATORY AGREEMENT FOR CALIFORNIA PROGRAMS
FOR THE AUTISTIC'S BENTON HOUSE – 325 MAJOR DRIVE

AGENDA ACTION: RESOLUTION

RECOMMENDATION

The Housing and Community Services Department recommends that the Housing Authority, by resolution: (1) extend the maturity date of the loan to California Programs for the Autistic for Benton House, located at 325 Major Drive, in the principal amount of \$30,899.53, by thirty (30) years, from September 1, 2026, to September 1, 2056; and (2) extend the term of the Regulatory Agreement by twenty-five (25) years, from September 1, 2031, to September 1, 2056, to align with the extended loan term.

EXECUTIVE SUMMARY

California Programs for the Autistic (CPA)'s Benton House is an existing four-bedroom, six-bed residential facility located at 325 Major Drive ("Project"). The Housing Authority has a loan secured by the property with an outstanding balance of \$55,722.73, \$30,899.53 in principal and \$24,823.20 in accrued interest, maturing on September 1, 2026, and a Regulatory Agreement securing affordability through September 1, 2031. CPA is unable to repay the loan at maturity and has requested a 30-year extension through September 1, 2056, to continue operating the Project. As a condition of the loan extension, the Regulatory Agreement would also be extended through September 1, 2056.

BACKGROUND

CPA, a local nonprofit organization founded in 1978, offers life-long supportive services for adults with developmental disabilities and operates two (2) homes in Santa Rosa, Benton House and Hurley House.

In November 1997 and October 1999, the Housing Authority provided two (2) loans for the rehabilitation of the Project in the principal amounts of \$12,500 and \$20,000 at three percent (3%) simple interest, deferred for fifteen (15) years, or until change of use of the

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property. The two loans were subsequently consolidated into a single loan with a balance of \$33,248.97, consisting of \$32,500 in principal and \$748.97 in accrued interest, due and payable on November 14, 2012.

In October 2012, the Housing Authority approved a loan extension from November 14, 2012 to September 1, 2026. In connection with this extension, a Regulatory Agreement was executed securing affordability restrictions for households at or below 80% of Area Median Income (AMI) through September 1, 2031.

The balance of the Housing Authority loan at maturity on September 1, 2026 is \$55,722.73 (\$30,899.53 principal plus \$24,823.20 accrued interest). The principal amount reflects a payment of \$2,349.44 made by CPA in 2000, reducing the principal amount of the loan from \$33,248.97 to \$30,899.53.

PRIOR HOUSING AUTHORITY REVIEW

On November 7, 1997, the Housing Authority, by Resolution No. 973, approved a loan in the amount of \$12,500 for the rehabilitation of the Project, three percent (3%) simple interest, deferred for fifteen (15) years or until change of use of the property.

On October 25, 1999, the Housing Authority, by Resolution No. 1078, approved an additional loan for the rehabilitation of the Project in the amount of \$20,000, three percent (3%) simple interest, deferred for fifteen (15) years or until change of use of the property.

On October 22, 2012, the Housing Authority, by Resolution No. 1547, approved a loan extension from November 14, 2012, to September 1, 2026, three percent (3%) simple interest and required a Regulatory Agreement securing affordability restrictions for households at or below 80% of AMI through September 1, 2031.

ANALYSIS

CPA has remained in good standing and has consistently complied with the quarterly reporting requirements under the Regulatory Agreement. Staff's on-site inspection found the property to be in good condition, well maintained, and recently painted.

Existing financing secured by the property totals \$57,379.31, consisting of a first mortgage balance of approximately \$1,656.58, which matures in September 2026, and the Housing Authority loan of \$55,722.73, including principal and accrued interest. Upon repayment of the first mortgage, the Housing Authority loan would become the only remaining loan secured by the property. The resulting monthly savings would help CPA address needed property repairs, including electrical and HVAC work, and support the purchase of a vehicle for the medical support coordinator to transport residents to medical appointments.

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CPA is unable to repay the Housing Authority loan when it matures on September 1, 2026, and has requested a 30-year extension through September 1, 2056. As a condition of the extension, the Regulatory Agreement would also be extended through September 1, 2056, preserving affordability for an additional 25 years. Approval of the requested extensions would preserve the affordability of the Project and support the continued provision of housing and services for individuals with developmental disabilities.

FISCAL IMPACT

Approval of this action will not require additional appropriation or expenditure from the Housing Authority's budget. The action will defer repayment of the outstanding loan balance of \$55,722.73 from September 1, 2026, to September 1, 2056.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines section 15378, the proposed action is not a "project" subject to the California Environmental Quality Act because it does not have the potential to result 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 action may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

CPA has been notified of the meeting.

ATTACHMENTS

- Resolution
- Letter from California Programs for the Autistic, Inc., July 13, 2026

PRESENTER

Angela Morgan, Program Specialist