RESOLUTION NO. ____________

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA CONDITIONALLY APPROVING SUBORDINATION OF THE HOUSING AUTHORITY LOANS FOR ASTON AVENUE APARTMENTS, LOCATED AT 623 ASTON AVENUE, TO A NEW FIRST MORTGAGE

WHEREAS, on September 26, 1994, the Housing Authority, by Resolution No. 793, approved $5,782 in funding for Sonoma County People for Economic Opportunity, now Sonoma Community Action Network (Sonoma CAN), to operate as a Community Housing Development Organization under the HOME Investment Partnerships Program, a portion of which was subsequently incorporated into the Housing Authority financing for Aston Avenue Apartments, located at 623 Aston Avenue ("Project"); and

WHEREAS, the Project is a ten-unit affordable housing development currently owned and operated by Sonoma CAN and restricted for occupancy by households with incomes at 50%, 60%, and 80% of Area Median Income pursuant to a Regulatory Agreement and Density Increase Agreement through June 2, 2061; and

WHEREAS, on December 17, 2001, the Housing Authority, by Resolution No. 1171, approved a loan of $422,416 for the acquisition and development of the Project, bearing three percent (3%) simple interest, payable from residual cash receipts, and deferred for 30 years, with a maturity date of December 31, 2032; and

WHEREAS, on September 25, 2006, the Housing Authority, by Resolution No. 1367, approved an additional advance of $130,174 for construction-related costs under the same terms and extended the term of the Regulatory Agreement from 30 years to 55 years, through June 2, 2061; and

WHEREAS, on November 24, 2025, the Housing Authority, by Resolution No. RES-2025-018, conditionally approved: (1) the transfer of ownership of the Project from Sonoma CAN, formerly Community Action Partnership of Sonoma County, to Collin Hooper doing business as Crosscourt Properties (Crosscourt Properties), or an affiliated limited liability company; (2) the assumption by Crosscourt Properties of the Housing Authority's Regulatory Agreement, Density Increase Agreement, and loans, with a combined principal balance of $558,071; and (3) extension of the maturity dates of the Housing Authority loans from December 31, 2032, to June 2, 2061, to align with the term of the Regulatory Agreement; and

WHEREAS, following the Housing Authority's approval, Sonoma CAN and Crosscourt Properties entered into a purchase agreement for the Project; and

WHEREAS, Crosscourt Properties proposes to finance the acquisition with a new first mortgage in the approximate amount of $600,000, the assumption of the Housing Authority loans with a projected outstanding balance of $935,828.04, including $558,071 in principal and $377,757.04 in accrued interest through July 31, 2026, and approximately $364,172 in buyer cash, for a total purchase price of $1.9 million; and

WHEREAS, subordination of the Housing Authority loans to the proposed first mortgage requires approval by the Housing Authority; and

WHEREAS, 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 and, in the alternative, 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.

NOW, THEREFORE, BE IT RESOLVED that the Housing Authority of the City of Santa Rosa conditionally approves the subordination of its loans, with a combined principal balance of $558,071, to a new first mortgage in the approximate amount of $600,000, subject to the following conditions:

1. Crosscourt Properties shall provide the final first mortgage loan documents and proposed subordination agreement for review and approval by Housing Authority staff and approval as to form by the Housing Authority's General Counsel.

2. Crosscourt Properties, or an affiliated limited liability company approved by the Executive Director, shall execute all documents required to complete the transfer, assumption, extension, and subordination of the Housing Authority loans and affordability restrictions, including, as applicable, an Amended and Restated Regulatory Agreement, Amended and Restated Loan Agreement, Amended and Restated Promissory Note, Amended and Restated Deed of Trust, Environmental Indemnity Agreement, HOME Agreement, Assignment and Assumption Agreement, and related documents.

BE IT FURTHER RESOLVED that the Housing Authority authorizes the Executive Director, or designee, to execute all agreements, amendments, subordination documents, and related loan documents necessary to implement this resolution, in forms approved by the Housing Authority's General Counsel.

IN HOUSING AUTHORITY DULY PASSED this 27th day of July, 2026.

AYES:
NOES:
ABSENT:
ABSTAIN:
ATTEST: ___________________________ APPROVED: ________________________________
Secretary Chair

APPROVED AS TO FORM: __________________________
City Attorney