

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SANTA ROSA
CONDITIONALLY APPROVING THE FOLLOWING FOR EARLE STREET
APARTMENTS, 400 EARLE STREET: TRANSFER OF OWNERSHIP FROM SONOMA
COMMUNITY ACTION NETWORK TO HUMANITY HOUSING NORTH BAY (HHNB);
ASSUMPTION OF THE HOUSING AUTHORITY'S REGULATORY AGREEMENT AND
LOANS, IN THE PRINCIPAL AMOUNT OF \$341,650 BY HHNB; AND SUBORDINATION
OF THE HOUSING AUTHORITY'S LOANS TO A FIRST MORTGAGE, IN THE
APPROXIMATE AMOUNT OF \$600,000, TO ALLOW HHNB TO PURCHASE THE
PROPERTY.

WHEREAS, on November 23, 1998, the Housing Authority, by Resolution Number 1028, approved a loan in the amount of \$175,000 for the development of 400 Earle Street, known as Earle Street Apartments (Project), currently owned and operated by Sonoma Community Action Network (Sonoma CAN, formerly Community Action Partnership of Sonoma County); and

WHEREAS, the loan terms are three percent (3%) interest, residual cash receipts, deferred for thirty (30) years and due on December 29, 2028 with a Regulatory Agreement securing affordability for the same term; and

WHEREAS, the Project is an eight-unit apartment complex affordable to households with incomes up to 50% of area median income; and

WHEREAS, on March 22, 1999, the Housing Authority, by Resolution Number 1038, approved a further advance for the Project in the amount of \$37,626 under the same terms; and

WHEREAS, on December 16, 2019, the Housing Authority, by Resolution Number 1677, approved a further advance for the Project in the amount of \$129,778 for rehabilitation improvements, three percent (3%) interest, residual cash receipts and extended the term of the loans and Regulatory Agreement by 55 years to September 16, 2075; and

WHEREAS, the balance due on the loans as of November 30, 2025 is \$533,294 (\$341,650 principal plus \$191,644 interest); and

WHEREAS, Sonoma CAN is selling the property and has entered into a letter of intent (LOI) with HHNB; and

WHEREAS, sale of the property and assumption of the Housing Authority's Regulatory Agreement and loans by a new owner requires Housing Authority approval; and

WHEREAS, HHNB will continue to operate the property as affordable housing consistent with the terms of the Housing Authority's Regulatory 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 Sonoma CAN to HHNB following submission of a purchase agreement between the parties;
2. Assumption of the Housing Authority's Regulatory Agreement and loans, in the principal amount of \$341,650 by HHNB;
3. Loan terms of three percent (3%) simple interest per annum, with payments from residual cash receipts, due on September 16, 2075 and a Regulatory Agreement securing affordability for the same term; and
4. Subordination of the Housing Authority loans to a first mortgage, in the approximate amount of \$600,000, to allow HHNB to purchase the property, in a form approved by Housing Authority General Counsel.

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 24th day of November, 2025.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____ APPROVED: _____
Secretary Chair

APPROVED AS TO FORM: _____
City Attorney