



**Community
Services
Department**
Connecting People to Opportunities

George Chapjian, Director, Community Services
Sarah York Rubin, Executive Director, Office of Arts & Culture
Andrew Myung, Chief Financial Officer, Community Services
Jeff Lindgren, Assistant Director, Parks Division
Ashley Watkins, Division Chief, Sustainability Division



August 29, 2023

Robert P. Havlicek, Jr., Executive Director
Housing Authority of the County of Santa Barbara (HASBARCO)
815 West Ocean Avenue
Lompoc, CA 93436

RE: Reservation of County funds to the Patterson Point Apartments (Project)

Dear Mr. Havlicek:

On March, 30, 2023, Santa Barbara County Division of Housing and Community Development (HCD) staff and the County's Capital Loan Committee recommended funding toward the development costs of the proposed Project. On August 29, 2023, the County Board of Supervisors approved a reservation of County funds for the Project, in the amount of **One Million Four Hundred Eighty-eight Thousand Dollars (\$1,488,000), until September 30, 2024.**

The Project will be located northeast corner of Highway 101 and Patterson Avenue in unincorporated south Santa Barbara County. Twenty-four (24) units will be constructed, of which Twenty-two (22) units will be restricted to formerly homeless individuals, one unit will be restricted to low-income household at or below 60% of area median income for Santa Barbara County, and one unit will be used to for an on-site property manager. A community room will be included in as well as two offices for supportive services.

The Project is ready to proceed with construction if awarded 4% tax credits, and has met the following requirements:

- ✓ Site control and entitlement approvals through the County of Santa Barbara;
- ✓ All funding commitments other than the County loan and award of tax credits;
- ✓ A HUD Part 58 Environmental Review is complete and has been approved by County HCD. An 18-day public notice period concluded on 8/7/23 and a Finding of No Significant Impact/Request for Release of Funds (FONSI/RROF) has been submitted to HUD. HUD will hold a 15-day public objection period, and if no objection is received, will issue an Authority to Use Grant Funds (AUGF). This is the usual and customary practice of the County;
- ✓ HASBARCO has provided all required documents to HCD for Project review and underwriting. Upon CATCAC award notification, HASBARCO will provide any updated documentation submitted with its CATCAC application to HCD.

Once awarded an allocation of Low-Income Housing Tax Credits (LIHTC), HCD staff will draft County Loan Documents (Loan Agreement, Promissory Note, Deed of Trust, and Regulatory Agreement and Declaration of Restrictive Covenants) for approval and execution by the County Board of Supervisors at a future Board meeting. The source of funds will be Federal HOME, State Permanent Local Housing Allocation (PLHA), County In-Lieu (or other available funding), or a combination thereof, at the County's discretion. The loan will be structured with 3% simple interest, a 55-year term, and annual payments from residual receipts from the Project, as is customary for multi-family, tax credit projects.

Please keep Carlos Jimenez, Senior Housing Program Specialist updated on the status of the Project and provide him with all necessary documentation to get County loan documents drafted for Board execution following an award of tax credits. Carlos may be contacted by email at cjimenez@countyofsb.org or by phone at (805) 568-3529.

Thank you for your efforts to expand affordable housing in the County of Santa Barbara, and for your interest in the County housing program.

Sincerely,

TO BE SIGNED AFTER BOARD APPROVAL ON 8/29/23

George Chapjian, Director
Community Services Department