



May 6, 2025

Ron Wu  
Red Tail Multifamily Land Development, LLC  
2082 Michelson Drive, 3<sup>rd</sup> Floor  
Irvine, CA 92612

Dear Mr. Wu:

Santa Barbara County has received a request from Red Tail Multifamily Land Development, LLC, a Delaware limited liability company (“Developer”) for approximately \$1,100,000 in funding for the development of a 106-unit affordable housing community, located at San Marco Road and San Simeon in unincorporated Santa Barbara County, to be known as “Tatum Apartments” (the “Project”). The proposed Project supports the Board of Supervisors’ adopted policy to support the acquisition, rehabilitation and/or new construction of rental projects affordable to households earning on average 60% or less of the area median income. On May 6, 2025, the Board of Supervisors conditionally approved a loan in the amount of approximately \$1,100,000 in County funds (as set forth below) to assist with Project development (“County Development Loan”).,

The County Development Loan is conditionally approved, subject to Board of Supervisors approval of substantially final loan documents and valid funding commitments from all other sources identified on the Pro-Forma attached to this letter.

Loan Amount	County Development Loan - \$1,100,000, subject to increase to reflect increases in the aggregate amount of County-imposed development impact fees for the project, other than transportation-related fees.
Conditions Precedent	Issuance of a Certificate of Occupancy for the project within three (3) years of the closing of the tax credit and tax-exempt bond financing administered by the California Tax Credit Allocation Committee (“TCAC”).
Loan Terms	<p>The County Development Loan will accrue interest at a simple interest rate of 3.0% per annum. The County Development Loan term will be 55 years. Principal and accrued and unpaid interest on the County Development Loan will be payable from residual cash flow (see “Repayment Source” information below).</p> <p>The funding of the County Development Loan will be within 30 days of Developer’s payment in full of all project development impact fees and after issuance of a certificate of occupancy for the project. Other than the construction financing for the Project (the “Construction Loan”), Developer will not incur debt obligations secured by the Project (other than the permanent financing of the Project upon conversion of such the Construction Loan (“Permanent Loan”)), or increase or refinance existing obligations, without the prior written approval of the County in each instance. The County Development Loan may only be subordinated in accordance with the limitations on subordination of</p>

Department loans under 25 CCR § 8315(a) and (d).

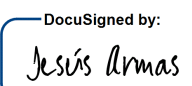
The County Development Loan structure will not be in conflict with State of California low-income housing tax credit underwriting guidelines. The County Development Loan must be in accordance with and subject to all applicable laws pertaining to housing trust funds.

**Repayment Source**      The repayment source for the Development Impact Loan is expected to be 50% of the Project residual cash flow, in accordance with TCAC's Qualified Allocation Plan and related TCAC regulations, and consistent with State of California requirements for Department loans under the Uniform Multifamily Regulations set forth in California Code of Regulations Subchapter 19., including, but not limited to, 25 CCR § 8301, 25 CCR 8312, 25 CCR § 8314, and 25 CCR § 8315(a) and (d).. The County Development Loan will be secured by a lien on the real property underlying the Project (the "Property"), and the Project will be subject to affordability covenants memorialized in a regulatory agreement with the County.,

Pending fulfillment of the above-mentioned conditions, including the negotiation and approval of County Development Loan documents, this letter of intent is confirmed for 270 days following the TCAC award of 4% Low Income Housing Tax Credit, provided, however, that final approval of the Development Loan is contingent on the Board of Supervisors approval of substantially final loan documents and valid funding commitments from all other sources identified on the Pro-Forma attached to this letter

We are pleased to support the development of Tatum Apartments and look forward to its completion. This Project will add greatly needed affordable units to the community which will serve low-income households.

Sincerely,

DocuSigned by:  
  
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Jesus Armas,

Director, County of Santa Barbara Community Services Department

Attachment A: Pro Forma for the Project current as of April 8, 2025