

## NOTICE OF EXEMPTION

**TO:** Santa Barbara County Clerk of the Board of Supervisors

**FROM:** Community Services Department

The projects or activities identified below are determined to be exempt from further environmental review requirements of the California Environmental Quality Act (CEQA) of 1970, as defined in the State and County Guidelines for the implementation of CEQA.

**APN(s):** N/A

**Case No.:** N/A

**Location:** 1758 Lauren Avenue, Solvang

**Project Title:** Solvang Senior Apartments - Subordination Agreement to a Permanent Loan

**Project Description:** The Solvang Senior Apartments is a 45-unit affordable rental housing development completed in July 2016. The developer and general partner, Corporation for Better Housing (CBH), found more favorable rates with Bonneville Mortgage Company, which participates in the USDA RHS 538 Loan Guarantee Program; therefore, the original lender, Pacific Western Bank, will be paid off and Bonneville will be the permanent lender. CBH's permanent loan will be fully amortized over 40 years. Bonneville requires that the County subordinate its loan documents to the permanent mortgage, which is customary. The County's loan will be repaid from residual receipts after payment of the project's ongoing operating expenses, the Bonneville loan payment and CBH's deferred developer fee.

Execution of the subordination agreement will result in the County's rights under the County HOME Loan becoming subordinate to the lien of the Bonneville Mortgage Company's loan deed of trust in addition to CBH's deferred developer fee.

**Exempt Status:** (Check one)

- Ministerial
- Statutory
- Categorical Exemption
- Emergency Project
- No Possibility of Significant Effect [§15061(b,3)]
- Other

**Cite specific CEQA Guideline Section:** 15378(b)(4); The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project.

