

Attachment A
County CSD Letter of Reservation of Funds



May 19, 2020

Bob Havlicek, Executive Director
Housing Authority of the County of Santa Barbara
815 West Ocean Avenue
Lompoc, CA 93436

RE: Reservation of County funds to the Cypress & 7th project (Project)

Dear Mr. Havlicek:

On May 19, 2020, the Santa Barbara County Board of Supervisors approved a reservation of County funds, in the amount of Two Hundred Fifty Thousand Dollars (\$250,000) comprised of HOME and/or In-Lieu funds to the above referenced Project to be constructed at 1401 E. Cypress Ave in the City of Lompoc. The funds will be set aside until September 30, 2021 for the purpose of completing the financing for the Project. The County must receive copies of firm commitments from all funding sources, including formal notification by the State of California of an award of tax credits and competitive No Place Like Home (NPLH) funding, on or before this date.

A firm funding commitment, and execution of County loan documents, must be approved by the County Board of Supervisors. The following are required in order to receive a firm commitment:

1. Firm commitments from all financing sources, including bank financing, and tax credit allocation and commitments by investors, in sufficient amounts to complete the Project;
2. Award of competitive NPLH funds, in sufficient amounts to complete the Project, which is subject to County Board of Supervisor approval authorizing the submission of a joint application by the County and the Housing Authority for such funds;
3. Planning and zoning approvals;
4. Submission of documents necessary to complete Project review and underwriting, which include but are not limited to copies of final development budget, sources and uses, and cash-flow proforma;
5. Completion of environmental review required under the National Environmental Policy Act and authority to use federal funds by HUD or the County, as applicable for the use of HOME or other federal funds. Note that no activity may occur at the site that would adversely affect or that would otherwise be choice limiting, including the acquisition, demolition, construction or relocation of buildings or structures, or otherwise making a physical change to the property (including moving dirt) until the authority to use federal funds has been provided;
6. County staff review of financial documents, audits, and other documents to assess developer capacity and fiscal soundness, and examination of neighborhood market conditions to ensure adequate need for the Project for which these funds are to be used; and

Cypress & 7th
HOME Reservation
May 19, 2020

7. Approval by the County Board of Supervisors (following a 30-day public comment period) of an amendment to the County's Action Plan, as may be required by HUD for the use of federal funds.

Once all items in the list above are secured, Housing and Community Development Division staff will work diligently toward getting approval for a firm commitment of funds to the Project and execution of County loan documents by the Board of Supervisors. The source of funds (HOME, In-Lieu, or a combination) will be recommended to the Board by staff, based on HOME commitment deadlines, availability of funds, and best uses of the funding sources.

Please work with Laurie Baker, Grants and Program Manager, on submitting the information needed to complete staff's review, and to get the Project before the Board of Supervisors. Laurie may be contacted by email at lbaker@sbccsd.org or by phone at (805) 568-3521.

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,

George Chapjian, Director
Community Services Department