

**RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:**

County of Santa Barbara
Housing and Community Development
123 East Anapamu Street, 2nd Floor
Santa Barbara, CA 93101
Attn: Housing Program Manager

A.P.N.: 037-420-0xx

SPACE ABOVE THIS LINE FOR RECORDER'S USE

No Fee per Govt. Code Sec. 27383

AFFORDABLE HOUSING COVENANT AND OPTION TO PURCHASE

This AFFORDABLE HOUSING COVENANT AND OPTION TO PURCHASE ("Agreement") is made this ____ day of _____, 2021, by and among the COUNTY OF SANTA BARBARA, a political subdivision of the State of California (hereinafter, "County"), and OWNER OWNER ("Owner"), with reference to the following facts:

A. Owner owns that certain real property located at 211 W. Gutierrez Street, Unit [REDACTED] Santa Barbara, California (the "Unit"), which is more fully described in Exhibit "A" attached hereto and made a part hereof for all purposes.

B. County has provided Owner with financial assistance in the amount of [REDACTED] dollars (\$ [REDACTED]) for the purpose of preserving the supply of decent, safe, sanitary and affordable housing for low income persons and families ("County Loan").

C. Owner intends to use the County Loan towards payment of a special assessment by the El Zoco Homeowners Association (HOA) to rehabilitate and preserve the condominium units located at 211 W. Gutierrez Street, Unit [REDACTED] Santa Barbara, California (the "Subject Property")., County funds will be paid directly to the HOA, to contractors for work performed, and/or to the HOA to deposit into its capital replacement reserve account, at the discretion of the County, in a total amount not to exceed the portion of the special assessment apportioned to Owner, or this loan, whichever is less.

D. Owner and the City of Santa Barbara entered into that certain Affordable Housing Covenant ("City Covenant"), dated [REDACTED], 2021, which was recorded against the Subject Property in the Office of the Santa Barbara County Recorder concurrently herewith, Instrument No. [REDACTED], a copy of which is attached hereto as Exhibit B.

E. The parties wish to clarify their respective rights and obligations regarding the affordability and occupancy requirements arising from the aforementioned City Covenant.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and

representations, and in further consideration for the aforementioned funding, the Owner and the County hereby agree as follows:

1. INCORPORATION OF RECITALS. The above recitals are hereby incorporated herein as if fully set forth at this point.

2. COUNTY ENFORCEMENT OF CITY COVENANT. The Unit shall at all times comply with that certain Affordability Covenant and Option to Purchase, dated [REDACTED], 2021, by and between Owner and the City of Santa Barbara, and recorded in the official records of Santa Barbara County, a copy of which is included and incorporated herein as Exhibit "B" and recorded concurrently herewith (the "City Covenant"). For purposes of this Agreement, "City Covenant" includes replacement covenants as described in Sections II.A and IX.B of the City Covenant recorded on dated [REDACTED], 2021, which was recorded against the Subject Property in the Office of the Santa Barbara County Recorder concurrently herewith, Instrument No. [REDACTED], a copy of which is attached hereto as Exhibit B, and any other re-statement or re-recording of the City Covenant. If at any time during the Term of this Agreement, it is determined in County's sole discretion that the Unit does not comply with the City Covenant and the City has not exercised its duties thereunder, Owner agrees that the County may take any action as if it was the City under the City Covenant. In such instance the County shall provide written notice to the City and to Owner, and allow 30-days for the Unit to come into compliance with the City Covenant before the County will take action as if it was the City under the City Covenant. The ability for the County to take action under the City Covenant hereunder is not contingent upon any assignment of the City's rights and duties under Section XVI.A of the City Covenant.

Upon any violation of the provisions of this Agreement, County may declare a default under this Agreement by delivering written notice thereof to the Owner and/or occupant. Upon the declaration of a default, County may apply to a court of competent jurisdiction for specific performance of the Agreement, for an injunction prohibiting a proposed sale or transfer in violation of this Agreement, for a declaration that a transfer violates this Agreement and is, therefore, void, or for any such other relief as the County may deem appropriate. The owner or occupant shall hold County and its designees harmless for any action taken in good faith to enforce the terms of this Agreement.

3. TERM. The term of this Agreement shall be for the earlier of a) the period that ends ninety (90) years after the date this Agreement is recorded in the Office of the Santa Barbara County Recorder, or b) the date of termination of the City Covenant; provided, however, that the term of the City Covenant is for not less than ninety (90) years. The running of this period may be tolled during any time in which the Unit is owned or occupied in violation of the terms of this Agreement, as determined by the County.

4. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of County, Owner, and the heirs, personal representatives, grantees, lessees, sublessees, contract purchasers, and assignees of Owner and any subsequent owner of the Unit. The Unit is held and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and occupied subject to these covenants, conditions, restrictions and limitations. All of the above-stated covenants,

conditions, restrictions and limitations are intended to constitute both equitable servitudes and covenants running with the land. Any purchaser or transferee of the Unit or of any portion or interest in the Unit, shall, by the acceptance of any interest in the Unit, or by the signing of a contract or agreement to purchase any interest in the Unit, be deemed to have consented to and accepted the covenants, conditions, restrictions and limitations set forth herein.

5. This section intentionally left blank.

6. NOTICE. All notices shall be sent by certified mail, return receipt requested, to the Owner at the address of the Unit, and to the County of Santa Barbara Housing and Community Development Department, Attn: Housing Program Manager, 123 E. Anapamu St., Suite 202, Santa Barbara CA 93101.

7. RECORDS. County shall have the ability to request from Owner a copy of their records of the owner's or occupant's compliance with the terms of this Agreement. Owner shall provide a copy within a reasonable time after receiving County's request for the records.

8. SUBSEQUENT TRANSFERS. Upon transfer each Owner and Transferee shall execute and cause the recordation of a new Covenant which shall replace this Covenant, be substantially similar to this Covenant, and have a term of 90 years.

9. COUNTY RIGHT TO EXERCISE OPTION TO PURCHASE. In consideration of the benefits received by Owner, Owner hereby grants to the County, and the County hereby accepts an Option to Purchase, which the County may exercise in accordance with the following:

A. UPON SALE OR OTHER TRANSFER. The County may exercise its option to purchase the Unit anytime Owner intends to sell or transfer the Subject Property and the City has not exercised its option to purchase within 30 days after receipt of written notice from Owner. In such case, the County shall have 60 days after receipt of written notice from Owner to purchase the Property under the terms of the City Covenant.

B. OWNER DEFAULT UNDER DEED OF TRUST. Any default by Owner under a deed of trust shall trigger the County's right to exercise its option to purchase the Unit, as described more fully in Section 9.A above, and the County may exercise its option to purchase the Subject Property pursuant to such provisions.

C. OWNER DEFULT UNDER COUNTY AFFORDABLE HOUSING COVENANT. Any default by Owner under this Agreement or the City Covenant incorporated herein as Exhibit "B" and recorded concurrently herewith, shall trigger the County's right to exercise its option to purchase the Unit, as more fully described in Section XIV of the City Covenant incorporated herein as Exhibit "B", and the County may exercise its option to purchase the Subject Property pursuant to such provisions.

10. ASSIGNMENT OF RENTS. Owner acknowledges that sale or occupancy of

the Unit in violation of this Agreement and the City Covenant is prohibited. In consideration of the benefits conferred on Owner and the Subject Property by the County loan, Owner hereby assigns to the County the right to receive the rents due or collected from the Unit if sold or occupied in violation of the terms of this Agreement, during the entire period of the violation. The County may enforce this right by any legal means.

The remedies stated herein shall not be exclusive, but shall be cumulative to all other remedies and rights the parties may lawfully exercise.

[SIGNATURES ON FOLLOWING PAGE]

OWNER,

By: _____

Name: _____

By: _____

Name: _____

THE COUNTY OF SANTA BARBARA,
a political subdivision of the State of California

By: _____

Name: _____

Its: _____

EXHIBIT "A"

Legal Description of Assessor Parcel Number **037-420-0xx**
211 W. Gutierrez Street, Santa Barbara, CA 93011

EXHIBIT "B"
City Covenant