



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Submitted on:
(COB Stamp)

Department Name: Community Services
Department No.: 057
Agenda Date: January 27, 2026
Placement: Administrative Agenda
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s): Jesús Armas, Director, Community Services Department
Contact: Joe Dzvonik, Assistant Director, Housing & Community Development
Lucille Boss, Housing Programs Manager
SUBJECT: Approve and Authorize Amended and Restated Loan Documents For Hollister Lofts
(Project) In Supervisorial District 2

DS
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County Counsel Concurrence

As to form: Yes

Other Concurrence: Planning & Development

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair of the Board of Supervisors to execute the Amended and Restated Hollister Lofts documents:
 - i. HOME Loan Agreement (Attachment A),
 - ii. HOME Regulatory Agreement (Attachment B),
 - iii. HOME Subordination Agreement (Attachment E),
 - iv. County Land Loan Subordination Agreement (Attachment F),
 - v. County Land Loan Agreement (Attachment G),
 - vi. and County Land Loan Regulatory Agreement (Attachment H); and
- b) Determine that the recommended action is not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(5), finding that the subject item is an organizational or administrative activity of government(s) that will not result in direct or indirect physical changes in the environment.

Summary Text:

Today's Recommended Board Action is to approve and execute the amended and restated County HOME and Land loan documents for Hollister Lofts. The nature of the agreement changes is to

address potential need for alternative sources of funding, the definition of operating expenses, removal of General Partner, and correct loan terms.

Discussion:

Following initial Board approval of County Land and HOME loan documents (on March 11 and December 16, 2025, respectively), development team partners Hollister Lofts Limited Partnership (Owner) and Enterprise Counsel requested, and the Community Services Department (CSD) recommends, that the Board of Supervisors adopt the following amendments pursuant to the County HOME and Land loans provided to the Project:

1. Address and incorporate language recognizing that the County agrees to work in good faith with the Owner to seek alternative sources of funding regarding potential loss of Project-Based Section 8 housing assistance payments.
2. Address issues associated with the definition and potential incorporation of eligible Property operating expenses.
3. Address issues associated with Limited Partner removal of General Partner for cause and conferral and agreement of consent by County.
4. Correct the loan term to reflect 55 years, consistent with terms for projects funded by HOME.

Pending the Board's approval of these amendments on January 27, 2026, CSD will coordinate with escrow and title for recordation of these amended items upon Board approval of such.

Background:

The Board has approved past actions regarding this development, including sale of the property and a HOME loan to the Owner. Approval of this Item concerning amendments to the HOME and Land loans to the Owner consolidates past Board action and implements Housing Element actions.

Located at 4580 Hollister Avenue, (APN 061-040-0510), Hollister Lofts is a Permanent Supportive Housing development that has been in concept since 2019 and is presently under construction. Assuming a 16-month construction schedule, occupancy of the apartment units may be expected by April 2027.

In terms of future Board action(s), NPLH funding will be realized at conversion of the construction loan to provide Project permanent financing; staff will return to the Board at such time for execution of documents required for close of escrow on permanent financing.

Fiscal Analysis:

N/A

Special Instructions:

1. Please return a copy of the Minute Order to Carlos Jimenez, at cjimenez@countyofsb.org.
2. Please execute **two (2)** of each of the following, provide Clerk of the Board Acknowledgement as to signatures subject to recordation, and notify Carlos Jimenez when **one** of each is ready for pickup:
 - a. HOME Hollister Lofts Loan Agreement (Attachment A),
 - b. HOME Hollister Lofts Regulatory Agreement (Attachment B),
 - c. HOME Hollister Lofts Loan Banc of California Subordination Agreement (Attachment E),
 - d. County Land Loan Hollister Lofts Subordination Agreement (Attachment F),
 - e. County Land Loan Agreement (Attachment G), and
 - f. County Regulatory Agreement (Attachment H)
3. After recording, CSD will return full Agreements to the Clerk for its records.

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Attachments:

Attachment A – HOME Hollister Lofts Loan Agreement

Attachment B – HOME Hollister Lofts Regulatory Agreement

Attachment C – HOME Hollister Lofts Deed of Trust

Attachment D – HOME Hollister Lofts Promissory Note

Attachment E – HOME Hollister Lofts Loan Banc of California Subordination Agreement

Attachment F – County Land Loan Hollister Lofts Subordination Agreement

Attachment G – County Land Loan Agreement

Attachment H – County Regulatory Agreement

Contact Information:

Lucille Boss
Housing Programs Manager
LBoss@countyofsb.org