

# Attachment A

## **ADMINISTRATION & FUNDING GUIDELINES**

### **Housing Finance Division**



Department of Housing and Community  
Development  
County of Santa Barbara

John Torell, CPA, Director



## **F. Modification of Previous Project**

### **1. Subordination**

All requests for subordination for a project approved by the Board of Supervisors must return to the Board for review and approval unless provided for and consistent with the program documents already approved by the Board of Supervisors as with the Housing Rehabilitation Loan and Homebuyer Assistance Programs. Subordination request will not be approved for take-out financing unless the financing is for capital improvements or special circumstance defined as part of the original program.

### **2. Change in Terms and/or Conditions**

Any subsequent change to the terms or change to conditions that impact County risk for a project approved by the Board of Supervisors, including loan amount, interest rate, default interest, length of term, or repayment schedule of loan, must return to the Board for review and approval. This would require the submittal of an updated Commitment of Funds application, Affordable Housing Loan Committee review, creation of new loan documents for County Counsel approval, and a staff recommendation report to the Board of Supervisors.

## **II. ADMINISTRATIVE SYSTEM AND PROCEDURES**

### **A. Affordable Housing Loan Committee**

#### **1. Applicability and Responsibility**

The Affordable Housing Loan Committee (Committee) is responsible for reviewing and recommending funding of specific project proposals to the administrative head of the Housing Finance Division, the HCD Director. The Committee reviews projects utilizing any of the funding subsidies available via the Housing Finance Division, or any combination thereof. The Committee is not expected to serve as a general planning board that establishes public policy. The Committee serves in a technical advisory capacity and is principally concerned with factors that impact the project proforma.

The Committee will review projects and make recommendations based upon an assessment of project risk/feasibility, market risk, borrower capacity and County portfolio risk determined from information submitted with the application. As part of any recommendation, the Committee will set forth condition(s) and performance deadline(s) considered to be critical benchmarks necessary to evaluate project feasibility.

#### **2. Composition, Selection and Term**

The committee will be composed of six voting members who represent affordable housing development interests. A tie vote of committee members will not constitute the majority required for a measure to pass. The composition consists of voting representatives without identified conflicts of interest from:

- a north county lender
- a south county lender
- a professional in architecture, engineering or related technical field
- a city public housing agency
- the County Auditor – Controller’s Office
- the County Treasurer – Tax Collector’s Office.

The committee also consists of non – voting representatives to provide not – for – profit and for – profit development technical expertise:

- a not – for – profit housing developer
- a county public housing agency
- a for – profit housing developer or consultant

The HCD Housing Finance Manager and a representative from County Counsel serves as staff to the Committee.

Loan Committee members are appointed by the Housing and Community Development Director. Members serve a three -year term, which may be extended upon mutual agreement of the HCD Director and the Committee member.

### **3. Officer Term and Selection**

The membership of the Committee will select a Chairperson and Vice Chairperson by majority vote of the full membership. The Chairperson and Vice Chairperson will serve one year terms, running from the first day of the calendar year to the last day of that year.

### **4. Schedule and Location of Meetings**

Committee meetings will convene as necessary to review and recommend project proposals prior to funding recommendations being forwarded to the Board of Supervisors. Meetings will be subject to Brown Act notification requirements. Meetings will be located in public conference areas via teleconference between the County of Santa Barbara

Administration and Engineering Buildings, Santa Barbara and the Betteravia County of Santa Barbara Government Center, Santa Maria. A meeting of all Affordable Housing Loan Committee members at a Central County location accessible to the public can be scheduled upon mutual agreement of all committee members.

## **5. Voting and Quorum Requirements**

A favorable recommendation on a proposed project requires four affirmative votes. The presence of four members of the Committee constitutes a quorum.

## **B. County Departments and Board of Supervisors**

### **1. Staff Report to Board of Supervisors and Concurrence**

The Housing Finance Division staff is responsible for preparing a recommendation report to the Board of Supervisors for all projects utilizing Affordable Housing funds. This report will contain the recommendation of the Affordable Housing Loan Committee and the HCD Director. Staff reports as well as all relevant project agreements and security instruments will be reviewed and approved by County Counsel, the office of the Auditor - Controller, and Risk Management.

### **2. Board of Supervisors**

Any use of Housing Finance Division funds must be approved by the Board of Supervisors. Board approval for use of these funds is normally obtained on the Administrative (Consent) agenda.

Any waiver of the standards or criteria described herein (in the “Housing Finance Division Administration & Funding Guidelines”) should be identified and justified as a part of the Board of Supervisors packet of materials and approval action.

As stated earlier, any subsequent change to the terms or change to conditions that impact County risk for a project approved by the Board of Supervisors, including loan amount, interest rate, default interest, length of term, or repayment schedule of loan, must return to the Board for review and approval.