

RECORDING REQUESTED BY AND RETURN TO

Community Services Department  
Housing and Community Development Division  
County of Santa Barbara  
105 E. Anapamu Street, Room 105  
Santa Barbara, CA 93101

ATTN: Affordable Housing

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APN(s): 059-290-041

AGREEMENT TO PROVIDE AFFORDABLE HOUSING  
AND RENTAL RESTRICTIVE COVENANT  
AND PREEMPTIVE RIGHT

**This Document Creates a Lien on Real Property**

PROJECT NAME:

Park Hill Estates Subdivision;

PLANNING AND DEVELOPMENT CASE NUMBER:

10TRM-00000-00001

This Agreement to Provide Affordable Housing and Rental Restrictive Covenant and Preemptive Right (hereinafter "Agreement") by and between The Oak Creek Company, a California Corporation (hereinafter "Developer"), the County of Santa Barbara, a political subdivision of the State of California, (hereinafter "County") and Boulders Partners L.P., a Delaware limited partnership (hereinafter "Owner"), is entered into on the date set forth below.

RECITALS

WHEREAS, Developer proposes to develop a residential development consisting of 14 units as described in Project Case Numbers 10TRM-00000-00001 to be called Park Hill Estates Subdivision (the "Project"). Developer proposes to develop the Project on property owned by the Owner and further identified as Assessor Parcel Number 059-290-041, located at 4700 Via Los Santos in the Goleta area, Second Supervisorial District, and is more fully described in Exhibit "A" attached hereto and made a part hereof for all purposes (the "Subject Property"); and

WHEREAS, the County has determined that the granting of approval for 10TRM-00000-00001, requires as Project Conditions of Approval that Owner and Developer provide affordable housing; and

WHEREAS, the Project Conditions of Approval require Owner and Developer to enter into and record an Agreement to Provide Affordable Housing and Rental Restrictive Covenant and Preemptive Right; and

WHEREAS, for purposes of this Agreement, all references to Owner shall also include Developer; and

WHEREAS, pursuant to State Density Bonus Law (Cal. Gov't Code Sec. 65915 et seq.) Owner has received incentives in return for providing affordable housing units; and

WHEREAS, it is the intent of Owner that one (1) unit within the Subject Property be leased in accordance with certain affordability criteria established by the County so that it will remain affordable to Tenants, consistent with the provisions of State Density Bonus Law, the Housing Element of the Comprehensive Plan of the County of Santa Barbara, and the Project Conditions of Approval (herein the "Restricted Unit"); and

WHEREAS, it is the intent of the parties that this Agreement will place maximum rent restrictions on the Restricted Unit and maximum income restrictions on potential Tenants of Restricted Unit; and

WHEREAS, this Agreement to Provide Affordable Housing and Rental Restrictive Covenant and Preemptive Right must be recorded prior to Map Recordation and satisfies the Project Conditions of Approval Nos. 42 and 43; and

WHEREAS, the purpose of this Agreement is to assure that the Restricted Unit within the Subject Property remain affordable and available for lease by Very Low Income Households (50% of area median income) for the thirty (30) year term of this Agreement from the date of filing of the Certificate of Occupancy for the Subject Property.

NOW, THEREFORE, in consideration of the benefits received by the parties, the parties hereto agree as follows:

## I. TERMS AND ENFORCEABILITY

- A. Owner agrees to construct and thereafter to maintain one (1) Restricted Unit for rent to Very Low Income Households, as defined as those households earning up to 50% of area median income, pursuant to the Project Conditions of Approval, including, but not limited to, Project Condition of Approval Nos. 42 and 43, which are set forth in Exhibit "B" attached hereto and incorporated herein by this reference (the "Restricted Unit").
- B. Owner shall construct one (1) Restricted Unit, prior to or concurrent with the construction of the eighth market rate unit. Final Building Inspection Clearance will not be issued for more than 50% of the market rate units until the Restricted Unit has been issued Final Building Inspection Clearance.

- C. This Agreement shall bind and the benefit hereof shall inure to the Owner, its heirs legal representatives, executors, trustees, successors in interest and assigns, regardless of how their interest in the Subject Property was acquired, and to the County, its successors, designees, or assigns for the term of this Agreement. Upon transfer of the Subject Property, the benefits and restrictions of this Agreement shall run with the land.
- D. The Subject Property is held and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and occupied subject to the covenants, conditions, restrictions and limitations set forth herein. All of the herein stated covenants, conditions, restrictions and limitations are intended to constitute both equitable servitudes and covenants running with the land.
- E. Any purchaser, beneficiary, trustee, successor in interest or assignee of the Subject Property or of any portion of or interest in the Subject Property, no matter how that interest is acquired, shall be deemed to have taken title with knowledge of this Agreement, and to have personally covenanted, consented to and accepted the covenants, conditions, restrictions and limitations set forth herein.
- F. Each lessee of a Restricted Unit shall be subject to the restrictions of this Agreement, by the execution of a rental agreement or lease or by taking possession of the Restricted Unit, whichever occurs first, and shall also be deemed to have knowledge of this Agreement, and to have personally covenanted, consented to, and accepted the covenants, conditions, restrictions, and limitations set forth herein.
- G. In order to preserve through this Agreement the affordability of the Restricted Unit for Very Low Income Households, Owner for itself and all successors in interest, assignees and beneficiaries hereby grants and assigns to the County the right to review and enforce compliance with this Agreement, and in furtherance of this right, grants to the County liquidated damages, described under Section VI. (B) of this Agreement.
- H. In addition to the requirements set forth above, the prospective Tenant(s) of the Restricted Unit shall meet County income eligibility requirements for the Very Low Income category (50% AMI). Eligibility of prospective Tenants shall be determined by the County Community Services Department (CSD) or its designee; however, CSD may choose to authorize the Owner to conduct income certifications at the discretion of CSD subject to review and monitoring by CSD, according to the County Affordable Housing income requirements and Administrative Guidelines in effect at the time of lease, including, but not limited to, income certification. All prospective Tenants of the Restricted Unit shall execute an agreement to occupy the unit as their primary residence. The maximum rental rates for the Restricted Unit shall not exceed the maximum levels established by the County of Santa Barbara Board of Supervisors, consistent with the provisions of the County of Santa Barbara

Housing Element and state law, including, but not limited to, California Government Code sections 65915 through 65918, inclusive.

- I. The parties recognize that this Agreement is being executed and recorded prior to the Restricted Unit being identified by address and Assessor's Parcel Number (APN). The Owner agrees to record an Addendum that shall include an updated Exhibit C to finally identify the addresses and APN's of the Restricted Units subject to the approval of the Director of Community Services Department (hereinafter "Director") or his or her designee.

## II. DEFINITIONS

- A. "Developer" shall mean The Oak Creek Company, a California corporation, and its successors, designees, assigns, representatives, agents, affiliates, and subsidiaries.
- B. "Maximum Monthly Rent" means the maximum rent for the Restricted Unit as established and periodically revised by the County.
- C. "Owner" initially shall mean Boulders Partners, L.P., a Delaware limited partnership, and any subsequent purchaser, devisee, grantee, holder, successor in interest, assignee, beneficiary, heir, legal representative, executor or trustee holding, claiming or asserting a claim of title to the Subject Property or any portion of or interest in the Subject Property, and as set forth above, for purposes of this Agreement, shall also include Developer.
- D. "Restricted Unit" means a Unit with restricted occupancy and rents pursuant to this Agreement as provided for herein.
- E. "Subject Property" means the real property located at 4700 Via Los Santos, in Santa Barbara, California, which is more fully described in Exhibit "A".
- F. "Tenant" means any tenant or occupant of the Restricted Unit in the Subject Property.
- G. "Unit" means a housing unit in the Subject Property.
- H. "Very Low Income Household" means a household whose annual gross income does not exceed the maximum income levels permitted within the Very Low Income category as established and periodically revised by the County (at or under 50% of area median income).

### III. OCCUPANCY AND RENT RESTRICTIONS

- A. A total of one (1) Unit in the Subject Property shall be designated as the Restricted Unit set forth on Exhibit "C" attached hereto and incorporated herein by this reference. The Restricted Unit must be occupied by, or reserved for occupancy by, certified Very Low Income Households for the thirty year term of this Agreement commencing upon the filing of a certificate of occupancy of the Subject Property. The initial applicable income level for the Restricted Unit is described in Exhibit "C", attached hereto and incorporated herein.
- B. For the Restricted Unit, the total rent charged inclusive of all fees and charges, including utilities or a utility allowance if utilities are not included in rent, and including all services charged to Tenants, cannot exceed the Maximum Monthly Rent.
- C. The income levels and other qualifications of applicants to lease as Tenants of the Restricted Unit shall be certified by Owner as conforming to the income restrictions on that Restricted Unit prior to initial occupancy. The income level and other qualifications of each Tenant occupying a Restricted Unit shall be re-certified by Owner annually thereafter. Certifications and recertification may at County's option be subject to review and approval by the County's Community Services Department. Notwithstanding the above, the County reserves the right to perform certifications of eligibility and re-certifications instead of the Owner if the County so elects, in which case County will provide written notice of such election to Owner.
- D. In the event that re-certification of a Tenant occupying the Restricted Unit indicates that the household income exceeds the maximum income for a Very Low Income Household, then upon the ninety (90) day notice from Owner to the Tenant, Owner shall terminate the tenancy of the Tenants of the Restricted Unit. Upon the vacancy of the Restricted Unit, Owner shall rent the Restricted Unit to a qualified Very Low Income Household at no more than the Maximum Monthly Rent as provided for herein.
- E. Owner may transfer ownership of the Restricted Unit to another person(s) or entity(s) as part of and in conjunction with the transfer of the entire Subject Property or transfer the Restricted Unit to any person(s) or entity(ies), but such transferee(s) shall be subject to the terms of this Agreement.

### IV. LEASING THE RESTRICTED UNITS

- A. Owner agrees that the Restricted Unit shall be leased in compliance with the Tenant Selection Plan that has been approved by the Director of Community Services Department (hereinafter "Director") or his or her designee.
- B. Before leasing the Restricted Unit, Owner shall submit its proposed lease form to the Director of Community Services Department or his or her designee for his or her

review and approval. The term of the lease shall be for no less than one year unless by mutual agreement between the Tenant and Owner. Subject to the election of the County to perform income certifications as set forth in Section III.C above, Owner shall have the right to enter into residential leases without prior written consent by the Community Services Department so long as Owner certified the income and other eligibility requirements of the Tenant(s) and so long as each residential lease is on the standard form lease that has been approved by Community Services Department without modification.

- C. The lease may not contain any of the following provisions:
1. An agreement by the Tenant to be sued, to admit guilt or to a judgment in favor of the Owner in a lawsuit brought in connection with the lease;
  2. An agreement by the Tenant that Owner may take, hold, or sell Tenant's personal property without notice to the Tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the Tenant concerning disposition of personal property remaining in the Restricted Unit after the Tenant has moved out of the Restricted Unit. In such a case, Owner may dispose of this personal property in accordance with the laws of the State of California;
  3. An agreement by the Tenant not to hold Owner or Owner's agent legally responsible for any action or failure to act, whether intentional or negligent;
  4. An agreement of the Tenant that Owner may institute a lawsuit without notice to Tenant;
  5. An agreement by the Tenant to waive any right to a trial by jury;
  6. An agreement by the Tenant to waive the Tenant's right to appeal, or otherwise challenge in court, a court decision in connection with the lease;  
or
  7. An agreement by the Tenant to pay attorney's fees except if the Tenant has provided false or misleading household income information that the Owner could not have discovered despite the Owner's due diligence and good faith in reviewing, investigating and confirming such information.
- D. Owner shall include in leases for the Restricted Unit provisions which provide that the Tenant's household income is subject to recertification annually and that the tenancy of the Tenant shall be immediately terminated should one or more of the Tenants misrepresent any material fact regarding the Tenant's qualification as a qualifying Very Low Income Household or refuse or fail to cooperate in the recertification process.

- E. Owner shall comply with all applicable State and local laws in terminating or refusing to renew a Tenant's lease.
- F. Prior to tenancy, prospective Tenants of the Restricted Unit must complete, execute and deliver to Owner an Application for Certification on a form approved by County. Owner may request additional information to supplement the application as necessary and shall consult with the County if questions are raised regarding a prospective Tenant's eligibility. Notwithstanding the above, the County may elect to take over certifications of eligibility of applicants during the term of this Agreement as provided for in Section III.C above.
- G. To be eligible to lease the Restricted Unit, Tenants cannot own any improved residential real estate.
- H. Owner may only lease the Restricted Unit to Tenants whose eligibility has been certified to be qualified as Very Low Income Households.
- I. In addition to executing a lease for the Restricted Unit, Owner shall require that each Tenant leasing the Restricted Unit execute an agreement to occupy which shall require the Tenant to occupy the Restricted Unit as the Tenant's primary residence ("Intent to Reside"). Failure of Owner to enforce this requirement shall constitute a material violation of this Agreement.
- J. Owner hereby agrees to abide by the Tenant Selection Plan that must be approved by the Director of the County Community Services Department or his or her designee. Modifications of the Tenant Selection Plan can be made only upon the written approval of Owner and the Director of the County Community Services Department or his or her designee.
- K. Owner shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease or rental of the Restricted Unit on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or any other basis prohibited by law

## V. MANAGEMENT

- A. Owner is responsible for the selection of Tenants, evictions, collection of rents and deposits concerning rental of the Restricted Unit in the manner set forth herein. Such management functions over the Restricted Unit may be performed by or on behalf of Owner by an experienced, professional management company or organization which must be approved by the County's Community Services Department. The County shall have no responsibility over management of the Restricted Unit. Owner shall submit to the County for County's approval Owner's proposed designation of a property manager pertaining to the Restricted Unit, which

approval shall not be unreasonably withheld. Subject to approval by the Director of the Community Services Department or his or her designee, Owner may replace the property manager at any time with a qualifying professional management company, the approval of which shall not be unreasonably withheld by the County.

- B. Owner shall submit its written management policies with respect to the Restricted Unit to the Director of the County's Community Services Department or his or her designee for his or her review and approval, which approval shall not be unreasonably withheld, and shall amend such policies in any way necessary to ensure that such policies comply with the provisions of this Agreement.
- C. Owner shall maintain records that clearly document Owner's performance of its obligations under the terms of this Agreement. Owner shall submit all records to the County's Community Services Department within thirty (30) days of the County's request. Owner shall permit the County or its designee to enter and inspect the Restricted Unit for compliance with Owner's obligations under this Agreement upon twenty-four (24) hours advance notice of such visit by the County to Owner and to Tenants of the Restricted Unit.
- D. Owner shall submit to the County's Community Services Department (i) not later than March 1st of each year, a report for the preceding period of January 1st through December 31st, showing the necessary information to allow the County to determine Owner's compliance with the Agreement, and (ii) within thirty (30) days after receipt of a written request, any other information or completed forms requested by the County that demonstrate Owner's compliance with the Agreement.

## VI. ENFORCEMENT

- A. Upon any material violation of the provisions of this Agreement or if any materially false or misleading statements are made in any document or certification submitted to the County, the County may apply to a court of competent jurisdiction for specific performance of the Agreement, for an injunction prohibiting a proposed letting, sale, or transfer in violation of this Agreement, or for any such other relief as may be appropriate.
- B. Owner understands that County's objective in requiring this Agreement is to ensure that the Restricted Unit remain affordable to eligible Very Low Income Households and that should Owner lease or should a Tenant occupy the Restricted Unit in violation of the requirements set forth herein the public interest would be prejudiced and the County would thereby be damaged. The parties agree that it is impracticable and extremely difficult to fix the extent of actual damages to County from such a breach. However, the parties have made reasonable efforts to establish fairly the amount of compensation for certain types of breach described below and agree that a fair and reasonable amount owing to the County for such types of breach by the Owner as liquidated damages would be as follows:



1. If the Restricted Unit in the Subject Property is rented or leased for an amount in excess of the Maximum Monthly Rent permitted under this Agreement, Owner shall be liable to the County for damages in an amount equal to twice the difference between the actual monthly rent and the allowable Maximum Monthly Rent multiplied by the number of months that the Restricted Unit has been leased in violation of the Agreement.
2. If the Restricted Unit is rented or leased to a Tenant whose household income and other qualifications has not been certified as provided for herein, the required certification set forth in Section III shall be completed within thirty (30) days of notification of non-compliance. If the Tenant's household income does not qualify for letting of the Restricted Unit as required by this Agreement, then in addition to Owner's obligation under Section III.(D) herein, Owner shall be assessed liquidated damages in the amount of three times the difference between the Tenant's gross monthly household income and one twelfth of the County's maximum annual household income level for Very Low Income households that is allowed for rent or lease of the Restricted Unit in effect at the time the Restricted is rented or leased multiplied by the number of months that the Restricted Unit has been so leased. Conversely, if any Tenant of a Restricted Unit is initially certified as a qualifying Very Low Income Household and a subsequent recertification reveals that such Tenant no longer qualifies as a Very Low Income Household, then Owner shall not be subject to any penalty under this Section VI(B)(2) so long as Owner complies with the requirements of Section III(D) above. Notwithstanding the foregoing, liquidated damages for Owner shall not apply if it is the Tenant that has provided false or misleading household income information and the Owner and property manager have conducted due diligence and acted in good faith in reviewing such information.

**Owner hereby agrees to the above liquidated damages provisions**  
\_\_\_\_\_ **(Owner's initials)**

3. These remedies shall be cumulative to all other rights and remedies the County may have.
- C. In addition to any other remedies the County may have, Owner hereby grants, transfers and assigns to the County the right to receive the rents due or collected during the entire period a Restricted Unit is rented in violation of this Agreement. Owner also assigns to the County the right to collect and/or compromise such rents, in whole or in part, and/or to enforce the payment of all or any part thereof as the County may deem proper.
- D. The running of the term of this Agreement shall be tolled during any period in which Owner is in violation of this Agreement.

- E. The remedies stated herein shall not be exclusive, but shall be cumulative to all other remedies and rights the parties may lawfully exercise.
- F. A violation of this Agreement constitutes a violation of the Project Conditions of Approval placed upon the Subject Property by the County, and in addition to the remedies provided for herein, a violation of this Agreement may be enforced as a violation of the Project Conditions of Approval.

## VII. ADDITIONAL PROVISIONS

- A. The County may assign its rights and delegate its duties thereunder without the consent of Owner. Upon such assignment the County shall notify Owner.
- B. Owner and County covenant that they have not and will not execute any other agreement or covenant with provisions contradictory to or in opposition to the provisions hereof, and that in any event this Agreement is controlling as to the rights and obligations between Owner, the County, and their respective successors without regard to whether such other agreement or covenant is executed before or after this Agreement.
- C. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- D. The terms of this Agreement shall be interpreted under the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.
- E. The terms of this Agreement shall be interpreted in a manner that is consistent with the County Housing Element and Housing Element Implementation Guidelines which were in effect when the County Board of Supervisors approved the Project and the Project Conditions of Approval.
- F. All notices required herein shall be sent by certified mail, return receipt requested, to the addresses listed below.

To the County at:

Community Services Department  
Housing and Community Development Division  
105 East Anapamu, Room 105  
Santa Barbara, CA 93101

To Developer at:

The Oak Creek Company, a California Corporation  
735 State Street, Suite 215  
Santa Barbara, CA 93101  
ATTN: Jeffrey C. Nelson, President

To Owner at:               Boulders Partners, L.P., a Delaware limited partnership  
                                  c/o The Oak Creek Company, a California Corporation  
                                  735 State Street, Suite 215  
                                  Santa Barbara, CA 93101  
                                  Attn: Jeffrey C. Nelson, CEO, The Oak Creek Company,  
                                  its Managing General Partner

or such other addresses that the parties may subsequently provide in writing.

- H.     In the event of a transfer of the Subject Property by operation of law, including, but not limited to, by devise, bequest, or foreclosure on any financing, the transferee or the estate of the decedent shall be bound by the provisions of this Agreement.
- I.     Owner covenants to cause to be filed for record in the office of the County Recorder of Santa Barbara County a Request for a copy of any Notice of Default and a copy of any Notice of Sale be recorded with the original and all subsequent deeds of trust or mortgage with power of sale encumbering the Subject Property, pursuant to Section 2924b of the Civil Code of the State of California. The request shall specify that any notice shall be mailed to the address for the County set forth above.
- J.     Owner shall defend, indemnify and save harmless the County, its officers, officials, agents and employees from any and all claims, demands, damages, losses, costs, expenses (including attorney fees), judgments or liabilities arising out of, related to, or in connection with this Agreement or occasioned by the performance or non-performance or attempted performance of the provisions hereof, including, but not limited to, any act or omission to act on the part of the Owner or its agents, officers, representatives, or employees, except those claims, demands, damages, costs, expenses (including attorney fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the County.
- K.     All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons or firms represented or purported to be represented by such entities, persons or firms, and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the date appearing below.

COUNTY OF SANTA BARBARA

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Steve Lavagnino, Chair  
BOARD OF SUPERVISORS  
(Signature must be notarized)

ATTEST:  
MONA MIYASATO  
COUNTY EXECUTIVE OFFICER  
CLERK OF THE BOARD

DEVELOPER  
The Oak Creek Company,  
a California Corporation

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Jeffrey C. Nelson, President

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Dorothy P. Nelson, Treasurer  
(Signatures must be notarized)

OWNER  
Boulders Partners, L.P., a Delaware limited  
partnership,

By: \_\_\_\_\_  
Jeffrey C. Nelson, President  
The Oak Creek Company, its  
Managing General Partner

APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By: \_\_\_\_\_  
Dorothy P. Nelson, Treasurer  
(Signature must be notarized)

By: \_\_\_\_\_  
Deputy County Counsel

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF PROPERTY**

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**EXHIBIT “B”**

**AFFORDABLE HOUSING CONDITION(S)**

FOR

**Park Hill Estates Subdivision;**

10TRM-00000-00001

(PROJECT NAME AND CASE NUMBER)

42. **Hous-01 Agreement to Provide Affordable Housing.** The Owner/Applicant shall enter and into and record an *Agreement to Provide Affordable Housing* and a *Restrictive Covenant and Preemptive Right* with the County of Santa Barbara based on the County’s model documents. These shall specify affordability terms described in condition 42. In addition, the Agreement and Covenant shall include the following provisions:

1. The County will not issue Final Building Inspection Clearance for more than 50% of market rate units until Final Building Inspection Clearance is issued for the affordable rate unit.
2. Marketing and lottery requirements for the initial rental of the unit.
3. Income eligibility requirements of prospective renters to be determined by the County or its designee.
4. Requirement that prospective renters of the affordable unit execute an agreement to occupy the unit as their primary residence.
5. Requirement that a Request for Notice be recorded with the original and all subsequent deeds, which stipulates a copy of any Notice of Default and a copy of any Notice of Sale be mailed to the address contained in the recorded request.
6. Statement that the maximum rental rate for the affordable unit shall not exceed the maximum levels established by the Board of Supervisors, consistent with the provisions of the Housing Element and state law.

**Plan Requirements:** The Owner/Applicant note on applicable construction plan pages that the affordable unit shall be constructed prior to or concurrent with the construction of the eighth market rate unit.

**Timing:** The Owner/Applicant shall submit the Agreement and Covenant for P7D, County Counsel and County Housing Community Development review prior to Final Map Clearance.

**Monitoring:** The Owner/Applicant shall demonstrate to P&D compliance monitoring staff that the affordable unit is completed (Final Building Inspection Clearance issued), before P&D will issue Final Building Inspection Clearance for more than 50% of the market rate units.

43. **Hous-03 Rental Density Bonus Projects.** The Owner/Applicant shall provide one (1) very low income dwelling unit (6% of project units) available for rent at prices affordable to households earning 50% of Area Median Income (AMI) consistent with the provisions of Government Code § 65915-65918 (Density Bonus).

**Plan Requirements:** The Owner/Applicant shall enter into and record an Agreement to Provide Affordable Housing, which shall include a model Restrictive Covenant and Preemptive Right. The Covenant shall be executed and recorded by each purchaser of an affordable unit. The agreement and covenant shall be based on the County's model documents as they may be amended from time to time and subject to review and approval by P&D, County Housing and Community Development, and County Counsel.

**Timing:** The Agreement shall be entered into and recorded prior to Final Map Clearance. The unit shall remain affordable for a period of thirty years or longer if required by the financing, insurance or rental subsidy program used. In addition, the running of the covenant shall toll during any period of violation.

**EXHIBIT "C"**

ADDRESS LIST OF AFFORDABLE HOUSING UNITS

For

**Park Hill Estates Subdivision;**

10TRM-00000-00001

(PROJECT NAME AND CASE NUMBER)

TOTAL NUMBER OF RESIDENTIAL UNITS IN THE PROJECT: 14  
TOTAL NUMBER OF RESTRICTED UNITS IN THE PROJECT: 1  
NUMBER OF AFFORDABLE UNITS FOR 50% INCOME HOUSEHOLDS: 1

<u>Address</u>	<u>Unit #</u>	<u>Bedrooms</u>	<u>Income Level</u>
1) _____	<u>    </u>	<u>1</u>	<u>50%</u>



## **EXHIBIT “D”**

### **MARKETING PLAN FOR PARK HILL ESTATES SUBDIVISION**

**Project Case No. 10TRM-00000-00001**

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- A. After the Agreement to Provide Affordable Housing and Rental Restrictive Covenant and Preemptive Right has been recorded for the Project, the Housing and Community Development Division will make the Restricted Unit publicly available to the interested persons on the Affordable Housing notification lists by including the Project's name, location, number of Restricted Units, qualifying income, other qualifications and the Owner or his/her/its representative's phone number.
- B. Owner will advertise the Project in, at least, one newspaper of general circulation and, at least, one Spanish-language newspaper or radio station which circulates or broadcasts in the area of this Project. Each newspaper must include the official "Equal Housing Opportunity" logo and each radio advertisement must incorporate the statement "Equal housing opportunity".

The Agreement to Provide Affordable Housing and Rental Restrictive Covenant and Preemptive Right binds the Owner to this Marketing Plan. If the Owner determines that changes may be necessary after the Agreement has been recorded, Owner must contact Housing and Community Development regarding these changes and must receive approval of the revised Marketing Plan from the Director of Community Services, or his or her designee.

- C. Project advertising shall conform to the requirements of the California Fair Housing and Employment Act (FEHA) – California Government Code sections 12900 - 12996. Advertisements for the Project shall state that a lottery will be conducted if the number of interested persons exceeds the number of Restricted Units available. The name and telephone number of the person to contact to obtain additional information regarding income requirements and rental restrictions shall also be provided in the advertisement. Owner shall provide Housing and Community Development with a copy of the publicized advertisement.
- D. Owner shall do the following minimum marketing for the identified Restricted Unit:
  - 1. Owner shall run at least one advertisement in the real estate section of the Santa Barbara News Press and one Spanish language newspaper or radio station which circulates or broadcasts in the area of this Project at least one time per week for six weeks or such additional time as specified in paragraph C of Exhibit D. At a minimum, the advertisement shall be placed in the Sunday Real Estate section.

2. Owner will have a phone number identified at which inquiries concerning the Restricted Unit can be made. A phone-recording device will be included on the phone when it is not being directly answered.
3. Information sheets will be available to prospective Tenants of the Restricted Unit identifying the level of affordability for the Restricted Unit, qualifying income levels, an explanation of the income certification process, rental restrictions, floor plans, a site plan indicating the location of available Restricted Unit, and time within which each person must be qualified as a Tenant.
4. The Restricted Unit will be leased to the parties identified and certified according to County Affordable Housing income requirements and Administrative Guidelines currently in effect at the time of lease.

**EXHIBIT “E”**

LOTTERY PLAN FOR INITIAL RENTAL  
FOR  
PARK HILL ESTATES SUBDIVISION

**Project Case No. 10TRM-00000-00001**

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- A. Owner shall publish an advertisement consistent with the terms of the Marketing Plan in a newspaper of general circulation in the County. At the time a prospect expresses interest in renting a Restricted Unit, Owner or the Owner’s representative shall provide an informational packet describing income qualifications, the lottery process and expected timing, County Income and Price Guidelines, County Income Certification Guidelines and Application, and rental restrictions. *(This information packet shall be developed in conjunction with Housing and Community Development or its designee.)*
- B. Consistent with the California Fair Housing and Employment Act (FEHA) – California Government Code sections 12900 - 12996, the Owner shall not restrict applicants on the basis of race, color, religion, national origin, gender, age, familial status, or handicap, or any other basis prohibited by law.
- C. Owner shall provide a dated receipt to prospective Tenants who have completed a Lottery Application. This receipt shall correspond to the number of the applicant on the lottery list.
- D. During the marketing period, Owner shall maintain a list of prospective Tenants. The following information should be included on the list:
1. Name
  2. Receipt Number and Date Issued
- E. Owner shall accept completed Lottery Applications from applicants for a minimum of 15 days or until the number of applicants is at least three times the number of Restricted Units available, whichever occurs later. However, the acceptance of names shall not be required to continue for more than 90 days.
- F. All names of applicants with completed Lottery Applications shall be included in the lottery except for exceptions outlined in the HCD administration manual.
- G. Housing and Community Development (HCD) shall conduct the lottery by randomly computer-ranking the names on the initial list which includes all applicants with completed Lottery Applications. Lottery results shall be made publicly available at the Owner’s sales office, the office of the Community Services Department and on the Housing and Community Development website.
- H. Owner will contact the top lottery ranked applicants (“lottery selected applicants”) equal to the number of Restricted Units available, who will be required to complete an Income Certification application. Owner will instruct applicants to return the Income Certification applications within three weeks of

Lottery. Late Income Certification applications will not be accepted and Owner will continue contacting the next Lottery ranked applicant in the ranked order.

- I. Owner will certify Lottery applicants in the order of their Lottery standing. When applicants are deemed certified they are eligible to rent the Restricted Unit. Thereafter as any of those applicants drop out or are unable to qualify, Owner will continue contacting other Lottery ranked applicants in the ranked order.
- J. Owner will notify certified applicants of their income certification by mail. A copy of the Income Certification will be provided to HCD. Owner's sales staff shall contact the income certified applicant to enter into a lease contract.
- K. Certified applicants shall then be eligible to lease the Restricted Unit, as follows: Within five working days after the lottery results are posted, lottery selected applicants shall confirm an appointment with the Owner to lease the Restricted Unit which appointments shall begin on the day following the fifth working day. The Owner shall set up consecutive appointment slots ("initial slots") for the lottery selected applicants in order of their lottery ranking. If the lottery selected applicant is unable to attend his/her initial slot appointment, then the Owner may make the slot available to any other lottery selected applicant, and the party who is unable to attend his/her initial slot appointment shall have the opportunity to fill the next available initial slot appointment. If the Restricted Unit is available at the end of the time period for all initial lottery slot appointments, then the Owner may proceed down the list of ranked applicants and offer appointment slots to them in order of their ranking. Any lottery selected applicant who fails to fill an initial slot by the time of the last initial slot shall not be disqualified, but shall have the opportunity to fill the next available appointment slot.
- L. Failure to meet the time lines described in Section K will not disqualify an applicant, but the Owner may then allow the next ranked applicant to lease the Restricted Unit.
- M. If an applicant has not completed a lease agreement for the Restricted Unit within 90 days of income certification, a new certification application must be submitted.
- M. If an applicant declares that he or she is no longer interested in leasing the Restricted Unit, the next ranked applicant shall become eligible.
- O. If the list of ranked applicants is exhausted, Owner may thereafter negotiate with subsequent prospects on a first come-first served basis.