



**Community
Services
Department**
Connecting People to Opportunities

George Chapjian, Director, Community Services
Sarah York Rubin, Executive Director, Office of Arts & Culture
Ryder Bailey, CPA, Chief Financial Officer, Community Services
Dinah Lockhart, Deputy Director, Housing & Community Development
Jeff Lindgren, Superintendent, Park Division
Ashley Watkins, Division Chief, Sustainability Division



March 10, 2020

John Fowler, President and CEO
Peoples' Self-Help Housing Corp.
3533 Empleo St.
San Luis Obispo, CA 93401

RE: Reservation of County funds to the Isla Vista Apartments Rehab (Project)

Dear Mr. Fowler:

On March 10, 2020, the Santa Barbara County Board of Supervisors approved a reservation of County funds, in the amount of One Million Dollars (\$1,000,000), to the Isla Vista Apartments Rehab Project. The funds will be set aside for 12-months, until March 10, 2021, so that People's Self-Help Housing Corp (PSHHC) may complete financing for the Project. In order for the County to proceed with a firm funding commitment, PSHHC must provide the County with copies of firm commitments from all funding sources, including formal notification by the State of California of an award of tax credits, on or before this date.

A firm funding commitment, and execution of County loan documents, is subject to final review and approval 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 tax credit investors, in sufficient amounts to complete the Project;
2. Planning and zoning approvals, if applicable;
3. Submission of documents necessary for the County 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;
4. Completion of environmental review, including CEQA and, if applicable for the use of federal funds, NEPA. Note that until such time 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;
5. County staff review and underwriting of Project budgets and other financial documents, assessment of 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;
6. County's Capital Loan Committee recommendation of approval to the County Board of Supervisors for a commitment of County funds; and
7. Final approval by the County Board of Supervisors and execution of County loan documents (County Loan Agreement, Promissory Note, Deed of Trust, Regulatory Agreement and other associated documents).

If PSHHC receives firm commitments from all funding sources on or before March 10, 2021, Housing and Community Development Division staff will work diligently toward getting Board of Supervisors approval for a firm commitment of funds to the Project and execution of County loan documents. The source of funds (Low Moderate Income Housing Fund) will be recommended to the Board by staff, based on availability of funds and best uses of the funding sources.

The funds will be provided as a subordinate loan to the Project, with annual payments from residual receipts. The terms of the County's loan and low-income regulatory restriction will be for fifty (55) years.

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 County's Capital Loan Committee and 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

CC: Kevin Wilson - PSHHC