

**SUBRECIPIENT AGREEMENT**  
**BETWEEN**  
**COUNTY OF SANTA BARBARA as**  
**ADMINISTRATIVE ENTITY FOR THE**  
**Santa Barbara County Permanent Local Housing Allocation Consortium**  
**AND**  
**Housing Trust Fund of Santa Barbara County, Inc.**

**Provision of a Workforce Homebuyer Program**  
**State of California Permanent Local Housing Allocation (PLHA)**

THIS SUBRECIPIENT AGREEMENT (“AGREEMENT”) is made and entered into by and between the County of Santa Barbara (“COUNTY”), a political subdivision of the State of California, and Housing Trust Fund of Santa Barbara County, Inc. (“SUBRECIPIENT”), a California nonprofit organization, whose address is P.O. Box 60909, Santa Barbara, CA 93160-0909.

**WITNESSETH THAT:**

**WHEREAS**, Chapter 364, Statutes of 2017 (SB 2, Atkins) added Chapter 2.5 (commencing with Health and Safety Code Section 50470) to Part 2 of Division 31 of the Health and Safety Code, as part of a 15-bill housing package aimed at addressing the State’s housing shortage and high housing costs; and

**WHEREAS**, SB 2 created the Building Homes and Jobs Fund and the PLHA Program, specifically establishing a permanent source of funding intended to increase the affordable housing stock in California; and

**WHEREAS**, On July 7, 2020, the County of Santa Barbara’s Board of Supervisors passed and adopted Resolution No. 20-127, allowing the Director of the County’s Community Services Department (“CSD”) to apply for, receive, and administer the PLHA funds for the Santa Barbara County PLHA Consortium (“Consortium”), which includes the County of Santa Barbara, and the Cities of Goleta and Santa Maria; and

**WHEREAS**, The revenue from SB 2 will vary from year to year, as revenue is dependent on certain real estate recordation transactions with fluctuating activity; and

**WHEREAS**, the County and the Cities of Goleta and Santa Maria have each entered into a Consortium Agreement that authorizes the County to act as the Administering Jurisdiction for the Consortium to apply for and administer PLHA funds on the Consortium’s behalf; and

**WHEREAS**, COUNTY, on behalf of the Consortium, submitted to the State the Consortium’s Five-Year Plan (“PLHA Plan”), which includes State PLHA eligible activities set forth in the State’s PLHA Final Guidelines (“Guidelines”) that the Consortium will address with its allocations of PLHA funds over the next five years; and

**WHEREAS**, the Consortium selected the following eligible activities from the Guidelines: §301(a)(1) Multi-Family Rental Housing; §301(a)(2) Rental and Homeownership Housing; §301(a)(6) Homelessness Assistance Programs; and §301(a)(9) Down Payment Assistance for Homeownership Opportunities; and

**WHEREAS**, SUBRECIPIENT's services are eligible activities as outlined in the Guidelines and the Consortium's PLHA Plan as they are housing-related projects and programs to assist in addressing the unmet housing needs of the local communities;

**NOW THEREFORE**, the parties hereto agree that the above recitals are true to the best of their knowledge and, in consideration of the mutual covenants and conditions contained herein, it is agreed by and between the parties hereto as follows.

**I. SCOPE OF SERVICES**

**A. General**

All services under this Agreement ("Services") shall be provided in Santa Barbara County as described in the Scope of Services attached hereto and incorporated herein as Exhibit A ("Scope of Services"). Services shall be provided under the supervision of SUBRECIPIENT's Executive Director, who shall ensure that the background and qualifications of SUBRECIPIENT's staff providing Services meet the minimum standards established by pertinent licensing bodies, as applicable.

**B. Services**

1. Eligible Activities

Activities funded by this Agreement are limited to the following program components and eligible activities contained in the PLHA Plan: §301(a)(2) Rental and Homeownership housing; and §301(a)(9) Down Payment Assistance for Homeownership Opportunities as outlined more fully in the State HCD's Permanent Local Housing Allocation Final Guidelines.

2. Services to be Provided

SUBRECIPIENT shall be responsible for providing down payment loans and closing cost grants for approximately 4 first-time income-eligible homebuyers. Specific client services include: homebuyer education training offered through community partners; provision of information on the loan program and application process; technical assistance in completing the loan application; provision of a 30-year deferred payment down payment loan in an amount up to 20% of the home purchase price or a maximum loan of \$100,000, whichever is less for qualified applicants; and, provision of a closing cost grant up to \$5,000 for borrowers and as set forth in Exhibit A.

**C. Staffing**

Only the salary and eligible benefits for the positions listed in the budget attached hereto as Exhibit B and incorporated herein by reference ("Budget"), if any, are eligible for reimbursement with PLHA funds under this Agreement. No changes in the positions listed in the Budget will be eligible for reimbursement with PLHA funds under this Agreement unless approved in advance in writing by the CSD Director, or his designee. All Services shall be performed by SUBRECIPIENT and its staff. SUBRECIPIENT represents that it possesses the professional and technical personnel with the skills required to perform the Services. SUBRECIPIENT shall perform all Services in a manner commensurate with SUBRECIPIENT's own usual and customary standards, but in no event with less than the reasonable and ordinary level of care provided by others performing similar or like work in a professional manner in the State of California.

All Services shall be performed by qualified and experienced personnel who are not employed by COUNTY. SUBRECIPIENT represents and warrants that the Services to be performed will conform to the requirements of this Agreement; all applicable federal, State and local laws; and the highest professional standards.

SUBRECIPIENT represents and warrants to COUNTY that it has, shall obtain, and shall keep in full force and effect at all times during the Term hereof, at its sole cost and expense, all licenses, permits, qualifications, insurance and approvals of whatsoever nature that are legally required of SUBRECIPIENT and SUBRECIPIENT's personnel to practice their respective professions in the State of California and the County of Santa Barbara.

**D. Levels of Accomplishment – Goals and Performance Measures**

SUBRECIPIENT shall report performance data to COUNTY quarterly, in accordance with Sections VII.B.1, VII.B.2, and VII.C of this Agreement, regarding the goals and performance measures set forth in Exhibit A, and as required by the State (25 CCR Section 8413).

**E. Performance Monitoring**

SUBRECIPIENT shall be responsible for providing the Services in a manner satisfactory to COUNTY. In addition, COUNTY shall review the performance of SUBRECIPIENT in accordance with the applicable provisions of SB 2 and its related implementing regulations, Guidance, and rules. COUNTY may monitor the performance of SUBRECIPIENT against the goals and performance measures set forth in Section I.D of this Agreement and Exhibit A. SUBRECIPIENT's failure to meet any of these goals and performance measures as determined by COUNTY in its sole discretion shall constitute a breach of this Agreement. If action to correct such breach is not taken by SUBRECIPIENT to the satisfaction of COUNTY within seven (7) days after being notified by COUNTY, COUNTY may suspend or terminate this Agreement pursuant to Section VI.F of this Agreement.

**F. COUNTY Recognition**

SUBRECIPIENT shall ensure recognition of the role of COUNTY in providing PLHA funds made available under this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled or provided with signage as to funding source. In addition, SUBRECIPIENT shall include a reference within their marketing materials to the support provided by COUNTY that is made possible with PLHA Program funds made available under this Agreement.

**II. TERM**

**A. Term and Time of Performance**

The term of this Agreement shall begin on the first date that this Agreement is duly executed by all of the parties hereto ("Operating Start Date") and shall terminate on the earlier of (i) December 31, 2025, or (ii) when the PLHA funds awarded to SUBRECIPIENT hereunder are exhausted in accordance with the provisions of this Agreement, unless earlier suspended or terminated in accordance with the provisions of this Agreement, or there are insufficient PLHA funds available to the COUNTY for any reason (the "Term"). All Services to be performed hereunder as described in the Scope of Services and that are funded with PLHA funds hereunder may commence on the Operating Start Date and shall be completed during the Term (the "Award Time of Performance"). The Term and the Award Time of Performance may be extended only upon prior written approval of the COUNTY, as described in Section VI.E, below.

**B. Close-outs**

SUBRECIPIENT's obligations to COUNTY shall not end until all close-out requirements are completed, including, but not limited to: receipt of final payments from COUNTY under this Agreement, disposing of program assets (including the return of all unused materials, equipment, and accounts receivable to COUNTY), and determining the custodianship of records. The terms of this Agreement shall remain in effect during any period that SUBRECIPIENT has control over PLHA funds, including program income. All program assets (unexpended program income, property, equipment, etc.) shall revert to COUNTY upon termination of this Agreement.

**III. BUDGET**

The Budget for SUBRECIPIENT’s services, specifying PLHA-funded line items, is set forth in Exhibit B to this Agreement. COUNTY may require a more detailed budget breakdown than the one contained herein, and SUBRECIPIENT shall provide such supplementary budget information within one (1) week of COUNTY’s request for same, in the form and content prescribed by COUNTY. No amendment to the Budget shall be effective without the prior written approval of each of COUNTY and SUBRECIPIENT in each instance.

SUBRECIPIENT represents and warrants that the Budget includes only allowable costs and an accurate analysis of costs acceptable under the program Guidelines. SUBRECIPIENT’s accounting records shall comply with Article V of the PLHA Final Guidelines. Such records shall be in sufficient detail to provide a sound basis for COUNTY to effectively monitor SUBRECIPIENT’s performance under this Agreement.

**IV. PAYMENT**

It is expressly agreed and understood that the total amount of PLHA funds to be paid by COUNTY under this Agreement shall not exceed **\$374,793** during the Term of this Agreement. Payments to SUBRECIPIENT will be made on a reimbursement basis. Drawdowns for the payment of eligible expenses and documentation of eligible expenditures shall be made in accordance with the line item Budget specified in Exhibit B attached hereto. In accord with PLHA Guidelines, no less than once per quarter, but not more often than monthly, SUBRECIPIENT may request reimbursement for its expenditures and documented eligible expenditures hereunder by submitting a completed Expenditure Summary and Payment Request in the form attached hereto as Exhibit D and incorporated herein by reference (“ESPR”) together with proper support documentation for Services described in Sections I.A and I.B, staff salaries and benefits described in Section I.C, and performance data required in Sections I.D, VII.B.1, VII.B.2, and VII.C of this Agreement. No costs shall be invoiced, billed or deemed eligible except for expenditures authorized in the Budget as set forth in Exhibit B. The itemized costs set forth by SUBRECIPIENT in each ESPR shall be of sufficient detail to provide a sound basis for COUNTY to effectively monitor costs under this Agreement. COUNTY shall review each ESPR and supporting documents and, in accordance with State regulations and the provisions of this Agreement, shall reimburse SUBRECIPIENT for allowable costs within thirty (30) days after receiving SUBRECIPIENT’s complete ESPR and supporting documentation. Expenses for which SUBRECIPIENT seeks reimbursement under this Agreement shall have been incurred within the Term of this Agreement; provided, however, that SUBRECIPIENT may submit a final ESPR for eligible expenses up to twenty (20) days after the last day of the Term of this Agreement.

**V. NOTICES**

Notices required by this Agreement shall be in writing and delivered via USPS mail (postage prepaid), commercial courier, or personal delivery. Notices may be sent by facsimile or other electronic means if the party to be noticed consents to the delivery of the notice by facsimile or such electronic means, and if the party required to give notice delivers such notice via mail (postage prepaid), commercial courier, or personal delivery the next business day. Any notice delivered or sent as aforesaid shall be effective on the date of personal delivery or sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Notices and other written communications concerning this Agreement shall be directed to the following representatives:

**COUNTY**

Andrew Kish, HPSS  
County of Santa Barbara  
Community Services Department/HCD

**SUBRECIPIENT**

Jennifer McGovern, President and CEO  
Housing Trust Fund  
of Santa Barbara County

123 E. Anapamu St., #202  
Santa Barbara, CA 93101  
Office: (805) 568-3534  
akish@countyofsb.org

P.O. Box 60909  
Santa Barbara, CA 93160-0909  
[j.mcGovern@sbhousingtrust.org](mailto:j.mcGovern@sbhousingtrust.org)  
(805) 770-5261

## **VI. GENERAL CONDITIONS**

### **A. General Compliance**

SUBRECIPIENT agrees to comply with the requirements of the PLHA program, including the statutes (Health & Safety Code, §§ 50470 et seq.), program Guidelines, and additional regulations and Program guidance as may be adopted from time to time. In addition, SUBRECIPIENT agrees to comply with the terms of the award under the grant agreement, applications, notices of award and all other applicable federal, State, and local laws, regulations, ordinances, orders, rules, guidelines, directives, circulars, bulletins, notices and policies governing the PLHA funds provided under this Agreement. The judgment of any court of competent jurisdiction, or the admission of SUBRECIPIENT in any action or proceeding against SUBRECIPIENT, whether COUNTY is a party thereto or not, that SUBRECIPIENT has violated any such law, regulation, ordinance or order, shall be conclusive of that fact as between SUBRECIPIENT and COUNTY. SUBRECIPIENT shall be responsible for providing all Services in a manner consistent with all federal and state requirements and standards required as a condition of receiving and expending PLHA funds provided under this Agreement.

### **B. Independent Contractor**

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties hereto. SUBRECIPIENT shall at all times remain an independent contractor with respect to Services to be performed under this Agreement. COUNTY shall not be responsible for paying any taxes on SUBRECIPIENT's behalf, and should COUNTY be required to do so by federal, state, or local taxing agencies, SUBRECIPIENT agrees to promptly reimburse COUNTY for the full value of such paid taxes plus interest and penalty if any. These taxes shall include, but not be limited to, the following: Federal Insurance Contributions Act (FICA) tax, unemployment insurance contributions, income tax, disability insurance and workers' compensation insurance. In addition, SUBRECIPIENT understands and acknowledges that neither it nor its employees or subcontractors shall be entitled to any of the benefits of a COUNTY employee, including, but not limited to, vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation and protection of tenure.

### **C. Indemnification**

SUBRECIPIENT shall defend, indemnify and save harmless COUNTY and its officers, officials, employees, agents and volunteers from any and all claims, demands, damages, costs, expenses (including reasonable attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of SUBRECIPIENT or their agents or employees or other independent contractors directly responsible to them; except those claims, demands, damages, costs, expenses (including reasonable attorney's fees), judgments or liabilities resulting solely from the negligence or willful misconduct of COUNTY.

### **D. Changes or Amendments**

No change to this Agreement shall be effective unless made through a written amendment to this Agreement duly executed by COUNTY and SUBRECIPIENT. COUNTY and SUBRECIPIENT may amend this

Agreement at any time during the Term, provided that each such amendment makes specific reference to this Agreement, is executed in writing, and signed by a duly authorized representative of each party hereto. No such amendment shall invalidate any part(s) of this Agreement that is not expressly changed by such amendment, nor relieve or release COUNTY or SUBRECIPIENT from such party's obligations under this Agreement that are not expressly changed by such amendment. SUBRECIPIENT agrees to not unreasonably withhold its approval of any amendments proposed by COUNTY that are necessary in order to conform with federal, state or local governmental laws, regulations, ordinances, orders, rules, directives, circulars, bulletins, notices, guidelines, policies and available funding amounts.

All amendments to this Agreement must be approved by the COUNTY Board of Supervisors and executed by the Chair of the Board, except that the CSD Director, or his designee, is authorized to approve, in his or her discretion, and execute amendments to this Agreement on behalf of COUNTY as follows:

1. The Director of CSD may approve changes to the Budget attached hereto as Exhibit B, provided that such changes shall be limited to (a) revisions to the amounts in each Budget line item, provided that the overall amount of the Budget is not increased; and (b) additions to or deletions of Budget line items; provided that all expenditures are eligible hereunder and in accordance with the Guidelines, and that the overall amount of the Budget is not increased. In no event shall an amendment be made pursuant to this subsection VI.E.1 that will result in any change to the Scope of Services attached hereto as Exhibit A.
2. The CSD Director may execute amendments to this Agreement that extend the Term or the Award Time of Performance or both by up to a maximum of 12 months. This Section VI.E.2 shall not obligate the County to extend the length of the Term at SUBRECIPIENT's request or otherwise alter the County's rights to terminate this Agreement or reduce the award as set forth in Section VI.F, below. This authority may only be exercised if such extension is consistent with the terms of the PLHA Plan, PLHA Guidelines, and all other State regulations, notices, and other direction.
3. The CSD Director may approve administrative changes to the Agreement that are necessary in order to conform with federal, State, or local governmental laws, regulations, ordinances, orders, rules, directives, circulars, bulletins, notices, guidelines, policies and available funding amounts.

#### **E. Suspension or Termination**

COUNTY may suspend or terminate this Agreement if SUBRECIPIENT materially fails to comply with the terms of any federal or State regulation(s), including, but not limited to, the grant agreement, applications, or notices of award, or any provisions of this Agreement, which include, but are not limited to, the following:

- Failure to comply with any of the laws, rules, regulations, ordinances, provisions, orders, guidelines, policies, circulars, bulletins, notices or directives referred to herein, or as may become applicable at any time;
- Failure, for any reason, of SUBRECIPIENT to fulfill its obligations under this Agreement;
- Ineffective or improper use of PLHA funds provided under this Agreement;
- Actions and behavior by SUBRECIPIENT that undermines the integrity of the PLHA Program, including, but not limited to, client, child and staff endangerment, inappropriate and reckless staff behavior and health code violations; or
- Submittal of reports that are false or that are incorrect or incomplete in any material respect.

COUNTY may withhold any and all payments due to SUBRECIPIENT until such time as the exact amount of damages resulting from SUBRECIPIENT's breach is determined.

1. Termination by COUNTY

COUNTY may, by written notice to SUBRECIPIENT, terminate this Agreement in whole or in part at any time, whether for COUNTY's convenience, for nonappropriation of funds, or because of the failure of SUBRECIPIENT to fulfill the obligations herein.

- a. **For Convenience.** This Agreement may be terminated for convenience by COUNTY, upon written notification to SUBRECIPIENT, setting forth the effective date and, in the case of partial termination, the portion to be terminated.
- b. **For Nonappropriation of Funds.** Notwithstanding any other provision of this Agreement, in the event that no funds or insufficient funds are appropriated or budgeted by federal, State, or COUNTY governments, or funds are not otherwise available for payments during the Term of this Agreement, then COUNTY will notify SUBRECIPIENT of such occurrence and COUNTY may terminate or suspend this Agreement in whole or in part, with or without a prior notice period. Subsequent to termination of this Agreement under this provision, COUNTY shall have no obligation to make payments hereunder with regard to the remainder of the Term.
- c. **For Cause.** Should SUBRECIPIENT default in the performance of this Agreement or materially breach any of its provisions, COUNTY may, at COUNTY's sole option, terminate or suspend this Agreement in whole or in part by written notice. Upon receipt of notice, SUBRECIPIENT shall immediately discontinue all services affected (unless the notice directs otherwise) and notify COUNTY as to the status of its performance. The date of termination shall be the date the notice is sent by COUNTY, unless such notice directs otherwise.

2. Termination by SUBRECIPIENT

This Agreement may be terminated by SUBRECIPIENT, upon written notification to COUNTY, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, COUNTY determines that the remaining portion of the award or this Agreement will not accomplish the purposes for which it was made, COUNTY may terminate this Agreement and the award in its entirety.

3. Upon termination, SUBRECIPIENT shall deliver to COUNTY all data, estimates, graphs, summaries, reports, and all other property, records, documents or papers accumulated or produced by SUBRECIPIENT in connection with this Agreement, whether completed or in process, except such items as COUNTY may, by written permission, permit SUBRECIPIENT to retain.
4. In the event that CONTRACTOR ceases or intends to cease to operate, (e.g., dissolution of corporate status, declaration of bankruptcy, etc.) SUBRECIPIENT shall provide COUNTY copies of all records relating to this Agreement prior to taking the first action in furtherance of ceasing operations, but in any event no later than prior to ceasing operations.
5. If the State of California demands reimbursement from COUNTY for COUNTY's payments to SUBRECIPIENT due to SUBRECIPIENT's failure to comply with the terms of the State's award to COUNTY, including, but not limited to, the grant agreement, assurances in an application, or a notice of award, any applicable term of this Agreement, or any law, regulation, ordinance, order, rule, directive, circular, bulletin, notice, guideline, or policy referred to herein, or as may become applicable at any time, SUBRECIPIENT shall fully and completely reimburse COUNTY in the total amount of all such disallowed payments.

**F. STATE and COUNTY Enforcement of PLHA Program Requirements**

COUNTY and SUBRECIPIENT acknowledge that the State will review the performance of COUNTY and SUBRECIPIENT in carrying out their respective responsibilities as the recipient and subrecipient of PLHA funds, and COUNTY must take actions as prescribed if COUNTY determines that SUBRECIPIENT is not complying with any of the State requirements or this Agreement.

**VII. ADMINISTRATIVE REQUIREMENTS**

**A. Financial Management**

1. Accounting Standards

SUBRECIPIENT agrees to comply with and adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost Principles

SUBRECIPIENT shall administer its program in accordance with Article V, Section 500 et seq. of the PLHA Final Guidelines. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

3. Indirect Costs

SUBRECIPIENT may charge an indirect cost allocation to its grant under this Agreement. The indirect cost allocation may not exceed ten percent of the allowable direct costs under the PLHA activity unless a higher limit for the indirect cost allocation has been previously approved.

4. Procurement

SUBRECIPIENT shall comply with the procurement requirements in Santa Barbara County Code Chapter 2, Article VI concerning the purchase of services, supplies or equipment and concerning the required maintenance of inventory and records for all services, equipment and supplies procured with funds provided herein.

5. Travel

SUBRECIPIENT shall obtain prior written approval from COUNTY for the use of any funds provided under this Agreement for the reimbursement of any costs incurred for travel outside the County of Santa Barbara.

**B. Documentation and Record Keeping**

1. Records to Be Maintained

SUBRECIPIENT shall comply with all reporting requirements of COUNTY and shall maintain all records required by and described in State regulations relating to the PLHA Program, including, but not limited to the PLHA and its related implementing regulations, Guidelines, guidance and rules, and all other records that are pertinent to the activities to be funded under this Agreement. SUBRECIPIENT agrees to maintain accounting books and records in accordance with Generally Accepted Government Auditing Standards. SUBRECIPIENT further agrees that the State and its designated representatives have the right to review and copy any records and supporting documentation pertaining to this Agreement. Such records shall include, but not be limited to:

- a. Records providing a full description of each activity and Services undertaken;
- b. Records required to determine the eligibility of activities;
- c. Records supporting disbursements of PLHA funds for the performance of eligible activities;
- d. Records supporting the source and expenditure of eligible activities of PLHA;



- e. Financial records as required by Article V, Section 500 of the PLHA Final Guidelines; and
- f. Other records necessary to document compliance with applicable state and federal requirements.

2. Retention

SUBRECIPIENT shall retain all records required by or pertinent to this Agreement for five (5) years. Such five-year retention period begins on the date that all funds from the Agreement under which a program participant was served are expended and the final request for payment for eligible expenses has been submitted to COUNTY by SUBRECIPIENT and have been paid by COUNTY. Notwithstanding the above, in the event of any litigation, claim(s), demand(s), audit(s), negotiation(s), dispute(s) or other action(s) that involve or pertain to any such records and that have started before the expiration of the five-year retention period (“Claims”), then such records must be retained until completion and final resolution of all such Claims and final resolution of all issues, or the expiration of the five-year retention period, whichever occurs later.

3. Ownership of Documents

Each and every report, draft, map, record, plan, document and other writing (hereinafter “Documents”) produced, prepared or caused to be produced or prepared by or on behalf of SUBRECIPIENT, or any of its officers, employees, agents, representatives, contractors and subcontractors, in connection with this Agreement, shall be the exclusive property of COUNTY, and COUNTY shall have the sole right to use such Documents in its sole discretion without further compensation to SUBRECIPIENT or any other party. SUBRECIPIENT shall, at SUBRECIPIENT’S own expense, provide such Documents to COUNTY upon COUNTY’S written request.

4. Disclosure

SUBRECIPIENT understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of COUNTY or SUBRECIPIENT’S responsibilities with respect to services provided under this Agreement, may be prohibited under federal or state law unless written consent is obtained from such person receiving services and, in the case of a minor, that of a responsible parent/guardian. COUNTY shall disclose any information required by state or federal law, unless there is an applicable exception.

5. Audits and Inspections

All SUBRECIPIENT records with respect to any matters in connection with this Agreement shall be made available to COUNTY, the State, and any of their authorized representatives, at any time during normal business hours, as often as deemed necessary by COUNTY or the State, to audit, examine, and make copies, excerpts or transcripts of all relevant data. Any deficiencies, audit findings, or required corrective actions noted in audit reports must be fully cleared by the SUBRECIPIENT within 30 days after receipt by SUBRECIPIENT unless a longer time period is agreed upon in writing in advance by the COUNTY. SUBRECIPIENT hereby agrees to have an annual Program-specific audit conducted by a certified public accounting firm in accordance with Article V, Section 501 of the PLHA Final Guidelines and current COUNTY policy and requirements concerning audits.

Since this Agreement exceeds ten thousand dollars (\$10,000.00), SUBRECIPIENT shall be subject to the examination and audit of the California State Auditor, at the request of the COUNTY or as part of any audit of the COUNTY, for a period of three (3) years after final payment under this Agreement (Cal. Govt. Code Section 8546.7). SUBRECIPIENT shall participate in all audits and reviews, whether by COUNTY or the State, at no charge to COUNTY.

If State or COUNTY audit exceptions are made relating to this Agreement, SUBRECIPIENT shall reimburse all costs incurred by the State, and/or COUNTY governments associated with defending against the audit exceptions or performing any audits or follow-up audits, including, but not limited to: audit fees, court costs, attorneys' fees based upon a reasonable hourly amount for attorneys in the community, travel costs, penalty assessments, and all other costs of whatever nature. Immediately upon notification from COUNTY, SUBRECIPIENT shall reimburse the amount of such audit exceptions and all other related costs directly to COUNTY as specified by COUNTY in such notification.

SUBRECIPIENT agrees to maintain all records required by or pertinent to this Agreement for a minimum of five (5) years from the expiration date of this Agreement for possible audit by the State and its designated representatives.

6. Access to Records

SUBRECIPIENT shall furnish, and cause each of its own contractors and subcontractors to furnish, all information and reports required hereunder, and will permit access to books, records and accounts by COUNTY, State or other authorized officials or their agents, to ascertain compliance with the laws, rules, regulations, executive orders, ordinances, resolutions, guidelines, policies, directives, standards and provisions stated in this Agreement or PLHA.

**C. Reports**

SUBRECIPIENT shall provide COUNTY with PLHA Quarterly Status Reports, for which a sample is attached hereto as Exhibit C, on or before the twentieth day of October, January, April and July, setting forth its SUBRECIPIENT's activities for the previous quarter. Further, should the State request additional reports, SUBRECIPIENT agrees to timely submit all such requested additional reports in a manner and format approved by the COUNTY and the State.

**VIII. PERSONNEL AND PARTICIPANT CONDITIONS**

**A. Civil Rights**

1. Nondiscrimination

SUBRECIPIENT shall comply with Title VIII of the Civil Rights Act of 1968 (42 U.S.C., § 3601 et seq.); Title I of the Housing and Community Development Act of 1974 (42 U.S.C., § 5301 et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C., § 12101 et seq.); the Age Discrimination Act of 1975 (42 U.S.C., § 6101 et seq.); Executive Order 11063; and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086; and all implementing regulations, and all as may be amended. SUBRECIPIENT shall comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 5.105(a) and 24 CFR 576.407. The applicable non-discrimination provisions in Section 109 of the Housing and Community Development Act are still applicable. In addition, COUNTY's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated herein by this reference with the same force and effect as if the Ordinance were specifically set out herein and SUBRECIPIENT agrees to comply with said Ordinance.

**B. Affirmative Action**

1. Affirmative Outreach

SUBRECIPIENT shall make known that use of its facilities, assistance, and services are available to all on a nondiscriminatory basis in accord with 24 CFR 576.407(b). Pursuant to and in accord with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) and the President's Executive

Order 13166, SUBRECIPIENT is also required to take reasonable steps to ensure meaningful access to programs and activities for Limited English Proficiency (LEP) persons.

2. Women- and Minority-Owned Businesses (W/MBE)

SUBRECIPIENT will use its best efforts to afford small businesses, minority business enterprises, and women’s business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the terms “small business” means a business that meets the criteria set forth in Section 3(a) of the Small Business Act, as amended (15 U.S.C. § 632), and “minority and women’s business enterprise” means a business that is at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, “minority group members” are African Americans; Spanish-speaking, Spanish-surnamed, or Spanish-heritage Americans; Asian Americans; and American Indians. SUBRECIPIENT may rely on written representations by businesses regarding their status as minority and women’s business enterprises in lieu of an independent investigation.

3. Subcontract Provisions

SUBRECIPIENT shall include the provisions of Titles VI and VII of the Civil Rights Act of 1964, as amended, in every contract, subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own contractors, subcontractors and vendors.

**C. Employment Restrictions**

1. Prohibited Activity

SUBRECIPIENT is prohibited from using PLHA funds provided herein or personnel employed in the performance of the activities set out in the Scope of Services under this Agreement for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards Requirements

SUBRECIPIENT shall comply with federal Fair Labor Standards Act requirements as well as all labor laws and regulations of the State of California and COUNTY. Where funds provided through this Agreement are used for construction work, or in support of construction work, SUBRECIPIENT shall ensure that the requirements of Chapter 1 (commencing with Section 1720) of Part 7, Division 2 of the State of California Labor Code (pertaining to payment of prevailing wages and administered by the California Department of Industrial Relations) are met.

**D. Conduct**

1. Assignability

SUBRECIPIENT shall not assign or otherwise transfer, directly or indirectly, whether by operation of law or otherwise, this Agreement, any interest in this Agreement, or any of SUBRECIPIENT’s rights or obligations hereunder without the prior written consent of COUNTY in each instance, and any attempt to so assign or so transfer without such consent shall be voidable and without legal effect and shall constitute grounds for termination of this Agreement by COUNTY; provided, however, that claims for money due or to become due to SUBRECIPIENT from COUNTY under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval, provided that notice of any such assignment or transfer shall be furnished promptly to COUNTY.

2. Contracts and Subcontracts

a. Approvals

SUBRECIPIENT shall not enter into any contracts or subcontracts with any agency, entity, or individual to perform services under this Agreement, in whole or in part, without the

prior written consent of COUNTY in each instance. A contractor or subcontractor is not eligible to receive PLHA funds if such contractor or subcontractor is not licensed and in good standing in the State of California, or is listed on the Federal Consolidated List of Debarred, Suspended and Ineligible Contractors.

b. Monitoring

SUBRECIPIENT will monitor all contracted and subcontracted Services on a regular basis to assure compliance with this Agreement. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct all areas of noncompliance. SUBRECIPIENT shall retain all written reports and submit such reports upon COUNTY's request.

c. Content

SUBRECIPIENT shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of all contracts and subcontracts entered into by SUBRECIPIENT in connection with this Agreement.

d. Insurance

SUBRECIPIENT shall ensure that all contracts and subcontracts entered into in connection with this Agreement comply with minimum State-required Worker's Compensation insurance requirements, and all insurance and indemnification provisions set forth in the Standard Indemnification and Insurance Provisions attached hereto.

3. Hatch Act

SUBRECIPIENT agrees that no funds provided, nor personnel employed, in connection with this Agreement, shall be in any way or to any extent used for or engaged in the conduct of political activities in violation of 5 U.S.C., § 7321 et seq. or 5 CFR Parts 733 and 734, all as may be amended.

4. Conflicts of Interest

SUBRECIPIENT agrees to abide by, and keep records to show compliance with, the organizational and individual conflicts of interest provisions of the PLHA Final Guidelines, which include, but are not limited to, the following:

- a. SUBRECIPIENT shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees, agents or consultants engaged in the award and administration of contracts supported by PLHA funds.
- b. No employee, officer, agent or consultant of SUBRECIPIENT shall participate in the selection, or in the award, or administration of, a contract supported by PLHA funds if a conflict of interest, real or apparent, would be involved.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to PLHA-funded activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the PLHA-funded activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the PLHA-funded activity, or with respect to the proceeds derived from the PLHA-funded activity, either for themselves or those with whom they have business or family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent,

consultant, officer, or elected or appointed official of COUNTY, SUBRECIPIENT, or any designated public agency.

SUBRECIPIENT must promptly disclose to the COUNTY, in writing, all potential and actual conflicts of interest.

5. Copyright

If this Agreement results in any material, works or inventions that may be protected by copyright, trademark, or patent, COUNTY, and/or State reserves the right to a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the materials, works or inventions for governmental purposes.

COUNTY shall be the owner of the following items in connection with this Agreement upon creation, whether or not completed: all data collected, all documents of any type whatsoever, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Agreement is completed or terminated prior to completion. SUBRECIPIENT shall not release any materials under this section except after prior written approval of COUNTY in each instance.

No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of COUNTY. COUNTY shall have the unrestricted authority to publish, disclose, distribute, and otherwise use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

**E. California Environmental Quality Act**

This Agreement is subject to the provisions of the California Environmental Quality Act (CEQA). SUBRECIPIENT assumes responsibility to fully comply with CEQA's requirements regarding the Work. In addition, SUBRECIPIENT shall comply with the environmental requirements of 24 CFR 576.407, subdivision (d). The obligation of funds and incurring of costs is hereby conditioned upon compliance with CEQA, 24 CFR Section 576.407, subdivision (d), and completion by the State of all applicable review and approval requirements.

**IX. SEVERABILITY**

If any provision of this Agreement is held invalid, illegal or unenforceable by a court of competent jurisdiction, then such provision shall be deemed severable from the remaining provisions hereof, and, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

**X. SECTION HEADINGS AND SUBHEADINGS**

The section headings and subheadings contained in this Agreement are included for convenience only and shall not affect the meaning, construction or effect of the terms of this Agreement.

**XI. WAIVER**

COUNTY's delay or failure to act with respect to a breach by the SUBRECIPIENT shall not constitute or be construed as a waiver of COUNTY's rights with respect to subsequent or similar breaches. Any delay or failure of COUNTY to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision, and every power and remedy given by this Agreement to COUNTY shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of COUNTY.

**XII. ENTIRE AGREEMENT**

This Agreement, including all Exhibits hereto, constitutes the entire agreement between the COUNTY and the SUBRECIPIENT with respect to the subject matter hereof and it supersedes all prior and contemporaneous communications and proposals, whether electronic, oral, or written between the COUNTY and the SUBRECIPIENT with respect to the subject matter hereof. Each party hereto waives the future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or change by any oral agreements, course of conduct, waiver or estoppel.

**XIII. REMEDIES NOT EXCLUSIVE**

No remedy herein conferred upon or reserved to COUNTY is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

**XIV. TIME IS OF THE ESSENCE**

Time is of the essence in this Agreement and each covenant and term is a condition herein.

**XV. NONEXCLUSIVE AGREEMENT**

SUBRECIPIENT understands that this is not an exclusive Agreement and that COUNTY shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by SUBRECIPIENT as COUNTY desires.

**XVI. CALIFORNIA LAW**

This Agreement shall be governed by 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 the County of Santa Barbara, if in federal court.

**XVII. EXECUTION OF COUNTERPARTS**

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

**XVIII. AUTHORITY**

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 entity(ies), person(s), or firm(s) 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. Furthermore, by entering into this Agreement, SUBRECIPIENT hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which SUBRECIPIENT is obligated, which breach would have a material effect hereon.

**XIX. PRECEDENCE**

In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of this Agreement shall prevail over those in the Exhibits.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the Operating Start Date.

ATTEST:  
MONA MIYASATO  
CLERK OF THE BOARD

COUNTY OF SANTA BARBARA:

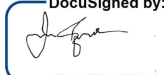
By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Steve Lavagnino , Chair  
Board of Supervisors

Date: \_\_\_\_\_

APPROVED AS TO ACCOUNTING FORM:  
BETSY M. SCHAFFER, CPA  
AUDITOR-CONTROLLER

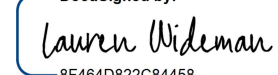
COMMUNITY SERVICES DEPARTMENT

By:  \_\_\_\_\_  
Auditor-Controller

By:  \_\_\_\_\_  
Jesus Armas, Community Services Director

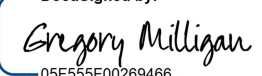
APPROVED AS TO FORM:  
RACHEL VAN MULLEM  
COUNTY COUNSEL

SUBRECIPIENT:

By:  \_\_\_\_\_  
Lauren Wideman, Deputy County Counsel

By:  \_\_\_\_\_  
Jennifer McGovern, President & CEO

APPROVED AS TO FORM:  
GREG MILLIGAN, ARM, AIC  
RISK MANAGEMENT

By:  \_\_\_\_\_  
Risk Manager



## EXHIBIT A

**Scope of Services**

## Permanent Local Housing Allocation Funding

This Scope of Services is attached to and incorporated into the PLHA Subrecipient Agreement between COUNTY and The Housing Trust Fund of Santa Barbara County, Inc.

<b>Project Title:</b>	Housing Trust Fund Workforce Homebuyer Program
-----------------------	--

**A. INTRODUCTION**

This Scope of Services is attached to and incorporated into the Subrecipient Agreement (“Agreement”) between the County of Santa Barbara (“COUNTY”) and Housing Trust Fund of Santa Barbara County, Inc. (“SUBRECIPIENT”) as referenced in the Agreement. The purpose of this Scope of Services is to further describe the project requirements referenced in Section I of the Agreement.

**B. PROJECT DESCRIPTION**

1. **Purpose:** The purpose of the Housing Trust Fund Workforce Homebuyer Program is to expand homeownership opportunities for low-income and moderate-income households who have been shut out of the Santa Barbara County housing market due to high housing costs. The program provides a 30-year deferred down payment loan of the lesser of 20% of the home price up to a maximum of \$100,000 combined with a closing cost grant of up to \$5,000 to overcome financial barriers to homeownership. The PLHA funding will provide closing cost grants for an estimated 4 homebuyers, \$337,000 in loan capital, \$20,000 for closing costs grants, and \$17,793 in administrative costs. The Housing Trust Fund Workforce Homebuyer Program will have the positive impact of providing low-to-moderate income households with secure and affordable housing that stabilizes housing costs, helps build family wealth over time, supports better health for children, and reduces incidences of crime.

a. **Services:** The Housing Trust Fund Workforce Homebuyer Program shall provide down payment loans and closing cost grants to an estimated four (4) first-time income-qualified homebuyers. Specific client services shall include: homebuyer education training offered through community partners; provision of information on the loan program and application process; Technical Assistance in completing the loan application; provision of a 30-year deferred payment down payment loan in the lesser of 20% of the home purchase price or a maximum loan of \$100,000 for qualified applicants; and, provision of a closing cost grant up to \$5,000 for borrowers.

b. State Regulatory Information

The PLHA-funded program will follow the rules, regulations, and guidelines of the State of California PLHA program.

<b>Activity</b>	<b>Regulation</b>
Down Payment Assistance and Closing Cost Program	State PLHA program guidelines
Promissory Note and Deed of Trust	As approved by the COUNTY, in a form substantially similar to the forms attached to the Subrecipient Agreement as Exhibit E.

- c. Eligible Geographic Area: All homes purchased with funds under this Agreement may be located within all areas of the County of Santa Barbara except within the City limits of Santa Barbara and Lompoc, as they receive their own separate PLHA allocation.

## 1. Levels of Accomplishment

GOALS: SUBRECIPIENT shall provide the following levels of services during the term of the Agreement:

Services	Goal
Estimated total unduplicated number of persons served	16
Estimated total unduplicated number of households served	4

PERFORMANCE MEASURES: SUBRECIPIENT shall meet the following performance measures during the term of the Agreement:

Services	Goal
Provide homebuyer education training	4 loan applicants successfully complete a homebuyer education training course.
Receive and process loan applications	4 loan applicants receive a loan commitment for a down payment loan
Provide closing cost grants	4 homebuyers receive a closing cost grant
Close and fund the down payment loan	4 homebuyers close escrow and purchase an entry-level home

## 2. DATA COLLECTION AND REPORTING

### 1. General

SUBRECIPIENT must collect data in accordance with the PLHA Program Guidelines.

SUBRECIPIENT shall provide requested data in accordance with PLHA Program Guidelines and as requested by the County of Santa Barbara. SUBRECIPIENT shall collect information on the down payment loan and closing cost grant made to each borrower, including: the property address and sales price; closing date; amount of the down payment loan and closing cost grant; household income level; whether the borrower is a senior, veteran or disabled; and, demographic information voluntarily provided and authorized by the borrower. SUBRECIPIENT must also provide copies of the Homebuyer Education Certificate, Income Certification, Settlement Statement, Loan Disclosure and executed loan documents, if requested by COUNTY.

SUBRECIPIENT shall protect homebuyer personal financial and identification information.

### 2. Report Schedule

SUBRECIPIENT must provide Status Reports that are due according to the following schedule:

Period	Due Date
April 1 – June 30, 2024	July 20, 2024
July 1 – September 30, 2024	October 20, 2024
October 1 – December 31, 2024	January 20, 2025
January 1 – March 31, 2025	April 20, 2025
April 1 – June 30, 2025	July 20, 2025
July 1 – September 30, 2025	October 20, 2025
October 1 – December 31, 2025	January 20, 2026

COUNTY's disbursement of funds is contingent upon its receipt of SUBRECIPIENT's Status Reports. No quarterly reports are required for the periods after all PLHA funds have been expended and reported on to the County, only the final annual report would be required afterwards.

### 3. Report Content

SUBRECIPIENT's Status Reports must contain the following:

- a. Subrecipient Report generated from the Housing Trust Fund of Santa Barbara County;
- b. Data on goals and permanent measures as set forth in Section B, above;
- c. Data on funding received for the project from all sources; and
- d. Signature of SUBRECIPIENT's Executive Director or designee attesting to the accuracy of the information submitted.



State of California

# Permanent Local Housing Allocation

Exhibit B Part 2 Project Budget

Project Title Downpayment Asst Program HTF of SB County

Applicant Name Housing Trust Fund of Santa Barbara County

Revenue and Expense budgets should reflect the *entire program budget* for the specific project for which State PLHA funds are requested. Total Revenue and Expenses should match.

Please specify the source of "Other Federal Funds" and "Other State Funds".

## Revenue - 2 years

Source	Total Program Budget	PLHA	Other
<b>Permanent Local Housing Allocation (This award)</b>	\$ 374,793	\$ 374,793	
CDBG - Cities (SB = Human Services Funds)	\$ -		
CDBG - County	\$ -		
CoC Program	\$ -		
HOME - Cities	\$ -		
HOME - County	\$ -		
Other Federal Funds:	\$ -		
Other Federal Funds:	\$ -		
Other State Funds: CalHome Program	\$ -		\$ -
Other State Funds	\$ -		
County Human Services Funds	\$ -		
Other Local Funds	\$ 79,738		\$ 79,738
Private Trusts and Foundation Funds	\$ -		\$ -
Fundraising Events	\$ -		
Donations	\$ -		\$ -
Client Fees	\$ -		
Other ( <i>specify source below</i> )			
	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -		
<b>Total Revenue</b>	<b>\$ 454,531</b>	<b>\$ 374,793</b>	<b>\$ 79,738</b>



State of California  
**Permanent Local Housing Allocation**  
 Exhibit B Part 2 Project Budget - Expenses

Project Title Downpayment Asst Program HTF of SB County  
 Applicant Name Housing Trust Fund of Santa Barbara County

**Expenses - 2 Year Budget**

Expense	Total Program Budget	PLHA Downpayment Assistance Program	Other
<i>Salaries, Benefits, and Payroll Taxes - Provide detail for all program staff. Add lines as needed.</i>			
1 - Employee Salary FTE \$5/hr			
Workforce Homebuyer Program Loan Administrator - \$42.21 per 25% time for 2 years	\$ 45,220	\$ 14,056	\$ 31,164
CEO Supervision - \$57.21 per hour	\$ 12,625		\$ 12,625
5% time for 2 years			
Employee Benefits 21% for 2 years	\$ 12,147	\$ 3,737	\$ 8,410
Legal, homebuyer outreach materials - 2 years			
Other Expenses: 15% proportionate share of agency core overhead, including telephone/DSL, Accounting services, audit, insurance, office, Web master, IT Security, travel/training, licenses & Fees, Payroll Expense, memberships & Subscriptions - 2 years	\$ 27,539	-	\$ 27,539
Client Services and Direct Assistance			
Homebuyer Education grants	\$ 20,000	\$ 20,000	-
Closing Cost Grants	\$ 337,000	\$ 337,000	-
Down payment loans	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -		
	\$ -		
Other (specify below)			
	\$ -		
Indirect Costs (Not to exceed 10% of total request)			
<b>Total Expenses</b>	<b>\$ 454,531</b>	<b>\$ 374,793</b>	<b>\$ 79,738</b>
<b>TOTAL:</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**Narrative (optional)**

This budget is an estimate based on projected funding; consequently staffing and/or levels of financial assistance may vary slightly in actuality. The budget projects a 2-year program expenditure period; however, depending on housing market conditions, loans may be funded more quickly (for instance over 12 months rather than 24 months). This could potentially reduce administrative overhead costs. HTF has now leased a main office in downtown Santa Barbara and rent and utility costs have increased.



Quarterly Status Report  
Permanent Local Housing Allocation

County of Santa Barbara  
Community Services Department

**Instructions:** Submit this status report to Andrew Kish, Housing Program Specialist by email to [akish@countyofsb.org](mailto:akish@countyofsb.org)

<input type="checkbox"/> <b>Quarter 1</b> 4/1/24-6/30/24	<input type="checkbox"/> <b>Quarter 2</b> 7/1/24-9/30/24	<input type="checkbox"/> <b>Quarter 3</b> 10/1/24-12/31/24	<input type="checkbox"/> <b>Quarter 4</b> 1/1/25-3/31/25
<b>Agency</b> <u>Housing Trust Fund of Santa Barbara County</u>	<b>Contact Person</b> <u>Jennifer McGovern</u>		
<b>Project</b> <u>Housing Trust Fund Workforce Homebuyer Program</u>	<b>Phone Number</b> <u>805-685-1949</u>		
<b>Contract #</b> _____	<b>Email Address</b> <u>j.mcGovern@sbhousingtrust.org</u>		

## 1. PLHA Subrecipient Report

Generate a Subrecipient Report for the reporting period and attach any print-out to this report.

## 2. Accomplishments

### Goals

	Goal	Quarter	Year-to-Date
Total unduplicated number of persons served	16		
Total unduplicated number of households served	4		

### Performance Measures

	Goal	Quarter	Year to Date
Homebuyer Education Training	4 Applicants		
Receive and Process Loan Applications	4 Applicants		
Provide Closing Costs Grants	4 Homebuyers		
Close and Fund the Down Payment Loan	4 Homebuyers		
# of Extremely Low Income (0-30% AMI) Households assisted			
# of Very Low Income (max 50% AMI) Households assisted			
# of Households at or below 60% AMI assisted			
# of Low-Income Households (max 80% AMI) assisted			
# of Moderate-Income Households assisted (max 120% AMI or 150% AMI in high cost areas)			
Total Number of Seniors (65+) Assisted			
Total Number of Veterans Assisted			
Total Number of Disabled Persons Assisted			
Total Number of Families with Minor Children Assisted			
Total Number of Transition Youth (18-24 y/o) Assisted			
Total Number of Farmworkers Assisted			

**Narrative**

Describe the project's progress in meeting the goals and performance measures as set forth in the Subrecipient Agreement. If the project is not performing as planned, provide an explanation.

**3. Race & Ethnicity Data**

	Quarter	Program-to-Date
	Total	Total
<b>RACE &amp; Ethnicity</b>		
American Indian, Alaskan Native, or Indigenous		
Asian or Asian American		
Black, African American, or African		
Hispanic, Latina/e/o		
Middle Eastern or North African		
Native Hawaiian or Pacific Islander		
White		
Asian or Asian American & American Indian, Alaska Native, or Indigenous		
Black, African American, or African & American Indian, Alaskan Native, or Indigenous		
Hispanic, Latina/e/o & American Indian, Alaskan Native, or Indigenous		
Middle Eastern or North African & American Indian, Alaskan Native, or Indigenous		
Native Hawaiian or Pacific Islander & American Indian, Alaskan Native, or Indigenous		
White & American Indian, Alaskan Native, or Indigenous		
Black, African American, or African & Asian or Asian American		
Hispanic, Latina/e/o & Asian or Asian American		
Middle Eastern or North African & Asian or Asian American		
Native Hawaiian or Pacific Islander & Asian or Asian American		
White & Asian or Asian American		
Hispanic, Latina/e/o & Black, African American, or African		
Middle Eastern or North African & Black, African American, or African		
Native Hawaiian or Pacific Islander & Black, African American, or African		
White & Black, African American, or African		
Middle Eastern or North African & Hispanic, Latina/e/o		

Native Hawaiian or Pacific Islander & Hispanic, Latina/e/o		
White & Hispanic, Latina/e/o		
Native Hawaiian or Pacific Islander & Middle Eastern or North African		
White & Middle Eastern or North American or North African		
White & Native Hawaiian or Pacific Islander		
Multiracial – more than 2 races/ethnicity, with one being Hispanic/Latina/e/o		
Multiracial – more than 2 races, where no option is Hispanic/Latina/e/o		
Client Doesn't Know/ Prefer Not to Answer		
Data Not Collected		
<b>Totals in RACE</b>		
<b>ETHNICITY<sup>1</sup></b>		
Hispanic or Latino <sup>1</sup>		
Not Hispanic or Latino		
<b>Totals in ETHNICITY</b>		

#### 4. Project Funding

Report funding received for the **project** during the quarter and year-to-date by source.

##### Additional Funding Sources

	Amount	
Cal Home	\$	
Other Local Funds	\$	
Private Trusts and Foundation Funds	\$	
Donations	\$	
Other	\$	
<b>TOTAL</b>		

<sup>1</sup> Totals in race and Ethnicity must be equal to each other. Please state a Race and Ethnicity for each client.

<sup>2</sup> Subset of total per racial category. Hispanic or Latino refers to a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

#### 5. Additional Comments

Provide any additional comments on areas of this report that need explanation.

<sup>1</sup> Subset of total per racial category. Hispanic or Latino refers to a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.





6. Submission Certification

I certify that all information stated in and attached to this report is true and accurate.

Signature: \_\_\_\_\_

Date: \_

Name & Title: \_\_\_\_\_

## EXHIBIT D

This document contains multiple tabs; obtain the full document from the staff person named herein

ESPR Request #: \_\_\_\_\_

### EXPENDITURE SUMMARY AND PAYMENT REQUEST (ESPR)

**State of CA Permanent Local Housing Allocation**  
County of Santa Barbara Community Services Department

Agency Name: Housing Trust Fund of Santa Barbara County DUNS #: \_\_\_\_\_  
 Project Name: Provision of Workforce Homebuying Program  
 Address: PO Box 60909 Santa Barbara, CA 93160-0909  
 Contact Person: Jennifer McGovern Title: Executive Director  
 Email Address: [j.mcgovern@sbhousingtrust.org](mailto:j.mcgovern@sbhousingtrust.org) Phone #: (805) 685-1949

Date Submitted: \_\_\_\_\_  
 Report Period: Apr 1 - June 30, 2024  
Jul 1 - Sep. 30, 2024  
Oct 1 - Dec 31, 2024

Submit completed ESPR and required documentation to:

Jan. 1-March 31, 2025

Staff Person: Andrew Kish Title: Housing Program Specialist, Sr.  
 Email Address: [akish@countyofsb.org](mailto:akish@countyofsb.org) Phone #: 805-568-3534

PO/Contract #: \_\_\_\_\_  
 HCD Project #: \_\_\_\_\_

#### Grant Budget and Expenditures

Activity ID	Program Component	Activity	Budget	PREVIOUS Drawdowns	REQUESTED Drawdown	New Available Balance
	Salaries, Benefits, and Payroll Taxes		\$	-	\$	-
	Down Payment Assistance Loans		\$	-	\$	-
	Closing Cost grants					
		<b>TOTAL</b>	\$	-	\$	-

Check this box if this is the final payment.

#### Certification

I certify to the best of my knowledge and belief that this report is true and complete and I have reviewed all supporting documentation. Disbursements have been made for the purpose and conditions of this grant and have not been paid by any other source.

Manager / Fiscal Officer \_\_\_\_\_

Administrator / Executive Director

Name \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_



## EXPENDITURE SUMMARY AND PAYMENT REQUEST (ESPR)

Detailed Expenditures for State of CA Permanent Local Housing Allocation

SAMPLE ONLY - HCD MAY REVISE ACCORDING  
TO THE SCOPE OF WORK

Instructions: Complete the chart for each activity as applicable. Do not enter information in shaded cells.

Component	<u>Indirect</u>
Activity	<u>Indirect Costs</u>

VENDOR	DESCRIPTION	CHECK #	CHECK DATE	CHECK TOTAL	REQUESTED AMOUNT	MATCH SOURCE
	NOT AUTHORIZED IN THIS AGREEMENT					
<b>TOTAL</b>				\$ -	\$ -	

**Certification**  
I certify that the information contained herein accurately reflects source documents, e.g., employee timesheets and payroll registers, and is eligible under the program.

*Manager / Fiscal Officer*

Name \_\_\_\_\_ Title \_\_\_\_\_  
 Signature \_\_\_\_\_ Date \_\_\_\_\_

EXHIBIT E

**PROMISSORY NOTE  
SECURED BY DEED OF TRUST  
(Workforce Homebuyer Down Payment Program)**

Loan Number: Santa Barbara, California  
Amount: \$ May , 2024

FOR VALUE RECEIVED, the undersigned \_\_\_\_\_ and \_\_\_\_\_ ("Borrower") promises to pay to the Housing Trust Fund of Santa Barbara County, Inc., a nonprofit public benefit corporation ("Housing Trust Fund"), at the following address P. O. Box 60909, Santa Barbara, CA 93160-0909, or such other place as the Housing Trust Fund may designate in writing, the principal sum of \_\_\_\_\_ (\$\_\_\_\_\_) (the "Principal Amount"), together with interest on the unpaid principal at an interest rate of three percent per annum (3%) (the "Loan") from the date of this promissory note (the "Housing Trust Fund Note") until paid. Borrower also promises to pay any fees and costs, as applicable, described in Section 13 below. The obligation of the Borrower with respect to this Note is secured by the Housing Trust Fund Deed of Trust (as defined below).

**Purpose of Loan.** Borrower is purchasing a home located at \_\_\_\_\_ in the \_\_\_\_\_, County of Santa Barbara (the "Home"), as more particularly described in the Housing Trust Fund Deed of Trust. This Housing Trust Fund Note evidences a loan made by the Housing Trust Fund to the Borrower pursuant to the Housing Trust Fund's Workforce Homebuyer Program (the "Workforce Homebuyer Program"), which provides second mortgage assistance to low and moderate-income first-time homebuyers. This Workforce Homebuyer Program was established with funding from the California State Department of Housing and Community Development ("State HCD") and County of Santa Barbara ("County") and adheres to the policies and requirements of the State HCD CalHome Program and County of Santa Barbara Permanent Local Housing Allocation (PLHA) program. In accordance with the Workforce Homebuyer Program, the Principal Amount of the Housing Trust Fund Loan is the amount determined by the Housing Trust Fund to be necessary for the Borrower to afford to purchase the Home making a reasonable down payment and using conventional or other first mortgage financing for the balance of the purchase price not financed by the Housing Trust Fund Loan.

**Security.** This Housing Trust Fund Note is secured by a Subordinate Deed of Trust dated of even date herewith (the "Housing Trust Fund Deed of Trust") naming Borrower as trustor, \_\_\_\_\_ as trustee, and the Housing Trust Fund as beneficiary, and encumbering that certain real property commonly known as the Home, as more particularly described in the Housing Trust Fund Deed of Trust. The Home includes both the real property and all improvements now or hereafter erected at the Home, and all easements, rights, appurtenances and all fixtures now or hereafter attached to the Home. The Housing Trust Fund Deed of Trust includes the following due on transfer clause:

DUE ON TRANSFER OF THE HOME. IF BORROWER SHALL SELL, CONVEY, OR ALIENATE THE HOME, OR ANY PART THEREOF, OR ANY INTEREST THEREIN, OR SHALL BE DIVESTED OF THEIR TITLE IN ANY MANNER OR WAY, WHETHER VOLUNTARILY OR INVOLUNTARILY, ANY INDEBTEDNESS OR OBLIGATION SECURED BY THIS HOUSING

TRUST FUND DEED OF TRUST, IRRESPECTIVE OF THE MATURITY DATE SET FORTH IN THE HOUSING TRUST FUND NOTE, AT THE OPTION OF THE HOLDER HEREOF AND WITHOUT DEMAND OR NOTICE, SHALL IMMEDIATELY BECOME DUE AND PAYABLE.

**Repayment.**

Deferral. Repayment of all sums due under this Housing Trust Fund Note shall be deferred until the Maturity Date or the occurrence of one of the events provided in subsection (c) below. Additionally, Borrower may prepay this Housing Trust Fund Note as set forth in Section 5.

Maturity Date. All sums due hereunder, including without limitation, the entire unpaid balance of the Principal Amount and unpaid accrued interest and any other amounts due under this Housing Trust Fund Note shall be due and payable in full thirty (30) years from Recording Date, unless due and payable on such earlier date as required herein.

Extended Maturity Date/Forgiveness of Accrued Interest. If, at the Maturity Date the Housing Trust Fund, in its sole and absolute discretion, determines that the repayment of the Loan causes a hardship for the Borrower, then the Housing Trust Fund may make a one-time amendment to the Housing Trust Fund Note and Housing Trust Fund Deed of Trust to either: a) extend the Maturity Date for up to an additional 30 years at 0% interest; or, b) convert the debt at loan maturity, that is the principal balance and any accrued interest, to an amortized loan, repayable in 15 years at 0% interest. The Housing Trust Fund, at its sole discretion, may also choose to forgive all or a portion of the unpaid accrued interest on the principal balance.

Earlier Repayment Requirement. All sums due hereunder, including without limitation, the entire unpaid balance of principal and accrued interest shall immediately become due and payable if during the term of this Housing Trust Fund Note there occurs any of the following:

- (i) An Event of Default as defined in Section 8 below;
- (ii) Refinance of the First Lender Deed of Trust, as defined in Section 17 below, unless such refinance meets the requirements set forth in the Housing Trust Fund Deed of Trust;
- (iii) The Borrower fails to occupy the Home as the Borrower's principal residence during the term of this Housing Trust Fund Note, as specified in the Housing Trust Fund Deed of Trust; or
- (iv) The sale, transfer, conveyance or alienation of all or any portion of or interest in the Home.

Place of Payment. The unpaid Principal Amount of this Housing Trust Fund Note, together with unpaid accrued interest shall be due and payable in full on the Maturity Date to the Housing Trust Fund of Santa Barbara County, P. O. Box 60909, Santa Barbara, CA 93160-0909 or at such other place as the Housing Trust Fund may from time to time designate.

Special Repayment Provision. In the event that the Housing Trust Fund of Santa Barbara County is no longer in operation, and if funding for the Loan has been provided with grant capital provided to the Housing Trust Fund from the County of Santa Barbara, repayment of the Loan

principal amount and accrued interest shall be made to the County of Santa Barbara, Community Services Department, Division of Housing and Community Development, 123 East Anapamu Street, Suite 202, Santa Barbara, CA 93101.

**Late Payment.** Borrower promises to pay to the Housing Trust Fund on demand a delinquency charge equal to five percent (5%) of any payment unpaid for more than fifteen (15) calendar days after the date due. Any payment which is more than thirty (30) days late shall additionally accrue simple interest at a rate of five percent (5%) per annum.

**Borrower's Right To Prepay.** Borrower may prepay the Principal Amount together with any unpaid accrued interest, calculated as of the date of such prepayment, at any time before the Loan Maturity Date. In addition, Borrower may make partial repayment of the Principal Amount at any time, so long as such partial principal prepayment is accompanied by payment of interest accrued on such principal. No prepayment charge will be imposed by the Housing Trust Fund.

**No Assumption of Housing Trust Fund Note by Subsequent Buyers.** Borrower acknowledges that this Housing Trust Fund Note is given in connection with the purchase of the Home as part of a program of the Housing Trust Fund to assist in the purchase of Homes by low and moderate-income households. The entire unpaid Principal Amount and unpaid accrued interest is due upon transfer of the Home. Consequently, this Housing Trust Fund Note is not assumable by subsequent purchasers nor by the successors and assigns of the Borrower, except as required by law.

**Occupancy, Preservation, Maintenance and Protection of Home.** Borrower shall occupy, establish, and use the Home as Borrower's principal residence within sixty (60) days after the execution of this Housing Trust Fund Note. Borrower shall not destroy, damage or impair the Home, allow the Home to deteriorate, or commit waste on the Home.

**Event of Default.** The occurrence of any one of the following events shall constitute an "Event of Default":

- (a) failure of the Borrower to pay any principal or interest under Housing Trust Fund Note when due, whether at stated maturity, by acceleration, by notice of prepayment or otherwise or failure to pay any interest or other amount due under this Note within thirty (30) days after the date due;
- (b) the sale, transfer, conveyance or alienation of all or any portion of or interest in the Home, irrespective of the maturity date of this Housing Trust Fund Note;
- (c) an Event of Default as set forth in the Housing Trust Fund Deed of Trust;
- (d) the breach by Borrower of any representation, covenant or agreement made in this Housing Trust Fund Note, or the Housing Trust Fund Deed of Trust;
- (e) Borrower makes an assignment for the benefit of creditors, or a petition is filed by or against Borrower under the provisions of any state insolvency law or under the provisions of the United States Bankruptcy Code, as amended, or Borrower applies for or consents to the appointment of a receiver or trustee for Borrower a substantial part of Borrower's property or business;

(f) Borrower challenges, or institutes any proceedings to challenge, the validity, binding effect or enforceability of this Housing Trust Fund Note or any other obligation of Borrower to Housing Trust Fund; or

(g) failure of the Borrower to pay any principal or interest under any other promissory note secured by a deed of trust on the Home when due, whether at stated maturity, by acceleration, by notice of prepayment or under any such deed of trust as and when due.

**Remedies in the Event of Default.** Upon the occurrence of any Event of Default specified in clause 8(e) above, the Principal Amount of this Housing Trust Fund Note together with accrued interest thereon shall become immediately due and payable, and upon the occurrence and during the continuance of any other Event of Default the Housing Trust Fund may, by written notice to Borrower, declare the unpaid Principal Amount of this Housing Trust Fund Note together with all unpaid accrued interest thereon to be due and payable, and the principal amount of this Housing Trust Fund Note together with such interest shall thereupon immediately become due and payable. The Housing Trust Fund may immediately enforce any and all of its rights or remedies afforded by law, and as further set forth in the Housing Trust Fund Deed of Trust to obtain full payment of all amounts due pursuant to this Housing Trust Fund Note, including such costs as set forth in Section 13.

**Nonliability for Negligence, Loss, or Damage.** Borrower acknowledges, understands and agrees that the relationship between Borrower and the Housing Trust Fund is solely that of borrower and lender, and that the Housing Trust Fund neither undertakes nor assumes any responsibility for or duty to Borrower to select, review, inspect, supervise, pass judgment on, or inform Borrower of the quality, adequacy or suitability of the Home or any other matter. The Housing Trust Fund owes no duty of care to protect Borrower against negligent, faulty, inadequate or defective building or construction or any condition of the Home and Borrower agrees that neither Borrower, nor Borrower's heirs, successors or assigns shall ever claim, have or assert any right or action against the Housing Trust Fund for any loss, damage or other matter arising out of or resulting from any condition of the Home and will hold the Housing Trust Fund harmless from any liability, loss or damage for these things.

**Indemnity.** Borrower agrees to defend, indemnify, and hold the Housing Trust Fund and its employees, agents, officers, and board members harmless from all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorney's fees that the Housing Trust Fund may incur as a direct or indirect consequence of:

Borrower's failure to perform any obligations as and when required by this Housing Trust Fund Note, or the Housing Trust Fund Deed of Trust; or the failure at any time of any of Borrower's representations or warranties to be true and correct.

**No Waiver by Housing Trust Fund.** Failure by the Housing Trust Fund to pursue its legal and equitable remedies upon Borrower's Default shall not constitute a waiver of the Housing Trust Fund's right to declare a default and exercise all of its rights under this Housing Trust Fund Note, and the Housing Trust Fund Deed of Trust. Nor shall acceptance by the Housing Trust Fund of any payment provided for herein constitute a waiver of the Housing Trust Fund's right to require prompt payment of any remaining principal owed. A waiver of any term of the Housing Trust Fund Note must be made in writing and shall be limited to the express written terms of such waiver.



**Fees and Costs.** Borrower agrees that if Borrower is in Default, Borrower will pay, in addition to unpaid Principal Amount and unpaid accrued interest, all costs and expenses of collection and enforcement, including but not limited to Housing Trust Fund staff costs, court costs, and reasonable attorneys' fees, paid or incurred in connection with the enforcement of this Housing Trust Fund Note and the Housing Trust Fund Deed of Trust, whether or not suit is filed. If a party is required to initiate legal proceedings to enforce its rights under this Housing Trust Fund Note, the prevailing party in such action shall be entitled to an award of reasonable attorneys' fees and costs in addition to any other recovery under this Housing Trust Fund Note.

**Joint and Several Obligations.** This Housing Trust Fund Note is the joint and several obligation of all persons that constitute Borrower, and shall be binding upon each of such persons and his or her successors and assigns.

**No Offset.** Borrower hereby waives any rights of offset it now has or may hereafter have against the Housing Trust Fund, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this Housing Trust Fund Note.

**Waiver.** Borrower, and Borrower's heirs, legal representatives, successors and assigns, respectively, severally waive diligence, presentment, protest, and demand, and notice of protest, notice of dishonor and notice of non-payment of this Housing Trust Fund Note, and expressly waive any rights to be released by reason of any extension of time or change in terms of payment, or change, alteration or release of any security given for the payments hereof, and expressly waive the right to plead any and all statutes of limitations as a defense to any demand on this Housing Trust Fund Note or agreement to pay the same, and jointly and severally agree to pay all costs of collection when incurred, including reasonable attorneys' fees.

**Subordination.** The indebtedness evidenced in this Housing Trust Fund Note, and any other financial obligation which may hereafter be imposed on Borrower by the Housing Trust Fund, is as of the date of this Housing Trust Fund Note subordinate to the indebtedness evidenced by a note (the "First Lender Note") payable to a third party lender ("First Lender"), which note is secured with a deed of trust on the Home (the "First Lender Deed of Trust") which shall have a first priority lien on the Home. Any further subordination of this Housing Trust Fund Note to current or future financing secured by a deed of trust on the Home shall be at the discretion of the Housing Trust Fund on a case-by-case basis and requires the approval of the State HCD CalHome Program.

**Termination of Legal Restrictions on Conveyance.** Notwithstanding any other provision in the Housing Trust Fund Deed of Trust or the Housing Trust Fund Note, any legal restrictions on conveyance, as that term is defined in 24 CFR Part 203.41 (a)(3), of the Home shall automatically and permanently terminate if the title to the Home is transferred by foreclosure or deed-in-lieu of foreclosure, or if the mortgage is assigned to the Secretary of the U.S. Department of Housing and Urban Development.

**Notices.** All notices required in this Housing Trust Fund Note shall be sent by certified mail, return receipt requested, express delivery service with a delivery receipt, or personal delivery with a delivery receipt and shall be deemed to be effective as of the date received, the date delivery was refused, or the date returned as undeliverable as indicated on the return receipt as follows:

To the Borrower:

at the Home

To the Housing Trust Fund of Santa Barbara County:

Housing Trust Fund of Santa Barbara County  
P. O. Box 60909  
Santa Barbara, CA 93160-0909  
Attn: Workforce Homebuyer Down Payment Program

To the First Lender:

As set forth in the First Lender Deed of Trust

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section, or in the case of the First Lender, as set forth in the First Lender Deed of Trust.

**Controlling Law.** This Housing Trust Fund Note shall be construed in accordance with and be governed by the laws of the State of California. The venue for any legal action pertaining to this Housing Trust Fund Note shall be Santa Barbara County, California.

**Assignment by Lender.** The Housing Trust Fund may assign its right to receive the proceeds under this Housing Trust Fund Note to any person and upon notice to the Borrower by the Housing Trust Fund all payments shall be made to the assignee. The Housing Trust Fund may not transfer or assign the Housing Trust Fund Note to a profit-making entity without first obtaining approval of the First Lender, and complying with all requirements of applicable California law. The Housing Trust Fund may transfer or assign this Housing Trust Fund Note to a government agency or non-profit entity without obtaining approval of the First Lender.

**Severability.** Should any provision of this Housing Trust Fund Note be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

**Entire Agreement.** This Housing Trust Fund Note (along with the Housing Trust Fund Deed of Trust) sets forth the entire understanding and agreement of the Housing Trust Fund and the Borrower and any amendment, alteration or interpretation of this Housing Trust Fund Note must be in writing signed by both the Housing Trust Fund and the Borrower.

BORROWER:

BORROWER:

\_\_\_\_\_

\_\_\_\_\_

EXHIBIT F

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO:

Housing Trust Fund of Santa Barbara County  
P. O. Box 60909  
Santa Barbara, CA 93160-0909

**SUBORDINATE DEED OF TRUST WITH ASSIGNMENT OF RENTS**

**Housing Trust Fund of Santa Barbara County  
Workforce Homebuyer Program**

THIS SUBORDINATED DEED OF TRUST WITH ASSIGNMENT OF RENTS (“Housing Trust Fund Deed of Trust”) made this \_\_\_\_ day of \_\_\_\_\_ 2024, by: \_\_\_\_\_ (“Borrower”<sup>2</sup>), as trustor, naming \_\_\_\_\_ (“Trustee”), as trustee, in favor of the Housing Trust Fund of Santa Barbara County, Inc., a nonprofit corporation (the “Housing Trust Fund”) as beneficiary.

The Borrower irrevocably grants, transfers, conveys and assigns to Trustee, in trust, with power of sale, Borrower’s entire right, title and interest in and to the property located in \_\_\_\_\_, County of Santa Barbara, State of California, commonly known as: \_\_\_\_\_ California, and more fully described in the attached Exhibit "A" (the "Home" or “Security”);

TOGETHER with all rents, issues and profits thereof, subject however, to the right, power and authority hereinafter given to and conferred upon Borrower to collect and apply such rents, issues and profits;

TO SECURE to the payment of indebtedness of Borrower to the Housing Trust Fund, which payment obligation is further evidenced by a promissory note in the principal amount of \$ \_\_\_\_\_ executed by the Borrower to the Housing Trust Fund of even date herewith (the “Housing Trust Fund Note”) until paid or cancelled;

TO SECURE the performance of each obligation, covenant, and agreement of Borrower contained in this Housing Trust Fund Deed of Trust, the Housing Trust Fund Note, or any other document executed by Borrower in connection with the loan secured by the Housing Trust Fund Deed of Trust, and all amendments to these documents whether set forth in this Housing Trust Fund Deed of Trust or incorporated into this Housing Trust Deed of Trust by reference; and

<sup>2</sup> A condition of the Workforce Homebuyer Program loan is that the borrower must occupy the property as a principal residence for the duration of the loan. Therefore, the address of the borrower is the same as the address of the property, or \_\_\_\_\_ CA.

TO SECURE the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Housing Trust Fund Deed of Trust.  
TO PROTECT THE SECURITY OF THIS DEED OF TRUST, THE BORROWER AGREES AS FOLLOWS:

Purpose. The purpose of this Housing Trust Fund Deed of Trust is to secure the payment of all amounts due under the Housing Trust Fund Note by the Borrower to the Housing Trust Fund and to secure all other obligations included in the Housing Trust Fund Note. The Housing Trust Fund Note evidences the Borrower's obligation to pay the Housing Trust Fund the Principal Amount set forth in the Housing Trust Fund Note provided to Borrower pursuant to the Housing Trust Fund's Workforce Homebuyer Program, which provides second mortgage assistance to Low, Moderate and Upper Moderate Income first-time homebuyers. Low, Moderate and Upper Moderate Income households are defined in Sections 5. of this Housing Trust Fund Deed of Trust. The Housing Trust Fund Note further evidences Borrower's obligation to pay accrued interest, and costs of collection and enforcement specified in the Housing Trust Fund Note. Those capitalized terms not defined in this Housing Trust Fund Deed of Trust shall have the same meaning given them in the Housing Trust Fund Note.

Borrower's Estate. Borrower has all right, title and interest in and to the Security, and has the right to grant and convey the Security as set forth in this Housing Trust Fund Deed of Trust. Other than this Housing Trust Fund Deed of Trust, Borrower is encumbering the Security with only one other deed of trust (the "First Lender Deed of Trust") which shall have a first priority lien on the Home and is for the purpose of securing the obligations set forth in a promissory note (the "First Lender Note") payable to a third party lender (the "First Lender").

Borrower shall appear in and defend, at Borrower's expense, any action or proceeding purporting to affect the Security or the rights or powers of the Housing Trust Fund or Trustee hereunder; and to pay all costs and expenses incurred by the Housing Trust Fund or Trustee, including attorneys' fees, in any such action or proceeding in which the Housing Trust Fund or Trustee may appear and in any suit brought by the Housing Trust Fund to foreclose this Housing Trust Fund Deed of Trust or to exercise the power of sale hereunder.

Payment of Debt Secured by the Note. Borrower will promptly pay to the Housing Trust Fund, when and if due pursuant to the Housing Trust Fund Note, all sums as required by the Housing Trust Fund Note, including but not limited to the Principal Amount (as defined the Housing Trust Fund Note), interest and certain other costs as set forth in the Housing Trust Fund Note.

Principal Place of Residence; Use Restriction. Borrower shall occupy the Property as Borrower's Principal Place of Residence for the duration of the Housing Trust Fund loan. The Borrower shall not lease or rent the Property to another party unless approved by the Housing Trust Fund, such rental is for a maximum one year period and is required solely for the following purposes: extended hospitalization or convalescent care of Borrower, temporary employment relocation, sabbatical, extended travels, other hardship circumstance, or other good cause as determined by the Housing Trust Fund. Borrower may rent out a room within the Home without Housing Trust Fund approval so long as all Borrowers of record continue to reside in the Home as their Principal Place of Residence. Any rental or lease in violation of these use restrictions is prohibited, and shall be an Event of Default under the Housing Trust Fund Deed of Trust. As used herein, "Principle Place of Residence" means the place

where a person or persons reside on a full-time basis for a minimum of ten (10) months out of each calendar year, unless otherwise reviewed and accepted by the Housing Trust Fund.

Certain Definitions.

(a) The following terms defined as follows:

“Area Median Income” or “AMI” means annual median income, adjusted for a household size, in Santa Barbara County as published by the U.S. Department of Housing and Urban Development (HUD) and as adjusted by the State Department of Housing and Community Development (State HCD) to determine annual maximum State Income Limits or, in the event such income determination is no longer published by HUD or State HCD, or has not been updated for a period of at least eighteen (18) months, the Housing Trust Fund may use or develop such other reasonable method as it may choose in order to determine the annual median income in Santa Barbara County.

“Borrower” is defined on the first page of this Housing Trust Fund Deed of Trust.

(iii) “Encumber” shall mean the execution or recordation of any mortgage, deed of trust, or other instrument intended to secure an obligation or indebtedness, whether purchase money debt or refinanced debt.

(iv) “Event of Default” means the occurrence of any of the events set forth in Section 21 of this Housing Trust Fund Deed of Trust.

(v) “First Lender” means a third party lender who provided a mortgage loan to the Borrower for acquisition of the Home that has a first lien position on the Home. As used in this Housing Trust Fund Deed of Trust, “First Lender” includes all successors and assigns of the First Lender.

(vi) “First Lender Deed of Trust” is the first priority deed of trust recorded in the official records of the County of Santa Barbara, State of California.

(vii) “First Lender Loan” is a loan from the First Lender in an amount set forth in a promissory note given to such First Lender.

(viii) “First-time Homebuyer” means a Borrower who (i) qualifies as a Low Income Household, a Moderate Income or an Upper Moderate-Income Household, (ii) has not owned a home as a Principal Place of Residence within the last three (3) calendar years, except that certain individuals as defined in Title 25 Section 7151 of the California Code of Regulations may not be excluded from consideration as a First-Time Homebuyer and, (iii) agrees to occupy the Home as the Borrower’s Principal Place of Residence.

(ix) “Home” is defined on the first page of this Housing Trust Fund Deed of Trust.

(x) "Housing Trust Fund" shall mean the Housing Trust Fund of Santa Barbara County, Inc. and any subsequent successors, designees, or assigns.

(xi) "Housing Trust Fund Deed of Trust" is defined in the initial paragraph of this Housing Trust Fund Deed of Trust.

(xii) "Housing Trust Fund Note" is defined in the third paragraph of this Housing Trust Fund Deed of Trust.

(xiii) "Institutional Lender" means any bank or savings and loan association that is licensed to engage in the business of providing mortgage financing (purchase money or refinance) for residential real property.

(xiv) "Low Income Household" means a household whose combined annual gross income for all members of the household does not exceed eighty percent (80%) of the Area Median Income (AMI) in Santa Barbara County, adjusted for household size, as such income limit is published annually by the State Department of Housing and Community Development (State HCD).

(xv) "Maturity Date" is defined in Section 6.

(xvi) "Moderate Income Household" means a household whose combined annual gross income for all members of the household does not exceed one hundred twenty percent (120%) of the Area Median Income (AMI) in Santa Barbara County, adjusted for household size, as such income limit is published annually by the State Department of Housing and Community Development (State HCD).

(xvii) "Notice of Intent to Transfer" is defined in Section 19.

(xviii) "Original First Lender Loan Amount" is the amount set forth in the First Lender Note payable to the First Lender when the Borrower initially purchased the Home.

(xix) "Principal Amount" is the principal sum of the loan to the Borrower, as defined in the Housing Trust Fund Note.

(xx) "Principle Place of Residence" is defined in Section 4.

(xxi) "Refinance" means paying off the First Lender Note secured by the First Lender Deed of Trust with funds secured from a new loan.

(xxii) "Resident" means a person who provides written verification of current residency or employment within the County of Santa Barbara, State of California.

(xxiii) "Term" means the term of the Housing Trust Fund Note.

(xxiv) "Transfer" is defined in Section 17.

(xxv) "Upper Moderate Income Household" means a household whose combined annual gross income for all members of the household does not exceed one hundred fifty percent (150%) of the Area Median Income (AMI) in Santa Barbara County, adjusted for household size, as such income limit is published annually by the State Department of Housing and Community Development (State HCD).

Maturity Date; Earlier Prepayment Requirements. The Maturity Date and earlier prepayment requirements shall be as set forth in the Housing Trust Fund Note.

Borrower Certifications and Occupancy Requirement.

(a) The Borrower acknowledges and certifies each of the following:

All financial and other information previously provided in order to qualify to purchase the Home is true and correct as of the date first written above.

Borrower is a First-time Homebuyer, according to the Housing Trust Fund guidelines, as defined by Section 7151 of Title 25 of the California Code of Regulation.

Borrower is employed within, or a resident of, Santa Barbara County.

Borrower is a U.S. Citizen, Naturalized Citizen or a permanent resident alien.

Borrower qualifies as a Low Income Household, Moderate Income Household or an Upper Moderate Income Household and the financial and other information Borrower has provided to the Housing Trust Fund, the First Lender or their respective agents in order to determine Borrower's annual gross household income and Borrower's eligibility to obtain this loan was true, correct, and complete as of the date of Borrower's application for this loan and remains true and correct and complete as of date first written above.

Borrower shall occupy the Home as the Borrower's Principal Place of Residence commencing within sixty (60) days of the date first written above. This Borrower-occupancy requirement shall not apply during the time the Home is actively offered for sale by Borrower.

Borrower promises that in the event Borrower intends to Transfer or Refinance the Home, and prior to any Transfer or Refinance of the Home, Borrower shall promptly send prior written notice to the Housing Trust Fund, as set forth herein.

At the Housing Trust Fund's option, the Borrower will provide an annual written certification, under penalty of perjury, that Borrower is occupying the Home as his or her Principal Place of Residence.

Borrower promises to comply with all reasonable requests from the Housing Trust Fund to provide documentary proof that Borrower is using the Home as Borrower's Principal Place of Residence and that no Transfer or Refinance of the Home has occurred. Borrower's failure to comply with the Housing Trust Fund's reasonable request for documentary proof shall constitute a presumption that Borrower is not using the Home as Borrower's Principal Place of Residence or that a Transfer or Refinance of the Home has occurred and shall constitute an Event of Default as set forth in Section 21 of this Housing Trust Fund Deed of Trust.

(b) Breach of these Warranties. Borrower understands and agrees that if any of the warranties set forth in this Section are untrue in any material respect or Borrower breaks any of the above promises, the Housing Trust Fund at its sole discretion may declare Borrower in default of this Housing Trust Fund Deed of Trust and shall be entitled to enforce all remedies as set forth in Section 22.

Purchase of Other Residential Real Estate. Borrower covenants that he and/or she has not and shall not execute any other agreement to purchase or purchase any other residential real property, in whole or in part, during their ownership of the Home. Upon the written approval of the Housing Trust Fund, this ownership provision may be modified, if Borrower demonstrates need or other good cause.

Application of Payments. Unless applicable law provides otherwise, all payments received by the Housing Trust Fund under the Housing Trust Fund Note and Section 15 shall be applied by the Housing Trust Fund first to interest payable on the Housing Trust Fund Note and then to the principal due on the Housing Trust Fund Note.

10. Annual Compliance Report. Borrower shall complete an annual compliance report provided by the Housing Trust Fund or designee no later than sixty (60) days from the end of the calendar year, or as reasonably requested by the Housing Trust Fund. Such report shall include the following: (a) a written certification, under penalty of perjury, that Borrower is occupying the Home as his or her Principal Place of Residence; (b) evidence of payment of property taxes and hazard insurance; and (c) other information reasonably required by the Housing Trust Fund or designee for purposes of implementing the Housing Trust Fund Note and Housing Trust Fund Deed of Trust.

11. First Lender Loan. Borrower will observe and perform all of the covenants and agreements of the First Lender Note, First Lender Deed of Trust and all related First Lender loan documents.

Charges; Liens. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Security which may attain a priority over this Housing Trust Fund Deed of Trust, by Borrower making any payment, when due, directly to the payee thereof. Upon request by the Housing Trust Fund, Borrower shall promptly furnish to the Housing Trust Fund all notices of amounts due under this paragraph. Borrower shall promptly discharge any lien which has priority over this Housing Trust Fund Deed of Trust; provided, that Borrower shall not be required to discharge the lien of the First Lender Deed of Trust or any other lien described in this paragraph so long as Borrower will agree in writing to the payment of the obligation secured by such lien in a manner acceptable to the Housing Trust Fund, or will, in good faith, contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Security or any part thereof.

Hazard Insurance. Borrower shall keep the Security insured with a standard all risk property insurance policy equal to the replacement value of the Security (adjusted every five (5) years by appraisal, if requested by the Housing Trust Fund). If the Security is located in a flood plain, Borrower shall also obtain flood insurance in such manner as required by the Housing Trust Fund. In no event shall the amount of insurance be less than the amount necessary to prevent Borrower from becoming a co-insurer under the terms of the policy.

The insurance carrier providing the above-mentioned insurance shall be licensed to do business in the State of California and be chosen by Borrower subject to approval by the Housing Trust Fund.

All insurance policies and renewals thereof shall be in a form acceptable to the Housing Trust Fund and shall include a standard mortgagee clause with standard lender's endorsement in favor of the holder of the First Lender Note and the Housing Trust Fund as their interests may appear and in a form acceptable to the Housing Trust Fund. The Housing Trust Fund shall have the right to hold, or cause its designated agent to hold, the policies and renewals thereof, and Borrower shall promptly furnish to the Housing Trust Fund, or its designated agent, the original insurance policies or certificates of insurance, all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt written notice to the insurance carrier and the Housing Trust Fund or its designated agent. The Housing Trust Fund, or its designated agent, may make proof of loss if not made promptly by Borrower. The Housing Trust Fund shall receive thirty (30) days' advance notice of cancellation of any insurance policies required under this Section.



Unless the Housing Trust Fund and Borrower otherwise agree in writing, insurance proceeds, subject to the rights of the First Lender, shall be applied to restoration or repair of the Security damaged, provided such restoration or repair is economically feasible and the security of this Housing Trust Fund Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Housing Trust Fund Deed of Trust would be impaired, the insurance proceeds shall be used to repay any amounts due under the Agreement, with the excess, if any, paid to Borrower. If the Security is abandoned by Borrower, or if Borrower fails to respond to the Housing Trust Fund, or its designated agent, within thirty (30) days from the date notice is mailed by either of them to Borrower that the insurance carrier offers to settle a claim for insurance benefits, the Housing Trust Fund, or its designated agent, is authorized to collect and apply the insurance proceeds at the Housing Trust Fund's option either to restoration or repair of the Security or to pay amounts due under the Housing Trust Fund Note.

If the Security is acquired by the Housing Trust Fund, all right, title and interest of Borrower in and to any insurance policy and in and to the proceeds thereof resulting from damage to the Security prior to the sale or acquisition by the Housing Trust Fund shall pass to the Housing Trust Fund to the extent of the sums secured by this Housing Trust Fund Deed of Trust immediately prior to such sale or acquisition, subject to the rights of the First Lender.

Preservation and Maintenance of Security. Borrower shall keep the Security in good repair and in a neat, clean, and orderly condition and will not commit waste or permit impairment or deterioration of the Security. If there arises a condition in contravention of this Section, and if the Borrower has not cured such condition within thirty (30) days after receiving written notice from the Housing Trust Fund of such a condition, then in addition to any other rights available to the Housing Trust Fund, the Housing Trust Fund shall have the right (but not the obligation) to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Security to recover its cost of curing.

Protection of the Housing Trust Fund's Security. If Borrower fails to perform the covenants and agreements contained in this Housing Trust Fund Deed of Trust or if any action or proceeding is commenced which materially affects the Housing Trust Fund's interest in the Security, including, but not limited to, default under the First Lender Deed of Trust, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then the Housing Trust Fund, at the Housing Trust Fund's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as it determines necessary to protect the Housing Trust Fund's interest, including but not limited to, disbursement of reasonable attorney's fees and entry upon the Security to make repairs.

Any amounts disbursed by the Housing Trust Fund pursuant to this Section, with interest thereon, shall become an indebtedness of Borrower secured by this Housing Trust Fund Deed of Trust. Unless Borrower and Housing Trust Fund agree to other terms of payment, such amount shall be payable upon notice from the Housing Trust Fund to Borrower requesting payment thereof, and shall bear simple interest from the date of disbursement at the lesser of (i) five percent (5%) per year; or (ii) the highest rate permissible under applicable law. Nothing contained in this Section shall require the Housing Trust Fund to incur any expense or take any action hereunder.

Inspection. The Housing Trust Fund may make or cause to be made reasonable entries upon and inspections of the Security; provided that the Housing Trust Fund shall give Borrower reasonable notice of inspection.

Restrictions on Transfer, Resale or Refinance of the Home. Any Transfer of the Home will be subject to the provisions of this Housing Trust Fund Deed of Trust. "Transfer" shall mean any sale, assignment or transfer, voluntary or involuntary, of any interest in the Home, including, but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest, an interest evidenced by a land contract by which possession of the Home is transferred and Borrower retains title, or a deed of trust, including the Refinance of the First Lender Loan, except a Refinance of the First Lender Loan that meets the requirements outlined in section 17(a) below. Any Transfer without satisfaction of the provisions of this Housing Trust Fund Deed of Trust is prohibited.

(a) Refinance. The Housing Trust Fund shall permit a prepayment and refinance of the First Lender Loan and shall agree to subordinate the Housing Trust Fund Deed of Trust to the refinanced First Lender Loan only if the following conditions are met:

(i) Refinancing may only be provided by licensed Institutional Lenders;

(ii) The refinanced First Lender Loan is a fully amortized fixed rate loan, has a term for least for the period of time remaining on the Housing Trust Fund Note, is fully documented and requires no balloon payments;

(iii) Following such refinance, the principal amount of all debt secured by the Home does not exceed the remaining balance of the Original First Lender Loan Amount and Housing Trust Fund Loan plus the loan costs incurred by the Borrower and payable to third parties through the close of escrow, and no cash is taken out or payable to Borrower through the refinancing; and,

(iv) The total housing cost to the Borrower after the refinance does not exceed the Borrower's ability to pay and does not create a cost burden on the Borrower beyond that which was approved when the Housing Trust Fund lien was placed.

(b) Purpose of Restrictions. The Housing Trust Fund and the Borrower agree that the requirements of this Section 17 are necessary to protect the security interest of the Housing Trust Fund as set forth in the Housing Trust Fund Deed of Trust, to ensure the continued affordability of the Home to Borrower and to minimize the risk of loss of the Home by Borrower through default and foreclosure. Borrower further acknowledges that violation of the provisions of this Section 17 shall constitute a Default under these requirements.

Permitted Transfers. Notwithstanding any other provision of the Housing Trust Fund Note or this Housing Trust Fund Deed of Trust, the following Transfers are exempt from immediate repayment of the Housing Trust Fund Note and shall not be deemed to be a default under the Housing Trust Fund Note or this Housing Trust Fund Deed of Trust:

(a) The Transfer of the Property to a surviving joint tenant by devise, descent, or operation of law on the death of a joint tenant;

(b) The Transfer of the Property to an existing spouse or domestic partner who is also an obligor under the Note;

(c) The Transfer of the Property by the Borrower to a spouse or domestic partner where the spouse or domestic partner becomes the co-owner of the Home;

(d) A Transfer of the Property between spouses or domestic partners as part of a marriage or domestic partnership dissolution proceeding;

(e) The Transfer of the Property to an existing spouse or domestic partner of Borrower by devise or inheritance following the death of Borrower;

(f) A Transfer by Borrower into an inter vivos trust in which Borrower is and remains the beneficiary and occupant of the Property; and,

(g) Refinance of the First Lender Loan in accordance with Section 17(a) of this Housing Trust Fund Deed of Trust.

Notwithstanding the exceptions to Transfer of the Home delineated in Section 18 (a) through (g), the Borrower shall nonetheless provide written notice of all such transfers to the Housing Trust Fund pursuant to Section 19 below and Borrower shall continue to occupy the Home as his or her Principal Place of Residence (except where the transfer occurs pursuant to subsection (d) or (e) above, in which event the transferee shall owner-occupy the Home and affirmatively assume Borrower's obligations under these Requirement, the Housing Trust Fund Note and the Housing Trust Fund Deed of Trust. Failure to provide written notice of such transfers to the Housing Trust Fund shall constitute a breach under this Housing Trust Fund Deed of Trust. For purposes of this Section 18, "Domestic Partners" shall mean two unmarried people, at least eighteen (18) years of age, who have lived together continuously for at least one (1) year and who are jointly responsible for basic living expenses incurred during their domestic partnership. Domestic Partners may not be persons related to each other by blood or adoption such that their marriage would be barred in the state of California. For purposes of this Section, an individual shall be considered a Domestic Partner of Borrower upon presentation of an affidavit or other acceptable evidence by Borrower to the Housing Trust Fund.

Notice of Intended Transfer.

(a) Written Notice. In the event the Borrower intends to transfer or vacate the Home, the Borrower shall promptly give the Housing Trust Fund written notice of such intent at least thirty (30) days prior to the intended date of Transfer. The Borrower shall indicate in the written notice of one of the following options: (i) that the Borrower elects to transfer the Home to a third party buyer and to repay all sums due under the Housing Trust Fund Note; (ii) that the Borrower intends to refinance the First Lender Loan and pay all sums due under the Housing Trust Fund Note; (iii) that the Borrower intends to refinance the First Lender Loan pursuant to Section 17(a) above, in which case no sums shall be due under the Housing Trust Fund Note; or, that the Borrower intends to make a transfer that falls within the provisions of Section 18 (a) through (f), in which case no sums shall be due under the Housing Trust Fund Note. In notifying the Housing Trust Fund of the Transfer of the Home, the Borrower may choose to use the Form of Notice of Intent to Transfer provided in Exhibit B of this Housing Trust Fund Deed of Trust.

(b) Documents to Be Provided to the Housing Trust Fund. The written notice to Transfer shall include the information necessary for the Housing Trust Fund to determine the amount necessary to repay the Principal Amount and any unpaid interest, as applicable. The notice should, at a

minimum, include the following information: the name of the title company escrow holder for the sale or refinance of the Home, the escrow number, and name, address, and phone number of the escrow officer. The Housing Trust Fund may require additional documentation, as outlined in Exhibit B Form of Notice of Intent to Transfer, depending on whether the transfer is due to the sale, refinancing or other transfer of the Home.

DUE ON TRANSFER OF THE HOME. IF BORROWER SHALL SELL, CONVEY, OR ALIENATE THE HOME, OR ANY PART THEREOF, OR ANY INTEREST THEREIN, OR SHALL BE DIVESTED OF THEIR TITLE IN ANY MANNER OR WAY, WHETHER VOLUNTARILY OR INVOLUNTARILY, ANY INDEBTEDNESS OR OBLIGATION SECURED BY THIS HOUSING TRUST FUND DEED OF TRUST, IRRESPECTIVE OF THE MATURITY DATE SET FORTH IN THE HOUSING TRUST FUND NOTE, AT THE OPTION OF THE HOLDER HEREOF AND WITHOUT DEMAND OR NOTICE, SHALL IMMEDIATELY BECOME DUE AND PAYABLE.

Events of Default and Remedies. Any one or more of the following events shall constitute a default by the Borrower under this Housing Trust Fund Deed of Trust:

- (a) The Borrower has made a material misrepresentation to obtain the benefits of the Housing Trust Fund Workforce Homebuyer Program;
- (b) The Borrower fails to owner-occupy the Home, as required in Section 4 above, and such failure continues following written notice by the Housing Trust Fund and sixty (60) days opportunity to cure following the date of such notice;
- (c) The Borrower rents or leases the Home in violation of Section 4 above, and such failure continues following written notice by the Housing Trust Fund and sixty (60) days opportunity to cure following the date of such notice;
- (d) The Borrower makes a Transfer in violation of this Housing Trust Fund Deed of Trust;
- (e) There is a notice of default under the First Lender Loan or any other financing secured by the Home, or the Housing Trust Fund receives any other notice of default pursuant to Civil Code 2924b related to the Home, or the Borrower is in default on any other financing secured by the Home;
- (f) The Borrower fails to provide information to the Housing Trust Fund needed to determine Borrower's compliance with the Housing Trust Fund Note, as required in Section 10 above, or any and all other provisions of the Housing Trust Fund Deed of Trust, and such failure continues following written notice by the Housing Trust Fund and sixty (60) days opportunity to cure following the date of such notice;
- (g) Judicial or nonjudicial foreclosure proceedings are commenced for the Home;
- (h) The Borrower otherwise fails to comply with the requirements of the Housing Trust Fund Note, or the Housing Trust Fund Deed of Trust, following reasonable notice to cure (and not exceeding 30 days).

Upon a declaration of an Event of Default by the Housing Trust Fund, the Housing Trust Fund may exercise any remedies at law or in equity, including without limitation, the remedies set forth in the Housing Trust Fund Note and Housing Trust Fund Deed of Trust.

Accelerations; Remedies.

(a) Upon an Event of Default, as defined in the Housing Trust Fund Note, the Housing Trust Fund, prior to acceleration, will mail by certified mail, return receipt requested, notice to Borrower specifying; (1) the Event of Default; (2) the action required to cure such breach; (3) a date, not less than thirty (30) days from the date the notice is received by Borrower as shown on the return receipt, by which such breach is to be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Housing Trust Fund Deed of Trust and sale of the Security. The notice will also inform Borrower of Borrower's right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of default or any other defense of Borrower to acceleration and sale.

(b) Notwithstanding subsection (a) of this Section, in the event of a default by the Borrower under the First Lender Deed of Trust, no notice to Borrower shall be required prior to acceleration.

(c) If the breach is not cured on or before the date specified in the notice, the Housing Trust Fund, at the Housing Trust Fund's option, may: (i) declare all of the sums secured by this Housing Trust Fund Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by California law; (ii) either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Home, or part thereof or interest therein, increase the income there from or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any breach hereunder or invalidate any act done in response to such breach and, notwithstanding the continuance in possession of the Security, the Housing Trust Fund shall be entitled to exercise every right provided for in this Housing Trust Fund Deed of Trust, or by law upon occurrence of any uncured breach, including the right to exercise the power of sale; (iii) commence an action to foreclose this Housing Trust Fund Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof; (iv) deliver to Trustee a written declaration of default and demand for sale, pursuant to the provisions for notice of sale found at California Civil Code Sections 2924 et seq., as amended from time to time; or (v) exercise all other rights and remedies provided herein, in the instruments by which the Borrower acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

(d) The Housing Trust Fund shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorney's fees.

Borrower's Right to Reinstate. Notwithstanding the Housing Trust Fund's acceleration of the sums secured by this Housing Trust Fund Deed of Trust, Borrower will have the right to have any proceedings begun by the Housing Trust Fund to enforce this Housing Trust Fund Deed of Trust

discontinued at any time prior to five (5) days before sale of the Security pursuant to the power of sale contained in this Housing Trust Fund Deed of Trust or at any time prior to entry of a judgment enforcing this Housing Trust Fund Deed of Trust if: (a) Borrower pays Housing Trust Fund all sums which would be then due under this Housing Trust Fund Deed of Trust and Borrower cures all breaches of any other covenants or agreements of Borrower contained in the Agreement or this Housing Trust Fund Deed of Trust; (b) Borrower pays all reasonable expenses incurred by Housing Trust Fund and Trustee in enforcing the covenants and agreements of Borrower contained in the Agreement or this Housing Trust Fund Deed of Trust, and in enforcing the Housing Trust Fund's and Trustee's remedies, including, but not limited to, reasonable attorney's fees; and (c) Borrower takes such action as Housing Trust Fund may reasonably require to assure that the lien of this Housing Trust Fund Deed of Trust, Housing Trust Fund's interest in the Security and Borrower's obligation to perform the obligations and pay the sums secured by this Housing Trust Fund Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Housing Trust Fund Deed of Trust and the obligations secured hereby will remain in full force and effect as if no acceleration had occurred.

Forbearance by the Housing Trust Fund Not a Waiver. Any forbearance by the Housing Trust Fund in exercising any right or remedy upon any default by Borrower shall not be a waiver of the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by the Housing Trust Fund shall not be a waiver of the Housing Trust Fund's right to require payment of any amounts secured by this Housing Trust Fund Deed of Trust. The Housing Trust Fund shall not waive its rights to enforce any provision of this Housing Trust Fund Deed of Trust unless it does so in writing, signed by an authorized agent of the Housing Trust Fund.

Remedies Cumulative. All remedies provided in this Housing Trust Fund Deed of Trust are distinct and cumulative to any other right or remedy under this Housing Trust Fund Deed of Trust or any other document, or afforded by law or equity, and may be exercised concurrently, independently or successively.

Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Security. Borrower shall not do, nor allow anyone else to do, anything affecting the Security that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Security of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Security.

"Hazardous Substances" shall mean those substances defined as toxic or hazardous substances or hazardous waste under any Environmental Law, and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials.

"Environmental Law" shall mean all federal and state of California laws that relate to health, safety or environmental protection.

Borrower shall promptly give Housing Trust Fund written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory Housing Trust Fund or private party involving the Security and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that

any removal or other remediation of any Hazardous Substance affecting the Security is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

Successors and Assigns Bound. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the Borrower, his or her heirs, legal representatives, executors, successors in interest and assigns, and to the Housing Trust Fund and its successors until the expiration of the Term, unless released by the Housing Trust Fund at the time the Housing Trust Fund Loan is repaid by the Borrower.

No Conflicting Agreements. The Borrower covenants that he or she has not, and will not, execute any other agreement with provisions contradictory to or in opposition to the provisions of this Housing Trust Fund Deed of Trust, and that, in any event, the provisions of this Housing Trust Fund Deed of Trust are controlling as to the rights and obligations between and among the Borrower, the Housing Trust Fund and their respective successors.

Joint and Several Liability. All covenants and agreements of Borrower shall be joint and several.

Invalid Provisions. If any one or more of the provisions contained in these Restrictions 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 these Restrictions, and these Restrictions shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Notice. Except for any notice required under applicable law to be given in another manner, all notices required herein shall be sent by certified mail, return receipt requested or express delivery service with a delivery receipt or personally delivered with a delivery receipt. (a) Any notice to Borrower provided for in this Housing Trust Fund Deed of Trust shall be addressed to Borrower at the address shown in the first paragraph of this Housing Trust Fund Deed of Trust or such other address as Borrower may designate by notice to the Housing Trust Fund as provided herein, and (b) any notice to the Housing Trust Fund shall be addressed to the Housing Trust Fund of Santa Barbara County, P. O Box 60909, Santa Barbara, CA 93160-0909, or to such other address as the Housing Trust Fund may designate by notice to Borrower as provided above. Notice shall be effective as of as of the date received, the date delivery was refused, or the date returned as undeliverable as indicated on the return receipt. The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section.

Assignment. The Housing Trust Fund may assign its rights and delegate its duties hereunder without the consent of Borrower. Upon such assignment the Housing Trust Fund shall notify the Borrower.

Controlling Law. This Housing Trust Fund Deed of Trust shall be governed by the laws of the State of California. The venue for any legal action pertaining to this Housing Trust Fund Deed of Trust shall be Santa Barbara County, California.

Severability. In the event that any provision or clause of this Housing Trust Fund Deed of Trust conflicts with applicable law, such conflict shall not affect other provisions of this Housing Trust

Fund Deed of Trust which can be given effect without the conflicting provision, and to this end the provisions of the Housing Trust Fund Deed of Trust and the Agreement are declared to be severable.

Attorney's Fees. If any party is required to initiate legal proceedings to enforce its rights under this Housing Trust Fund Deed of Trust, the prevailing party in such action shall be entitled to an award of attorneys' fees and costs in addition to any other recovery under this Housing Trust Fund Deed of Trust.

Actions on Behalf of the Housing Trust Fund. Except as otherwise provided herein, whenever any approval, notice, direction, consent, request or other action by the Housing Trust Fund is required or permitted under this Housing Trust Fund Deed of Trust, such action shall be in writing.

Captions. The captions and headings in this Housing Trust Fund Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

Nondiscrimination. While this loan is in place, the Borrower covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, transfer, use, occupancy, tenure or enjoyment of the Home, nor shall the Borrower or any person claiming under or through the Borrower establish or permit any such practice or practices of discrimination or segregation with reference to the use, occupancy, or Transfer of the Home.

Nonliability for Negligence, Loss, or Damage. Borrower acknowledges, understands and agrees that the relationship between Borrower and Housing Trust Fund is solely that of an owner and a lender, and that Housing Trust Fund neither undertakes nor assumes any responsibility for or duty to Borrower to select, review, inspect, supervise, pass judgment on, or inform Borrower of the quality, adequacy or suitability of the Home or any other matter. Housing Trust Fund owes no duty of care to protect Borrower against negligent, faulty, inadequate or defective building or construction or any condition of the Security and Borrower agrees that neither Borrower, or Borrower's heirs, successors or assigns shall ever claim, have or assert any right or action against Housing Trust Fund for any loss, damage or other matter arising out of or resulting from any condition of the Home and will hold Housing Trust Fund harmless from any liability, loss or damage for these things.

Indemnity. Borrower agrees to defend, indemnify, and hold the Housing Trust Fund and its officers, employees, agents and board members harmless from all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorneys' fees that Housing Trust Fund may incur as a direct or indirect consequence of:

(a) Borrower's Default, performance, or failure to perform any obligations as and when required by this Housing Trust Fund Deed of Trust; or

(b) The failure at any time of any of Borrower's representations or warranties to be true and correct.

Reconveyance. Upon payment of all sums secured by this Housing Trust Fund Deed of Trust in accordance with the terms of the Housing Trust Fund Note, then if the Borrower is not in violation of any provisions of the Housing Trust Fund Note or this Housing Trust Fund Deed of Trust, Housing Trust Fund shall request Trustee to reconvey the Security and shall surrender this Housing Trust



Fund Deed of Trust to Trustee. Trustee shall reconvey the Security without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

Substitute Trustee. The Housing Trust Fund, at the Housing Trust Fund's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. The successor trustee will succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

Superiority of First Lender Documents. Notwithstanding any other provision hereof, the provisions of this Housing Trust Fund Deed of Trust shall be subordinate to the lien of the First Lender Deed of Trust and shall not impair the rights of the First Lender, or such lender's assignee or successor in interest, to exercise its remedies under the First Lender Deed of Trust in the event of default under the First Lender Deed of Trust by the Borrower. Such remedies under the First Lender Deed of Trust include the right of foreclosure or acceptance of a deed or assignment in lieu of foreclosure. After such foreclosure or acceptance of a deed in lieu of foreclosure, or if the mortgage Home is assigned to the Secretary of HUD, the Housing Trust Fund Deed of Trust shall be forever terminated and shall have no further effect as to the Home or any transferee thereafter; provided, however, if the holder of such First Lender Deed of Trust acquires title to the Home pursuant to a deed or assignment in lieu of foreclosure, the Housing Trust Fund Deed of Trust shall automatically terminate upon such acquisition of title, only if (i) the Housing Trust Fund has been given written notice of default under such First Lender Deed of Trust with a sixty (60) day cure period and (ii) the Housing Trust Fund shall not have cured the default within such sixty (60) day period or commenced to cure and given its firm commitment to complete the cure in form and substance acceptable to the First Mortgage Lender.

Termination of Legal Restrictions on Conveyance. Notwithstanding any other provision in the Housing Trust Fund Deed of Trust or the Housing Trust Fund Note, any legal restrictions on conveyance, as that term is defined in 24 CFR Part 203.41 (a)(3), of the Security shall automatically and permanently terminate if the title to the Security is transferred by foreclosure or deed-in-lieu of foreclosure, or if the mortgage is assigned to the Secretary of the U.S. Department of Housing and Urban Development.

Rights of Beneficiaries Under Deeds of Trust. Notwithstanding any other provision of this Housing Trust Fund Deed of Trust to the contrary, this Housing Trust Fund Deed of Trust shall not diminish or affect the rights of the California Housing Finance Agency ("CalHFA"), United States Department of Housing and Urban Development ("HUD"), the Federal National Mortgage Association ("FNMA"), or the Veterans Administration ("VA") under the First Lender Deed of Trust or any subsequent First Lender deeds of trust hereafter recorded against the Home in compliance with these requirements.

Request for Notice Under Civil Code Section 2924b. In accordance with Civil Code Section 2924b, Housing Trust Fund requests that copies of any notice of default and notice of sale relating to the Home be sent to Housing Trust Fund at the address set forth in Section 31 above.

47. BORROWER'S ACKNOWLEDGEMENT OF COVENANTS. Borrower hereby acknowledges and agrees that:

A. Borrower hereby subjects the Home to certain restrictions. The Borrower-occupancy requirements and other provisions contained in this Housing Trust Fund Deed of Trust restrict the full benefits of owning the Home. Borrower may not enjoy the same economic or other benefits from owning the Home that Borrower would enjoy if this Housing Trust Fund Deed of Trust did not exist.

B. Absent the provisions of this Housing Trust Fund Deed of Trust, the Housing Trust Fund Loan could not be made available to Workforce Homebuyers, including Borrower.

C. Borrower understands all of the provisions of this Housing Trust Fund Deed of Trust. In recognition of the acknowledgments and agreements stated in this Section 47, Borrower accepts and agrees to the provisions of this Housing Trust Fund Deed of Trust with the understanding that this Housing Trust Fund Deed of Trust will remain in full force and effect as to the Home throughout the Term of this Housing Trust Fund Deed of Trust.

IN WITNESS WHEREOF, Borrower has executed this Housing Trust Fund Deed of Trust as of the date first written above.

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Borrower

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Borrower

**NOTARY ACKNOWLEDGEMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 )  
COUNTY OF SANTA BARBARA )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

**NOTARY ACKNOWLEDGEMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA )  
 )  
COUNTY OF SANTA BARBARA )

On \_\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

**EXHIBIT A**

**Legal Description**

**EXHIBIT B**

**FORM OF NOTICE OF INTENT TO TRANSFER**

To: Housing Trust Fund of Santa Barbara County (“Housing Trust Fund”)

From: \_\_\_\_\_ (name of “Borrower(s)”)

Address of Home: \_\_\_\_\_, CA \_\_\_\_\_ (“Home”)

Date: \_\_\_\_\_

Please be notified pursuant to Section 19 of the Housing Trust Fund Deed of Trust agreed upon by the Borrower, that the Borrower intends to transfer or refinance the Home listed above.

A. The Borrower chooses one of the following:

I am selling the Home to a third party purchaser and will repay all amounts due on the Housing Trust Fund Note.

I am refinancing my Home and will repay all amounts due on the Housing Trust Fund Note.

I am refinancing my Home pursuant to Section 17(a) of the Housing Trust Fund Deed of Trust, which requires that: the refinancing is provided by a licensed Institutional Lender; the refinanced First Lender Loan is a fully amortized fixed rate loan, is fully documented and requires no balloon payments; following the refinance, the Principal Amount of all debt secured by the Home does not exceed the remaining balance of the Original First Lender Loan Amount and Housing Trust Fund Loan plus the loan costs incurred by the Borrower and payable to third parties through the close of escrow, and no cash is taken out or payable to Borrower through the refinancing; and, the total housing cost to the Borrower after the refinance does not exceed the Borrower's ability to pay and does not create a cost burden on the Borrower beyond that which was approved when the Housing Trust Fund lien was placed. In the case of a refinancing that meets these conditions, no sums shall be currently due under the Housing Trust Fund Note.

I am transferring the Home under one of the exceptions to Transfer delineated in Section 18 (a) through (f) of the Housing Trust Fund Deed of Trust in which case no sums shall be currently due under the Housing Trust Fund Note. The Transfer of the Home is being made (please check all boxes that apply to your situation):

to a surviving joint tenant by devise, descent, or operation of law on the death of a joint tenant;

to an existing spouse or domestic partner who is also an obligor under the Note;

to a spouse or domestic partner where the spouse or domestic partner becomes the co-owner of the Home;

as part of a marriage or domestic partnership dissolution proceeding;

to an existing spouse or domestic partner of Borrower by devise or inheritance following the death of Borrower; or,

into an inter vivos trust in which Borrower is and remains the beneficiary and occupant of the Property.

B. The following documents are attached pursuant to the Housing Trust Fund Deed of Trust:

1. For all sales and refinancing:

a. The name of the title company escrow holder for the sale or refinancing of the Home, the escrow number, and name, address, and phone number of the escrow officer.

b. Preliminary Settlement Statement;

2. For refinancing under Section 17(a) of the Housing Trust Fund Deed of Trust:

a. The name of the new First Lender for refinancing of the Home, and the name, address, and phone number of the loan officer.

b. Proof of current income, copies of tax reports and other documentation as necessary to verify that the new First Lender financing does not exceed the Borrower's ability to pay.

3. For Transfer made under Section 18 (a) through (f) of the Requirements:

a. A letter from the Borrower specifying the nature of the transfer;

b. A copy of all legal documents necessary to complete the transfer; and,

c. The name of the title company escrow holder and/or attorney handling the transfer of the Home, the escrow number (if any), and name, address, and phone number of the escrow officer and/or attorney.

This Notice of Intent to Transfer is certified by Borrower to be true and correct and is signed on \_\_\_\_\_ under penalty of perjury.

By: \_\_\_\_\_ By: \_\_\_\_\_  
Borrower Borrower