

Attachment A

**ADMINISTRATION & FUNDING
GUIDELINES**

Housing Finance Division



Department of Housing and Community
Development
County of Santa Barbara

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County of Santa Barbara
Housing and Community Development Department
Housing Finance Division

ADMINISTRATION & FUNDING GUIDELINES
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- Attachment I: Intent to Participate in Competition for Home and/or Local Funds
- Attachment II: Application for Reservation of Home and/or Local Funds
- Attachment III: Application for Commitment of Home and/or Local Funds

SECTION ONE: HOUSING FINANCE DIVISION PROGRAM DESCRIPTION

The Mission of the Housing Finance Division of the Housing and Community Development Department, County of Santa Barbara (Housing Finance) is to address the broad spectrum of our community's diverse housing needs. Its program supports efforts to provide a continuum of housing opportunities from service enriched transitional facilities for special needs populations and rental housing for very low and low income people and families, to homeownership opportunities for people with low and moderate incomes.

Due to the tremendous need for affordable housing in the county, much of the focus of HCD is the development of resources through federal and state programs which have been operating but in which the County has not been participating. These resources, combined with local Affordable Housing Trust Funds, are utilized to assist private affordable housing developers construct or acquire and rehabilitate housing units and to provide subsidies to first-time homebuyers. The County's goal is to develop sufficient resources to facilitate a spectrum of housing opportunities for County residents. Housing Finance conducts the following activities pursuant to that goal.

I. ASSESSMENT OF HOUSING NEED

A. Consolidated Plan

Every five years Housing Finance assesses the County's affordable housing needs utilizing current data as well as communication with the general public. A five-year strategy to address affordable housing needs called the Consolidated Plan is developed from this assessment.

B. Annual Action Plan

Housing Finance annually updates the assessment of affordable housing needs and outlines a specific plan of action, called the Annual Action Plan. The plan identifies strategies to address affordable housing needs for that particular year.

II. PROVISION OF RESOURCES

A. Federal and State Programs

1. HOME Investment Partnerships Program (HOME)



Santa Barbara County is the lead agency for a consortium formed with the cities of Buellton, Carpinteria, Goleta, Lompoc, Santa Maria and Solvang. The consortium is eligible to receive entitlement affordable housing funds from the U. S. Department of Housing and Urban Development's (HUD) HOME Program. These funds are targeted to low and very low income families (80% and 50% of area median income). Eligible uses of these funds include homeownership assistance, multifamily rental project assistance, homeowner and rental rehabilitation and tenant based rental assistance.

2. Community Development Block Grant Program (CDBG)

Santa Barbara County is eligible to receive CDBG funding through an annual competitive application to the State Department of Housing and Community Development's Small-Cities Program. A portion of these proceeds are available for affordable housing projects and public facilities serving low income residents, including new housing construction, ownership and rental rehabilitation, infrastructure improvements and the provision of public facilities and services for low income residents. The balance of this funding can be utilized for economic development and planning activities.

The County Board of Supervisors approved a Cooperation Agreement with the Cities of Lompoc, Buellton, Carpinteria and Solvang in order to receive entitlement CDBG funds through HUD's Urban County designation. These funds will be available beginning 2007/08. Once Federal CDBG funding is awarded, the County will no longer be eligible to receive State CDBG funds.

Program income from the CDBG program, a scarce resource generated from project loan repayments, provides an additional source of much needed funding. The County's adopted CDBG Program Income Reuse Plan targets forty-nine percent (49%) of the program income that is deposited in a Revolving Loan Fund as available for the provision of homeless facilities, services and activity delivery as well as other CDBG eligible activities prioritized in the County's Consolidated Plan [Fifty-one percent (51%) is reserved for new housing rehabilitation loans]. Because up to 18% of the amount expended annually from this Revolving Loan Fund may be utilized for general program administrative costs related to these activities, this funding is reserved to support homeless and special needs housing program administration that currently has no other funding source.

3. Continuum of Care



Santa Barbara County is eligible to compete annually for HUD's McKinney – Ventu (Continuum of Care) for homeless transitional facilities, permanent housing, operating costs and support services. Persons benefiting from these funds must meet HUD's definition of homelessness that requires they cannot be dwelling at any habitable location, even if it is temporary lodging with friends.

4. Other Federal Programs

Housing Finance will seek, as staff resources permit, other federal programs offering housing opportunities for residents of Santa Barbara County.

B. Locally Funded Programs

1. Housing Trust Funds

Santa Barbara County receives fees assessed on developers and project owners to support the production and maintenance of affordable housing. These funds are disbursed to private and not-for-profit developers and public agencies for the provision of a range of housing alternatives, including low and very low income rental housing, moderate and low income ownership opportunities and special needs housing.

2. Redevelopment Agency Housing Set Aside

The Redevelopment Agency (RDA) and Isla Vista Project Area were created in 1991 to address overcrowding and redevelopment issues in this increasing multi-cultural community. Twenty-five percent (25%) of the monies derived as a result of the tax increment revenues were to be reserved for affordable housing. In 1997 this percentage was reduced to a twenty percent (20%) reservation, as required by state law.

III. ADMINISTRATION OF HOME CONSORTIUM

A. Provision of Resources

As the lead agency for The Santa Barbara County HOME Consortium, Housing Finance may assume responsibility for the provision of HOME program resources on behalf of the County as well as the Cities of Buellton, Carpinteria, Goleta and Solvang (or any other small city which joins the HOME Consortium) through a Notice of Funding Availability (NOFA) process. The Cities of Lompoc and Santa Maria conduct an independent NOFA process, but consult the County on HOME program issues as needed.



B. Regulatory Compliance

Housing Finance is responsible for all members of the Consortium with regard to compliance with the regulations and provisions of the HUD HOME program.

C. Technical Assistance

Housing Finance provides technical assistance to all members of the Consortium in regard to regulatory compliance, project feasibility, program planning, and other issues as needed.

IV. FACILITATION

Housing Finance staff provides technical assistance to profit-motivated and not-for-profit developers of affordable housing projects. This includes development of the project concept and financial documents, as well as assistance with completing the permitting process. The staff will also work with planners and administrators in other public agencies and Cities to assist in project development.

V. EDUCATION

Housing Finance staff is available to attend meetings and make presentations to citizen groups, members of the development community, and others interested in the provision of affordable housing opportunities. In addition, workshops on a range of subjects related to affordable housing are available as needed. These include developer capacity building, public goal setting, federal and state project application preparation, and special topic workshops on federal and state fair housing and overlay requirements. Technical assistance to not-for-profit organizations desiring to become Community Housing Development Organizations and other organizations wishing to develop housing is also provided on a case by case basis.

**SECTION TWO:
PRINCIPLES AND PROCESS OF AFFORDABLE HOUSING
FUNDING**



The Housing Finance Division of the Housing and Community Development Department (HCD) is responsible for allocation of all federal, state and local housing funds. The Board of Supervisors has established an Affordable Housing Loan Committee to assist in the evaluation of project feasibility and make recommendations regarding specific affordable housing proposals. Recommendations of the Loan Committee are made to the HCD Director, who in turn forwards his/her recommendation to the Board of Supervisors on project selection and funding.

Housing Finance utilizes the HOME Investment Partnerships Program Final Rule (24 CFR Part 92), the Community Development Block Grant Program Regulations (24 CFR Part 570 and/or Title 25 Section 7050) and/or other federal or state program regulations to serve as the overarching guidance to program requirements and administration. The following information specifies Housing Finance's evaluation criteria, the application process and procedures related to the provision of affordable housing resources:

I. GENERAL ELIGIBILITY

A. Eligible Applicants

Applications will be accepted from for-profit developers, not-for-profit developers, public agencies, and joint ventures or partnerships among these entities. Not-for-profit, public agencies and profit motivated developers are subject to the same underwriting, gap analysis and administrative capacity criteria.

Not-for-profit developers should have, within their Articles of Incorporation and Bylaws, a clear written statement designating one of their purposes as the development of affordable housing. Not-for-profit organizations must also have received their 501(c)(3) designation from the Internal Revenue Service. For project requests involving HOME funding, County certified Community Housing Development Organizations (CHDO) may receive funding priority.

Not-for-profit organizations proposing to be the Managing General Partner of a Limited Partnership formed to develop projects utilizing the Low Income Housing Tax Credit (LIHTC) Program have additional requirements:

1. The not-for-profit shall be independent of any for-profit developer and shall have no financial or organizational relationship with the for-profit developer;
2. The not-for-profit general partner must exercise the full responsibilities of a managing general partner. It must have the full authority to manage the day-to-day operations of the development, including the hiring and firing of the management agent, establishing tenant policies and services, monitoring for compliance under the LIHTC program and other funding



sources, establishing annual budgets, reviewing audits, submitting limited partnership tax returns, and other related duties. These responsibilities cannot be subject to the approval of any other entity (e.g. co-general partner, administrative general partner, etc.). The Limited Partnership Agreement shall reflect these responsibilities; and

3. The benefit of any tax reduction as a result of a not-for-profit exemption must pass through to the tenants in the form of reduced rents and/or increased services.

B. Eligible Activities

Eligible activities include new construction and acquisition and rehabilitation of multifamily housing and new construction or acquisition or ownership housing. Specific activities for new construction and rehabilitation, as well as other program regulations, may vary depending on project financing sources. (Funds committed under this program can not generally be used to refinance existing debt. Any requests for such use of funds must be justified by extraordinary circumstances and will be evaluated on a case by case basis. Refinancing requests may require additional information, funding conditions, etc.)

Eligible uses of these funds include, but are not limited to:

1. Real Property Acquisition

Property acquisition and/or improvements, and related fees and closing costs, as part of a project providing housing opportunities.

2. Predevelopment Expenses

Predevelopment expenses including feasibility and market studies, architectural and engineering services, environmental studies relocation payments, escrow fees and other closing costs, appraisal costs, legal fees, permitting fees, financing commitment fees, accounting fees and developer and consultant fees.

3. Construction

Construction expenses and related soft costs including demolition, off-site public improvements, on-site improvements, and new development or rehabilitation-associated general construction costs are eligible uses of funds.



C. Forms of Assistance

Affordable housing funds will be made available to eligible project sponsors in the following forms:

1. Deferred payment or “residual receipt” loans;
2. Amortized low-interest loans;
3. Grants to public agencies or not-for-profit organizations (under extraordinary circumstances evaluated on a case by case basis);
4. Combination of loan and grant funding to public agencies and not-for-profit organizations; and
5. Equity participation, interest write-downs and permanent mortgage financing.

D. Location

Where the project utilizes in-lieu housing or other funds tied to a particular Housing Market Area, the project must be located within the Housing Market Area where the fees were collected. Housing Market Areas are defined in the County Housing Element. Priority for use of local funds will be given to projects located in unincorporated areas and areas within the County of Santa Barbara’s HOME Consortium.

II. LOAN TERMS AND CONDITIONS

Every effort will be made to recycle affordable housing funds through structuring project loan repayments. Program income received from project loan repayments is a valuable resource to address housing needs.

A. Interest Rate

The interest rate for standard loans is 4.5%. The County may provide lower interest loans to not-for-profit organizations or public agencies when specific project circumstances require.

B. Loan Term

The loan term may be dictated by the specific program funds, however, permanent financing must range between twenty to forty years and be tied to the period of affordability. Predevelopment loans to public agencies or not-for-profits are for a maximum of the length of time required to develop the project for which the predevelopment loan was granted.



C. Maximum Financing Amount

1. Acquisition Financing

The lower of the purchase price of the property or the appraised value as evidenced by an appraisal prepared by a California State Certified General Appraiser, plus all other acquisition loan-related costs is the maximum financing amount.

2. Preconstruction/Predevelopment Financing

Based on the size and complexity of the proposed project, up to 50% of the projected gap financing provided by Housing Finance is available only to not-for-profit organizations. Eligible funding requests may be processed as loans, forgivable loans or outright grants.

3. Permanent Financing

Permanent financing will only be to the amount necessary to fill the financing gap identified in the total development budget substantiated by a documented gap analysis.

D. Affordability Requirements

1. Term of Affordability

For most rental projects, the required term of the affordability covenant or regulatory agreement will be 30 years. However, the term of the covenant may be extended to be equal to the longest affordability period required by other project financing sources. The affordability covenant is recorded and runs with the property. It remains in effect for not less than the agreed upon term regardless of the date upon which the County loan is fully repaid, and regardless of transfer of ownership.

For projects also conditioned through land use restrictions, the affordability covenant will be consistent with the requirements of the County's Land Use Regulatory Program in place at the time of project approval by the Board of Supervisors, as specified in the Housing Element. However, where federal or state funding or incentives are also utilized in the project, the covenant or regulatory agreement will be consistent with the terms set forth by that federal or state program.

2. Income Limits



Income limits are based upon HUD's annual Revised Income Limits for Public Housing and Section 8 Programs and Median Incomes for the Fiscal year for the County of Santa Barbara. In accordance with instructions from the State Department of Housing and Community Development, the County calculates "median" and "moderate" income limits based on HUD's very low income limits. For example, the four-person median limit is two times HUD's four-person very low income limit (50% and below of median). All other income limits by family size utilize the HUD very low income limits as a base.

3. Determination of Income

Determination of eligible income is assessed as a gross amount expected to be received and based on the U.S. Department of Housing and Urban Development Section 8 definition of "Annual Income" at 24 CFR part 813. Individual program guidelines adopted independently by the Board of Supervisors (usually applied to land use based programs) may provide for limited exceptions (e.g. incomes of full-time students under the age of 24 claimed as dependents for income tax purposes).

4. Income Targeting

Affordable housing funds are usually made available to projects or units within projects which target low (80% and below of area median income) and very low (50% and below of area median income) income households. Generally, the amount of assistance will be based on the degree of affordability proposed by the project. In some instances, funds may be utilized in projects which also propose some moderate income (80% to 120% of median income) restricted units. However, this exception does not apply to rental projects which are less than 51% affordable to low income households. Funding decisions will be based upon the:

- a. Proportion of overall project retained as affordable;
- b. Proportion of units targeted to low and very low income households; and
- c. Potential for units to be utilized as HOME program "match".

E. Repayment

1. Predevelopment Loans

Predevelopment Loans are due and payable at the end of the term. Interest on the note may be deferred or waived at the County's discretion; and



interest may be waived in cases where the loan is rolled over into a permanent loan. The predevelopment loan may be rolled into the permanent loan at the County's discretion.

2. Permanent Loans

Permanent Loans may be amortized over a specified period of time, residual receipt, or deferred for a fixed period of time ranging from 5 to 30 years.

F. Security

Loans are evidenced by a promissory note or loan agreement and secured by a deed of trust. Conditions and/or affordability covenants of grants to housing projects are secured by a regulatory agreement.

G. Subordination

The County may, at its option, subordinate repayment, security positions and affordability covenants to a conventional lender or other public agency lender. The County does not generally subordinate repayment and security positions to the incorporated cities or other public agencies.

Subordination will occur through Board of Supervisor's approval of a recordable Subordination Agreement. Subordination of rehabilitation program and homebuyer assistance program loans will be evaluated for consistency with the relevant program guidelines.

H. Default

The loan agreement will specify the events which will cause the County to declare the borrower in default (e.g. development or operational cost overruns, breach of rent covenants, failure to maintain property, make agreed upon loan repayments, bankruptcy and dissolution or insolvency of the borrower, etc.).

III. FUNDING STANDARDS

All projects are subject to the following minimum funding standards. (NOTE: The cost of the provision of relocation benefits with County funds must be included within the per unit subsidy limitation.) Applicants should insure that their Application for Reservation of funds addresses these standards.

A. Limits of Assistance Per Unit



Applications for funding based upon the following limits are subject to gap analysis, leverage and all other underwriting criteria. (NOTE: Applications requesting the maximum funding limits for proposed projects without strong justification may be less competitive.) The maximum limits of assistance per unit are:

1. Up to the HUD proscribed Section 221(d)3 per unit limit for multifamily rental projects;
3. Up to \$150,000 per unit for low income, first-time homeownership programs; and
4. The limit for group home, transitional facilities, or other projects offering support services for very low – income and/or special needs populations will be evaluated on a case-by-case basis.

B. Leverage

Affordable housing funds are utilized to bridge the gap between other funding, both public and private, and the project requirements to obtain the necessary to obtain necessary project affordability. The goal of the proposed affordable housing funds is to obtain a ratio to other project funds committed (including those for the provision of services in Special Needs projects) should never be less than a three to one ratio. Leverage in excess of the funding standard, however, can increase the funding per unit of the project.

C. Identified Housing Need

The proposed housing project must serve the priority County housing needs as identified in the adopted Consolidated Plan, Housing Element and/or other subsequent study developed by the County to determine need.

IV. COUNTY FUNDING PROCESS

A. Application Procedure

1. Intent to Participate

The “Intent to Participate” is submit to the County by December 1st each year. It requires a brief description (including anticipated funding request) for any project for which a funding application might be submitted in the



subsequent year. A copy of the Intent to Participate is included as Attachment I for reference.

2. Application for Reservation of Funds

a. Application Content

General project information including development team, and detailed project information including a project proforma detailing the financing sources and uses of the project, are required in the Application for Reservation of Funds. A copy of the Application for Reservation of Funds is included as Attachment II for reference.

b. Reservation of Funds Evaluation Criteria

The criteria listed below identify specific principles by which the County evaluates proposed project applications. In addition to these criteria, HUD Notice CPD 98-01 - Layering Guidance for HOME Participating Jurisdictions (or the most recent CPD update to this guidance) is consulted when County funds are proposed to be combined with other governmental subsidies (e.g. tax credits, etc.) in a project. This additional criteria is identified as a KEY EVALUATION POINT in the section below.

(1) Within Minimum Funding Standards

Meets the criteria in the minimum funding standards listed in SECTION TWO.III.

(2) Previous Performance in County-funded Developments

Examples of previous performance include timeliness in closing loans and providing benefit, achieving performance milestones, ability to implement funded project at administrative capacity affirmed in funding application, etc.

(3) Sponsor Capacity and Demonstrated Performance

Requirements for capacity in specific areas include:

(a) Development

The proposed project structure should ensure on-going, reliable management of project development.



The applicant must be experienced or assemble an experienced development team. Applicants who lack experience are encouraged to joint venture with organizations with a development track record.

The applicant must demonstrate that it has the financial and administrative capacity to maintain the operation of the organization during the development period and when the project is in operation.

(b) Property Management

If the proposed project is a rental or owned in common, the qualifications of the management entity are to ensure the on-going viability of the project. Capacity and demonstrated performance in asset management and regulatory compliance reporting will be evaluated.

(c) Provision of Social Services

Demonstrated support service funding for at least one year and capacity of the provider to provide those services will be evaluated.

(4) Demonstrated Site Control

The applicant must demonstrate that it has, and can maintain sufficient permanency of site control to complete project development. Evidence of site control includes an executed option or purchase agreement, lease agreement, executed land sales contract or other enforceable agreement for acquisition of the property. An executed disposition and development agreement will suffice for property acquired/leased from a public agency.

(5) Probability of Local Approvals

The applicant must demonstrate that all discretionary planning, zoning, subdivision and other local jurisdiction approvals and variances necessary to construct, rehabilitate or install the project on the designated site can be obtained. The Application for Reservation of Funds requests a listing of all necessary approvals.



(6) Financial Feasibility

The applicant's proposed financing plan presented in the proforma must demonstrate the project's viability through the term of the covenant. **KEY EVALUATION POINT:** The County must determine that the total proposed funding (both private and public) does not exceed the total development cost for the project.

(7) Cost Efficiency

KEY EVALUATION POINT: The County must determine that costs are customary for the development of the project and reasonable in terms of industry standards. The County must also determine that the projected rates of return are reasonable and the applicant is not receiving excessive profit or windfalls from the project.

The County reserves the right to stipulate the maximum fee limit for certain professional fees including those of tax credit consultants and architects. Additionally, the County provides specific cost control guidance regarding developer fees. Developer fees for ownership, lot sale type projects, or special needs projects offering support services will be negotiated on a case-by-case basis.

For multi-family construction, developer fee maximums will be calculated and distributed based upon the following guidance:

(a) Developer Fee Maximums per project type:

8% to 15% based upon complexity of project: new construction, substantial rehabilitation, moderate rehabilitation, relocation overlay requirement, etc.

(b) Developer Fees Maximum on Tax Credit Project

15% of total cost less land and developer fees. Developers may submit a tax credit application with the maximum allowable developer fees under the tax credit program.

(c) Distribution of Fees



One third of the developer fee must be reserved until the end of the project. The balance of the fee, if necessary, may cover project cost overruns.

(8) Relocation Potential

The Antidisplacement and Relocation Assistance Plan stresses that the County will make every effort to minimize displacement as a result of its funded activities. A relocation risk assessment including the applicant's capacity to administer relocation and a review of the proposed sources of relocation funds will be a significant component of the application. The cost of the provision of relocation benefits with County funds must be included within the per unit subsidy limitation.

(9) Project Readiness

Proposed projects should be close to securing necessary approvals and financing commitments. An exception to this may be where a Reservation of funds is requested for a high priority proposal that involves the applicant securing multiple funding sources (e.g. tax credit projects). An additional level of review by the loan committee will be required for these projects.

(10) Neighborhood Compatibility and Design

Proposed projects should be attractive, complementary and compatible to the surrounding neighborhood. Proposed projects should not, without appropriate mitigation measures, impact neighborhood health, safety and/or welfare. Project design and proposed support services must be suitable for the population to be served.

c. Reservation of Funds Evaluation Procedure

(1) Staff Review

Housing Finance Staff and two additional jurisdiction/public agency/consultant representatives with development review experience will complete the annual review and analysis of the Applications for Reservation of Funds. A staff report and recommendation will be forwarded to the Affordable Housing Loan Committee for their consideration within 30 days of the staff review.



(2) Loan Committee Review

The Affordable Housing Loan Committee will review the Applications for Reservation of Funds and prepare a recommendation to be forwarded to the HCD Director for review.

(a) Conditions of Approval

As part of their review process, the Affordable Housing Loan Committee may establish milestones and a performance timetable for each project recommended for a Reservation of funds.

(b) Interim Review for Complex Projects

Where a Reservation of funds is recommended for a high priority project that involves the applicant securing complex and/or multiple funding sources, an additional level of review by the loan committee may be required.

(3) HCD Director Review

The HCD Director will take the recommendation of the Affordable Housing Loan Committee under advisement and forward his/her recommendation to the Board of Supervisors.

(4) Board of Supervisors Adoption of Annual Action Plan

The projects recommended for Reservation of funds by the HCD Director will be included in the County's Annual Action Plan adopted by the Board of Supervisors.

3. Application for Commitment of Funds

a. Application Content



The application which is included as Attachment III must contain a detailed update of the project status, thorough documentation of all discretionary approvals. (NOTE: Under most circumstances, all discretionary approvals must be in place prior to Board of Supervisors approval of funding and land use clearance must occur prior to funding) The application must also include tax returns and other financial information, documentation confirming that all other funding has been committed, Marketing and/or Relocation Plans, and other documents as required by the specific project description and financing structure.

b. Commitment of Funds Evaluation Criteria

Commitment of funds has the same evaluation criteria as for the reservation of funds with the addition of a financial documents review by the Auditor-Controller.

c. Commitment of Funds Evaluation Procedure

(1) Staff Review

Housing Finance will complete a review and analysis of the Applications for Commitment of Funds. A staff report and recommendation will be forwarded to the Affordable Housing Loan Committee for their consideration within 30 days after the application has been determined to be “complete” by staff.

(2) Loan Committee Review and Recommendation

The Affordable Housing Loan Committee will review the Applications for Commitment of Funds and prepare a recommendation to be forwarded to the HCD Director for review.

(3) Housing and Community Development Director Review

The HCD Director will take the recommendation of the Affordable Housing Loan Committee under advisement and forward his/her recommendation to the Board of Supervisors.

d. Board of Supervisors Approval

(1) Approval Requirements



Any use of affordable housing funds must be approved by the Board of Supervisors. Final draft documents specifying loan and subordination terms, affordability requirements, etc. must be submitted by the applicant (or consultant as determined by staff) to the County for negotiation and approval before the recommendation report can be prepared and the funding request placed on the Board agenda for final Board approval.

Any substantial waiver of the standards or criteria described herein (in the "Housing Finance Division Administration & Funding Guidelines") will be identified and justified as a part of the Board of Supervisors packet of materials and approval action. Any subsequent, substantial change to the terms and conditions of County funding for a project approved by the Board of Supervisors must return to the Board for review and approval.

(2) Staff Report

The Housing Finance Division staff is responsible for preparing a recommendation report to the Board of Supervisors for all projects utilizing Affordable Housing funds. This report will contain the recommendation of the Loan Committee and the HCD Director.

(3) Concurrence

Staff reports as well as all relevant project agreements and security instruments will be reviewed and approved by County Counsel, Auditor - Controller, and Risk Management.

4. Disbursement of Funds

Criteria for the disbursement of funds are detailed in SECTION THREE.I.B. following.



SECTION THREE: ADMINISTRATION AND PROCEDURES

The County of Santa Barbara receives “in-lieu” and other housing mitigation fees from developers and project owners to support the production and maintenance of affordable housing. In addition, the County has local funds earmarked for affordable housing from a variety of sources, such as proceeds from mortgage revenue bonds issued during the 80’s and early 90’s, and recycled Community Development Block Grant funds and other loan repayments. These funds are used in association with the County’s current and anticipated state and federally funded programs. Funds are disbursed to private and not-for-profit developers and public agencies for the provision of a range of housing alternatives, including moderate, low and very low income rental and homeownership housing opportunities and special needs housing.



Housing Finance utilizes the HOME Investment Partnerships Program Final Rule (24 CFR Part 92), the Community Development Block Grant Program Regulations (24 CFR Part 570 and/or Title 25 Section 7050) and/or other federal or state program regulations to serve as the overarching guidance to program administration. The following information specifies the administration and procedures related to the overall implementation of the County's program:

I. FUND ADMINISTRATION

A. Organization of Affordable Housing TRUST Funds

Local Affordable Housing TRUST Funds are deposited in two separate funding pools. Local funds are designated by the County of Santa Barbara as "match" for the Consortium's HOME Investment Partnerships Program (HOME). These funds must meet specific HOME criteria to qualify as "match". Disbursement criteria and some other guidelines or criteria; however, may vary by specific fund.

Federal and state funds [e.g. County share of the HOME Consortium's HOME funds, State Small-Cities Community Development Block Grant Program, Continuum of Care (Homeless) Program, etc.] received by the County and passed through to projects are not included here.

Other federal and state funds can also be packaged with Local Affordable Housing TRUST Funds. In these cases, additional federal and/or state criteria may apply in addition to the HOME "match" criteria and local fund criteria described below.

1. Predevelopment Loan/Grant Fund

This fund was created in 1993 from Recycled Community Development Block Grants. Due to the time lapse since close out of previous grants, these funds are not restricted by additional federal criteria. This fund may be replenished with CDBG loan repayments for loans made by the County in the mid to late 1980's.

This fund was created to provide seed capital to non-profit and public housing sponsors to pay for predevelopment expenses. Only 501(c)(3) sponsors and public agencies may apply. Potential projects are typically high risk, often large scale or of significant impact and serve high priority housing needs which tend to go unmet without such seed monies. (Examples include funding to support the development of housing for farmworkers or transitional housing for homeless families.) Eligible uses include land options, appraisals, engineering/soils work, environmental review, architecture, financing fees, financial and technical consultants, and other direct project coordination activities. General administrative costs are not eligible.



A predevelopment loan/grant may be secured by land or be unsecured where the County has determined that there is a need to facilitate a high priority project. Loans are made on a schedule timed to mirror the period of time to develop the proposed project; with loan disbursement subject to the accomplishment milestones detailed in the loan agreement.

2. Project Subsidy Fund I: County-wide Project Fund

Fund I was created in 1993 from Recycled Block Grants, proceeds from past Mortgage Revenue Bond Programs, and various other Affordable Housing Funds that are not tied to specific Housing Market Areas. The fund can be replenished from additional, limited collections from sources which do not earmark monies for specific geographic areas.

This is the County's most flexible source of local housing funding, therefore, it must be used for low to very low income and special needs projects. Projects utilizing these funds should be 100% affordable; and priority is given to projects that maximize leverage from other sources. Applicants can be for-profit and not-for-profit developers, or public agencies. Subsidies may be in deferred payment loans and interest write-downs, used for land acquisition, development costs, and on and off site expenses.

Fund I loans are typically secured by deed of trust or other recorded and running with the land. The affordability period is a minimum of thirty years for rental and special needs projects.

3. Project Subsidy Fund II: In-Lieu Mitigation Funds

Fund II is restricted to use in the housing market area from which it was collected. Funds are replenished from the collection of funds collected from the County's inclusionary housing program.

Projects utilizing these funds are low and very low income and special needs housing. The projects, however, may not be required to be 100% affordable to low and very low income residents, and might include a moderate income element. Rental projects must be at least 51% affordable to low income households, and "HOME eligible projects" (to serve as HOME program match) with program income returned to the HOME trust fund account.



Applicants can be for-profit and not-for-profit developers, or public agencies. Subsidies will be in the form of low-interest or deferred payment loans and interest write downs, utilized for such expenses as project design; real property acquisition; site improvements; rehabilitation costs; equity participation and, in special circumstances, may be used for construction costs.

Fund II loans are typically secured by deed of trust or other lien recorded and running with the land. The affordability period is a minimum of thirty years for rental projects. Ownership projects will normally utilize the regulatory terms of the Homebuyer Assistance Program.

B. Organization of Federal, State and State-Regulated Funds

1. HOME Investment Partnerships Program

The HOME Investment Partnerships Program funds are restricted to use in the unincorporated County and member Santa Barbara County HOME Consortium communities of Carpinteria, Guadalupe, Santa Maria and Lompoc. Funds cannot be used in Buellton and Solvang unless these communities become Consortium members or members of an Urban County at some future date. HOME funds can only be use in the City of Santa Barbara where there is a project or program jointly sponsored by City and County. Funds are replenished from the reimbursement of project/program expenses by the U.S. Department of Housing and Urban Development (HUD).

Projects utilizing these funds are subject to compliance with HUD programmatic and federal overlay regulations. Applicants can be for-profit and not-for-profit developers, or public agencies. Subsidies will be in the form of low-interest or deferred payment loans and interest write downs, utilized for HOME-eligible expenses. HOME loans are secured by deed of trust or other lien recorded and running with the land.

2. Community Development Block Grant

Small-Cities Community Development Block Grant (CDBG) Program funds are received on a competitive application basis from the State of California. Funds are replenished from the reimbursement of program expenses by the State. Beginning in FY2007, the County will receive entitlement CDBG funding from HUD based upon an Urban County Cooperation Agreement with the cities of Buellton, Carpinteria, Lompoc and Solvang.

Funds are restricted to use on the project for which the funds were provided by the State and subject to compliance with State and HUD



programmatic and federal overlay regulations. Subsidies will be in the form of low-interest or deferred payment loans or grants and utilized for CDBG eligible expenses. CDBG loans are secured by deed of trust or other lien recorded and running with the land.

3. Continuum of Care Program

Continuum of Care (McKinney) funding for homeless transitional facilities, permanent housing and support services are received from HUD on a competitive application basis. Funds are replenished from the reimbursement of project/program expenses by HUD.

Funds are restricted to use on the project for which the funds were provided by HUD and subject to compliance with HUD programmatic and federal overlay regulations. Applicants are not-for-profit developers and service providers. Subsidies will be in the form of low-interest or deferred payment loans or grants and utilized for HUD eligible expenses. Continuum of Care loans are secured by deed of trust or other lien recorded and running with the land.

4. Redevelopment Agency (RDA) Housing Set-Aside

As required by State law, twenty percent (20%) of tax increment from the Isla Vista and Goleta Redevelopment project areas is set aside for affordable housing. These monies are maintained in a separate trust fund, and all program expenditures must comply with applicable State regulatory requirements.

In most cases, RDA housing monies will be used with HOME assisted or HOME eligible projects (to serve as HOME program match) with program income returned to the HOME trust fund account.

C. Permanent Financing Disbursement Criteria

Once all necessary County approvals have been received, the project sponsor may open an escrow in a licensed escrow company approved by the County. The County will review and approval all escrow instructions regarding the process and criteria for disbursement of funds. Housing Finance Division staff will coordinate the actual disbursement of funds with the County Auditor Controller's office to ensure that the appropriate escrow and other disbursement conditions have been satisfied and that accurate accounting records for the funds have been established.

Project sponsors will notify County staff within fifteen (15) days of the date the funds will be required. Staff will make every effort to fund the approved project in a timely manner, within the parameters of insuring compliance with all disbursement criteria and special conditions.



1. Minimal Disbursement Criteria

a. Evidence of Site Control

Evidence of site control by the project sponsor (e.g. purchase/escrow agreement, grant deed)

b. All Discretionary Actions Are Completed

All discretionary development approvals have been received from the appropriate local jurisdiction(s) and is ready to receive the building permit. These include approved preliminary development plan, tentative tract map, conditional use permit, land use clearance as applicable (e.g. minimum postings complete and land use permits issued from the County of Santa Barbara for developments in the unincorporated county.)

c. Project Financing Secured

Documentation is on file with County staff evidencing the commitment and terms of all other necessary project financing.

d. Gap Analysis Completed

Projects utilizing affordable housing funds in combination with other governmental assistance (e.g. tax credits, etc.) have been reviewed to ensure that no more than the necessary amount if County funds are invested in any one project to provide affordable housing. Guidance for the review is outlined in the Layering Guidelines described herein (in the “Housing Finance Division (Administration & Funding Guidelines”).

e. Issuance of Developer Letter of Credit/Performance Bond

In new construction or substantial rehabilitation projects where County funds are required at take-out of construction financing, the developer may be required to share the risk with the County. Upon request, developer must issue a Letter of Credit or Performance Bond to benefit the County of Santa Barbara for 50% of the amount of County funding.

2. Additional Criteria

Project approval may be tied to satisfying specific conditions placed upon the project by the Affordable Housing Loan Committee and/or Board of



Supervisors in addition to those stated above. These vary from project to project; however, they must be satisfied, in addition to all other disbursement criteria, prior to funding disbursement.

D. Predevelopment Financing Disbursement Criteria

Predevelopment loan or grant disbursement criteria will be established by the Affordable Housing Loan Committee and will be synchronized to the project for which the predevelopment loan applies.

E. Assumptions and Prepayment of Program Funds

1. Assumptions

Homeownership loans made from affordable housing trust funds prior to program moving to the Housing and Community Development Department may be assumed by subsequent qualified buyers of the housing units assisted with the program. Project loans made to not-for-profit organizations from affordable housing funds may be assumed by a qualified not-for-profit buyer with a similar organizational mission. Prior to the close of escrow, new buyers must sign an Assumption Agreement approved by Housing Finance Division staff.

2. Prepayment

a. Rental Projects

It is the County's policy to require the assumption of affordable housing fund finance terms and conditions to the maximum extent feasible. However, there may be situations where prepayment of a loan/grant would result in the consequent reconveyance of all terms, conditions and restrictions that will continue to apply to the housing unit or project. In such cases, the following general policies shall apply:

(1) Financial Constraints

The project sponsor must satisfactorily demonstrate and document that financing constraints, such as those imposed by private lending and underwriting criteria, prohibit assumption and necessitate prepayment.

(2) Timing



Under no circumstances will the reconveyance of project affordability terms, conditions and restrictions be approved by the County within the first five years of the standard thirty year affordability terms required pursuant to these guidelines. Further, when state and/or federal funds were utilized to fund the project, reconveyance will not occur until the minimum affordability terms of the relevant state/federal program have been met.

(3) Loss of Affordability

Under no circumstances, except in the event of a foreclosure, will application of the prepayment option result in project affordability of less than thirty years.

b. Ownership Units

In the case of ownership units, prepayment may be permitted where there is an option of a County sponsored or established regulatory or incentive program utilized in the development of said unit. In such cases, the terms and conditions for prepayment will be consistent with those established by the regulatory and/or incentive based program(s)

Where ownership units have been developed independent of any other County sponsored housing program, prepayment may be permitted, with the terms and conditions established on a case by case basis by the HCD Director.

Where ownership units have been purchased utilizing a federal and/or state funded program offered by the County, prepayment will be consistent with the regulations of the specific federal and/or state program.

F. Modification of Previous Project

1. Subordination

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



2. Change in Terms and/or Conditions

Any subsequent, substantial change to the terms and/or conditions of County funding for a project approved by the Board of Supervisors must return to the Board for review and approval. This would require the submittal of a new Commitment of funds application, Affordable Housing Loan Committee review, creation of new loan documents for County Counsel approval, and a staff recommendation report to the Board of Supervisors.

II. ADMINISTRATIVE SYSTEM AND PROCEDURES

A. Affordable Housing Loan Committee

1. Applicability and Responsibility

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

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

2. Composition, Selection and Term

The committee will be composed of seven voting members who represent affordable housing development interests. The composition consists of voting representatives without identified conflicts of interest from:

- a north county lender
- a south county lender
- a professional in building, architecture, engineering or related technical field

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- a city public housing agency
- a for – profit housing provider
- the County Auditor – Controller’s Office
- the County Treasurer – Tax Collector’s Office.

The Housing Finance Division Manager and one representative from County Counsel serve as staff and technical advisors to the Committee.

Deleted: is as follows: two representatives from the local lending community, one building and development community representative (e.g. architect, civil engineer, urban designer), one representative from a county public housing agency, one representative from a city public housing agency, one representative from the not-for-profit sector that serves low-income residents, and one representative from the for-profit development community with experience in the development of affordable housing. ¶

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

3. Officer Term and Selection

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

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Deleted: One representative of the Office of the Auditor - Controller and one representative from County Counsel act as staff, technical advisor, and non-voting member.

4. Schedule and Location of Meetings

Committee meetings will convene as necessary to review and recommend project proposals prior to funding recommendations being forwarded to the Board of Supervisors. Meetings will be subject to Brown Act notification requirements. Meetings will be located in public conference areas via teleconference between the County of Santa Barbara Administration and Engineering Buildings, Santa Barbara and the Betteravia County of Santa Barbara Government Center, Santa Maria. A meeting of all Affordable Housing Loan Committee members at a Central County location accessible to the public can be scheduled upon mutual agreement of members.

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5. Voting and Quorum Requirements

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

Deleted: Meetings will be located in public conference areas, on a rotating basis, between the County of Santa Barbara Administration and Engineering Buildings, Santa Barbara and the Betteravia County of Santa Barbara Government Center, Santa Maria.¶

B. County Departments and Board of Supervisors

1. Staff Report to Board of Supervisors and Concurrence

The Housing Finance Division staff is responsible for preparing a recommendation report to the Board of Supervisors for all projects utilizing Affordable Housing funds. This report will contain the recommendation of the Affordable Housing Loan Committee and the

HCD Director. Staff reports as well as all relevant project agreements and security instruments will be reviewed and approved by County Counsel, the office of the Auditor - Controller, and Risk Management.

2. Board of Supervisors

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

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

As stated earlier, any subsequent, substantial change to the terms and conditions of County funding for a project approved by the Board of Supervisors must return to the Board for review and approval.

C. Notice of Funding Availability

At the beginning of each calendar year, the County will issue a Notice of Funding Availability (NOFA) announcing the availability of funds available for affordable housing projects, and the amount of funding available in each subsidy fund. For Project Subsidy Fund II, this will include a breakdown of funding available by Housing Market Area. The Housing Finance Division's program will maintain a comprehensive listing of interested parties, and will provide these parties with the NOFA between January and March of each year to solicit qualified projects for funding. Following issuance of the NOFA, proposals will be accepted by a specified due date and funding awards made by the County utilizing the method described herein.

D. Open Window

Project Subsidy Fund II for the Santa Ynez Housing Market Area is available through an Open Window process. Procedures for "Open Window" Housing Project Evaluation are as follows:

1. Potential applicants will schedule a preapplication conference with Housing Finance & Development Division staff. Applicants should provide at a minimum information required in "Intent to Participate" and



“Application for Reservation” forms, pages 1 through 4 of Attachment I of Administration & Funding Guidelines.

2. Staff will evaluate concept based on Consolidated Plan and Housing Element goals, policies and procedures, and criteria in the adopted Administration & Funding Guidelines. Other housing strategy documents may be used as appropriate, including RDA Redevelopment and Housing Production Plans, the various approved Housing Strategy Reports for such target areas as Isla Vista, Old Town Goleta, Carpinteria, etc.
3. Following consultation with the Director, staff will provide written comments to potential applicant relating to general support issues for project, as well as any significant technical issues or major conditions identified to date. It is the Department’s policy to require that any project proposed in an incorporated city to have the support of that City’s governing body. Similarly, in the unincorporated County, the project should have the support from the Supervisor, as well as the Planning and Development Department. The support from either the City or P&D should be in writing.
4. If both the Director and applicant are agreeable, applicant will prepare and submit a full Application for Commitment of funding. Loan Committee review will follow. The recommendation will then be submitted to the Board of Supervisors for either preliminary or final approval, based on financing and type of project. (E.g., first time homebuyer assistance would receive final approval; a tax credit new construction project might receive preliminary approval.
5. In the event that a higher level of funding requests are received than funding available during generally the same time period, preapplication requests will be ranked according to # 2 above. If this review fails to substantially prioritize the project concepts, staff will review competing requests based on criteria used in NOFA ranking evaluation. This information will be provided to Director for a determination of Department support and action.

E. Revenues

Revenues for affordable housing collected in connection with a development approval, permit or map recordation are collected by the Planning and Development Department. Other funds are collected by the HCD Director’s office. The Departments transfer these monies to the Housing Trust Funds for deposit into the appropriate account, maintained by Office of the Treasurer – Tax Collector. Staff of HCD Housing Finance Division administer the disbursement program.



E. Administrative costs

Administrative costs incurred by the Housing Finance Division program in implementing the program may be reimbursed from the appropriate fund account. Reimbursement of administrative costs will be made on a quarterly basis. In order to obtain such reimbursement, the actual staff and other costs must be documented, and associated with a specific project proposal. Normally, reimbursements should not exceed ten percent (10%) of the total amount of local housing funds or Redevelopment Agency housing set-aside funds disbursed during the quarter. However, typical predevelopment administrative staff and consultant costs incurred on project proposals may be reimbursed, up to the lesser of \$25,000 or ten percent of the anticipated local funding commitment, in cases where a proposed project fails to advance to an implementation phase. In such cases, a reimbursement plan must be authorized and approved by the HCD Director or his/her designee as a part of the preparation of a development concept.





ATTACHMENT I
County Of Santa Barbara
INTENT TO PARTICIPATE
In Competition For
Housing Finance Funds

If you (or your organization) are interested in submitting an application in response to the County's next Notice of Funding Availability (NOFA) for local and/or HOME funding, please provide the following information. You should also submit the information if you are proposing a housing program or project for inclusion in the County's next Community Development Block Grant (CDBG) and/or HUD Continuum of Care (McKinney) application(s). Please complete a separate questionnaire for each proposed activity. Reference the Administration and Funding Guidelines of the Housing Finance Division Housing and Community Development Department, County of Santa Barbara for funding standards and requirements, evaluation criteria, etc. for guidance.

Note: This questionnaire is not an application for funding. It is intended simply to elicit information that will assist the Housing Finance Division of the Housing and Community Development Department in forecasting the next year's housing program needs.

1.	Name of Sponsor Organization:
2.	Address:
3.	Contact Person & Title:
4.	Phone Number(s):
5.	Approximate amount of funding required/requested: \$
6.	<p>On an attached page, briefly describe your proposed program or project utilizing the following format:</p> <ul style="list-style-type: none">✓ the specific purpose and use of County funds,✓ number of housing units to be produced or households to be served,✓ intent and objectives of the program/project,✓ location of the proposed activity,✓ geographic area to be served,✓ characteristics of clientele/ beneficiaries served,✓ project schedule, and✓ any other relevant data. <p>If the proposed program/project involves real property (i.e. a site for a housing construction project or a facility in which program services are provided), indicate whether or not the sponsor organization presently has "site control" of the property (i.e. through ownership, lease, purchase agreement, etc.).</p>

7. Identify the source(s) and amount(s) of other funds which could/would be committed to the proposed program/project. Indicate whether or not those funding sources and amounts that are currently committed.

8. If you have not submitted an application to Housing Finance within the last two years, briefly describe the organization's previous experience in implementing programs/projects similar to the activity proposed. Describe the sponsor organization's past and present mission and the function(s) it serves.

Please mail your completed questionnaire to Manager, Housing Finance Division, County of Santa Barbara, Housing and Community Development Department, 105 E. Anapamu Street, #105, Santa Barbara, CA 93101 or hand deliver to 105 E. Anapamu, Room 105 or to the Betteravia Government Center 5th District Office, 511 E. Lakeside Parkway, Santa Maria. Intent to Participate forms should be submitted as soon your activity has been identified, but no later than _____. **NOTE: Intent to Participate MUST BE RECEIVED BY 4 P.M.; POSTMARKS ARE NOT ACCEPTABLE.** Intent to Participate forms not submitted by that date may not be considered for the next application cycle.

Intent to Participate

Intent to Participate



ATTACHMENT II
County Of Santa Barbara
APPLICATION FOR RESERVATION
Of Home, CDBG And/Or Housing Local Funds

If you (or your organization) have a proposed affordable housing project and are interested in receiving a loan or grant from the County through its Housing Finance Program, please provide as much of the following information as is currently available. **Please reference the Administration and Funding Guidelines for the Housing Finance Division of the Housing and Community Development Department, County of Santa Barbara for funding standards and requirements, evaluation criteria, and other information for guidance to assist you in preparing a competitive application.**

1. Project Title:

2. Project Address:

3. Name of Sponsoring Organization:
Contact Person:
Mailing Address:

Telephone #:

4. Amount of funding required/requested: \$

5. Activity Type:	<input type="checkbox"/> Acquisition	Who will occupy HOME-assisted the units?
	<input type="checkbox"/> Substantial Rehabilitation (\$25,000 or more per unit)	<input type="checkbox"/> Renters
	<input type="checkbox"/> New Construction	<input type="checkbox"/> Existing Owners
	<input type="checkbox"/> Other Rehabilitation	<input type="checkbox"/> First-time Owners

6. Briefly describe your program or project proposal, including the use of County funds; total cost; number of housing units to be produced or households to be served; area to be served; characteristics of clientele/beneficiaries served (elderly, large families, developmentally disabled, etc.); whether relocation will be required and any other relevant data. Attach one extra page of narrative, if necessary. If the proposed program/project involves the acquisition of real property (i.e. a site for a housing construction project or a facility in which program services are provided), attach documentation of "site control". If the proposed program/project includes temporary or permanent relocation, attach your Relocation Plan, project residential and/or business survey and copies of the General Information Notices sent to each effected household. Include the cost of relocation in your proforma/budget.

7. Briefly describe the sponsor organization's past and present mission and the function(s) it serves. Describe your organization's previous experience in implementing programs/projects similar to the activity proposed. Organizations that have been funded by County Housing Finance within the last two years need only provide updated information. Attach resumes and references for each member of the proposed development team (i.e. developer, architect, consultants, project coordinator, etc.).

8. Briefly describe the goals and objectives to be achieved by the proposed program/project.

9. What is the estimated date of construction or program start? Identify and then describe your plans to overcome any barriers to the project/program start date (e.g., zoning, environmental issues, relocation). Attach a list of major benchmarks in the development and implementation of the project, including funding commitments and completion dates.

10. For proposed rental projects identify the number of HOME-Assisted Units and rents by apartment size. Include the number of households targeted at below 50% or median income, 50-60%, and 60-80%. Specify what other funds are proposed for the project and the status of each application/commitment of funds. Attach a detailed project proforma which includes the sources and uses of funds for the project

11. For proposed homeownership projects describe the proposed sale price by size of unit, market value, down payment assistance, estimated range of family incomes expected to be served, and all other relevant underwriting assumptions. Specify what other funds are proposed for the project and the status of each application/commitment of funds. Attach a detailed project proforma that includes the sources and uses of funds for the project.

CERTIFICATION

I certify that the information included within this application is true and complete to the best of my knowledge.

Chief Executive Officer

Please submit an original and two copies of the Application For Reservation Of Home And/Or Local Funds to the Housing Program Manager, Housing Finance Division, Housing and Community Development Department, 105 E. Anapamu Street, #105, Santa Barbara, CA 93101 so it may be received by _____. Postmark dates are not acceptable. Hand-delivered applications may come to 105 E. Anapamu Street, Suite 105, Santa Barbara or to the Betteravia Government Center 5th District Office, 511 E. Lakeside Parkway, Santa Maria, but **absolutely must be received on or before 4:00 p.m.**



ATTACHMENT III
County Of Santa Barbara
APPLICATION FOR COMMITMENT
Of Home And/Or Local Funds

If you (or your organization) have a proposed affordable housing project and are interested in receiving a loan or grant from the County through its Housing Finance Program, please provide as much of the following information as is currently available. **Please reference the Administration and Funding Guidelines for the Housing Finance Division of the Housing and Community Development Department, County of Santa Barbara for funding standards and requirements, evaluation criteria, and other information for guidance to assist you in preparing a competitive application.**

1. Project Title:

2. Project Address:

3. Name of Sponsoring Organization:
Contact Person:
Mailing Address:

Telephone # :

4. Amount of funding required: \$
Requested funding terms:

5. Briefly describe the progress of your program/project since fund reservation. **Attach one additional page, if necessary. Attach project site plan, landscape plan, and floor plans and elevations for each unit type for new construction. Attached a detailed work specification write-up and cost estimate of rehabilitation project. Attach lead-based paint/asbestos report when relevant. Ensure work write-up reflects required mitigation measures.**

6. List all discretionary approvals required for your program/project and **attach documentation that all approvals have been received.**

7. Identify the members of the sponsor organization's development team. **Attach resumes and references for each new team member not already identified at fund reservation.**

8. If your program/project includes relocation and there have been changes to your Relocation Plan, describe changes and **attach the updated Relocation Plan. Submit all individual relocation files for review.**

9. If your program/project includes the provision of support services, discuss your services and your funding plan for those services during the first five years. **Attach a Support Service Plan and documentation of funding the first year of support services.**

10. What is the estimated date of construction or program start? What is the estimated date of rent-up or unit sale. **Attach your Marketing Plan and Property/Asset Management Plan for review and approval.**

11. For proposed rental projects discuss any major changes from original project proforma. Attach an updated project proforma that includes the sources and uses of funds for the project. **Attach documentation that confirms all other funding commitments are in place. Attach appraisal to verify assumptions.**

12. For proposed homeownership projects discuss any major changes from original project proforma and underwriting assumptions. **Attach an updated project proforma that includes the sources and uses of funds for the project. Attach documentation that confirms all other funding commitments are in place. Attach appraisal to verify assumptions.**

13. List each partner involved with the project/program (owner, property manager, sponsor, managing general partner, general contractor, etc.). Discuss the organizational relationship of each entity with the other if applicable. For each partner indicate on a separate page the number of years each has been in business, whether entity has filed a bankruptcy petition or undergone reorganization, and a list of all relevant projects in progress or completed in the last five years. **Attach the sponsor/applicant's last three years of tax returns, the most recent audited or reviewed financial statements along with three years of comparative financial statements and a statement of insurance coverage and bonding.**

CERTIFICATION

I certify that the information included within this application is true and complete to the best of my knowledge.

Chief Executive Officer

Please submit an original and two copies of the Application For Commitment Of Home And/Or Local Funds to the Manager, Housing Finance Division, Housing and Community Development Department, 105 E. Anapamu Street, #105, Santa Barbara, CA 93101. Hand-delivered applications may come to 105 E. Anapamu Street, Suite 105, Santa Barbara or to the Betteravia Government Center 5th District Office, 511 E. Lakeside Parkway, Santa Maria.