

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: May 19, 2005
Department Name: Housing and Community
Development Dept.
Department No.: 055
Agenda Date: June 7, 2005
Placement: Administrative
Estimate Time: n/a
Continued Item: NO
If Yes, date from:
Document File Name: G:\\HCD\\HOUSINGIMPLEMENTATION\\
HSGCOMDEVDEPT\\PROJECTS\\ABREGO
\\ABREGOBRDLTER5-19-05.DOC

TO: Board of Supervisors

FROM: Housing and Community Development
Ed Moses, Director

STAFF CONTACT: Susan Everett, Affordable Housing Program Planner (568-2014)
Housing and Community Development

SUBJECT: *Agreement to Provide Affordable Housing and Rental Restrictive Covenant for the Abrego Road Investment Triplexes, 01DVP-00000-00032 Affordable Housing [01DVP-00000-00032], Unincorporated Isla Vista area, Third Supervisorial District, Assessor Parcel Number(s) 075-052-007.*

Recommendations:

That the Board of Supervisors:

- A. Approve, execute and direct the recordation of the attached *Agreement to Provide and Rental Restrictive Covenant* (Attachment A) for the Abrego Road Investment Triplexes located at located at 6639 Abrego Road, Isla Vista area, in the 3rd Supervisorial District.

Alignment with Board Strategic Plan:

The recommendation is primarily aligned with actions required by law or by routine business necessity
The recommendation is also aligned with Goal No. 4. A Community that is Economically Vital and Sustainable.

Executive Summary and Discussion:

The Planning commission approved the Abrego Road Investment Triplexes on January 7, 2004. The approved project provides for construction of a nine new residential units. The site is currently developed with one duplex and two single family dwellings. As part of the project, the two single family dwellings would be demolished and the existing 4,000 square foot two-story duplex would remain. Each of the triplexes would be two stories and approximately 4,000 square feet in size. Since the project will result in nine new units on one legal lot, Santa Barbara County Coastal Plan

policy 5-10 requires that if a project results in five or more units then affordable housing shall be provided. The applicant proposes to designate the two proposed one bedroom units as moderate income housing to comply with the Coastal Plan. (see Exhibit C, Address List of Affordable Housing Units).

The *Agreement to Provide Affordable Housing*, the *Rental Restrictive Covenant* which is attached thereto as Exhibit D, assure the provision of the required affordable units.

Mandates and Service Levels:

25 percent of the nine project units shall be provided to qualified households at an affordability target of low or moderate income, depending on number of bedrooms in the units, consistent with the requirements of Policy 5-10 of the Santa Barbara County Coastal Plan. The maximum income level for each unit shall be established prior to land use clearance. Prior to land use clearance, the applicant shall enter into and record an Agreement to Provide Affordable Housing and a Rental Restrictive Covenant and Preemptive Right with the County of Santa Barbara, agreeing to provide two affordable unit at rental prices affordable to low or moderate income households, as required by the Local Coastal Plan for the Isla Vista area. The Agreement and Covenant shall be based upon the County's model agreement and covenant. Both shall be subject to review and approval by Planning & Development, Housing and Community Development and County Counsel. These documents shall specify affordability consistent with the terms described above and shall include provisions describing marketing and lottery requirements and Developer's Tenant Selection Criteria for the initial rental of units. Income eligibility of prospective renters shall be determined by the County or its designee. An intent to reside statement shall be required for potential renters of the affordable units. The maximum rental rate\ for the affordable units shall not exceed the maximum levels established by the Board of Supervisors, consistent with the provisions of the Housing Element. The agreement and covenant shall specify that the affordable units remain affordable for 25 years, unless preempted by state or federal programs.

Fiscal and Facilities Impacts:

The Housing and Community Development Department will expend funds for advertisements to market the affordable triplex units and to screen potential renters through the Income Certification process. Additional funds will need to be expended for ongoing monitoring of the affordable units in this project, and to enforce the Rental Restrictive Covenant (see Exhibit D in the Attachments for Rental Restrictive Covenant). Income Certification Application fees offset a portion of these expenses; the remainder is paid out from the General Fund. These costs and revenues for application screening and Income certification are included in the 2004-2005 Housing and Community Development budget. Pages D-243 through D-248.

Special Instructions:

- Clerk of the Board to forward the executed *Agreement to Provide Affordable Housing* and the associated exhibits A – F to the Affordable Housing Program Planner in Housing and Community Development at 105 E. Anapamu St, Suite 5 for recordation.
- Clerk of the Board shall send copies of the Minute Order and executed document to Susan Everett, Housing and Community Development Department at 105 E. Anapamu St, Suite 3.

Concurrence: County Counsel.

ATTACHMENTS:

- A. *Attachment A, Agreement to Provide and Rental Restrictive Covenant for Abrego Road Investment Triplexes*
Including:
- Exhibit A, Legal Description of Property*
 - Exhibit B, Affordable Housing Conditions for the Abrego Investment Triplexes*
 - Exhibit C, Address List of Affordable Housing Units*
 - Exhibit D, Rental Restrictive Covenant*
 - Exhibit E, Marketing Plan for the Abrego Investment Triplexes*
 - Exhibit F, Lottery Plan for the Abrego Investment Triplexes*

RECORDING REQUESTED BY AND RETURN TO

Clerk of the Board of Supervisors
County of Santa Barbara
105 E. Anapamu Street
Santa Barbara, CA 93101

SEND ANOTHER COPY TO:

Housing and Community Development
County of Santa Barbara
105 E. Anapamu Street, Suite 105
Santa Barbara, CA 93101

APN: 075-052-007

AGREEMENT TO PROVIDE AND RENTAL RESTRICTIVE COVENANT

(This Document Creates a Lien on Real Property)

ABREGO ROAD INVESTMENT TRIPLEXES

PROJECT NAME

Planning and Development Case Number:

01-DVP-00000-00032

This Rental Restrictive Covenant (hereinafter "Restrictive Covenant" or "Covenant") by and between Abrego Road Investment (hereinafter "Owner") and the County of Santa Barbara, a political subdivision of the State of California, (hereinafter "County") is entered into on the date set forth below.

This Covenant applies to the real property commonly known as Abrego Road Investment Triplexes, in Santa Barbara County, California, which is more fully described in Exhibit "A" attached hereto and incorporated by this reference (hereinafter "Subject Property").

RECITALS

WHEREAS, it is the intent of the Owner that this Subject Property be leased in accordance with certain affordability criteria established by the County so that a certain number of units in the Subject Property will remain "affordable" to tenants, consistent with the provisions of the Housing Element of the Comprehensive Plan of the County of Santa Barbara; and

WHEREAS, it is the intent of the parties that this Restrictive Covenant will place maximum rent restrictions on the certain units and maximum income restrictions on potential tenants of those units; and

WHEREAS, the purpose of this Restrictive Covenant is to assure that certain units within the Subject Property remains affordable and available for lease by Moderate Income households for the twenty-five (25) year term of this deed restriction.

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

I. TERMS AND ENFORCEABILITY

- A. Owner agrees to construct and thereafter to maintain 2 affordable units for rent according to the terms of this Covenant as required by the Condition of approval as stated in Exhibit "B" which is incorporated by reference herein.
- B. This Covenant shall bind and the benefit hereof shall inure to the Owner, his or her heirs, legal representatives, executors, successors in interest and assigns, and to the County, its successors, designees, or assigns until twenty-five (25) years from the date of occupancy clearance for the Subject Property.
- C. The Subject Property is held and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and occupied subject to the covenants, conditions, restrictions and limitations set forth herein. All of the herein stated covenants, conditions, restrictions and limitations are intended to constitute both equitable servitudes and covenants running with the land.
- D. Any purchaser, beneficiary, successor in interest or assignee of the Subject Property or of any portion of or interest in the Subject Property, no matter how that interest is acquired, shall, be deemed to have taken title with knowledge of this Covenant, and to have personally covenanted, consented to and accepted the covenants, conditions, restrictions and limitations set forth herein.
- E. Any lessee of the Subject Property shall be subject to the restrictions of this Covenant, by the execution of a rental agreement or lease or by taking possession of the Subject Property, whichever occurs first, and shall also be deemed to have knowledge of this Covenant, and to have personally covenanted, consented to, and accepted the covenants, conditions, restrictions, and limitations set forth herein.
- F. In order to preserve through this Covenant the affordability of the Subject Property for persons of Moderate income as defined by the Santa Barbara County Coastal Plan, the Initial Owner for itself and all successors in interest, assignees and beneficiaries hereby grants and assigns to the County the right to review and enforce compliance with this Covenant, and in furtherance of this right, grants to the County an Assignment of Rents, described under Section VII C of this Covenant.

- G. The term of this Restrictive Covenant shall be twenty-five (25) years from the date of occupancy clearance.

II. DEFINITIONS

- A. “Moderate-Income Household” means a household annual gross income does not exceed the maximum income levels permitted within the Moderate income category (targeted to 110% of area median income) established by the Santa Barbara County Coastal Plan.
- B. “Institutional Lender” means any bank, savings and loan association, HUD, Freddie Mac, Fannie Mae or any other lender, which is licensed to engage in the business of providing purchase money mortgage financing for residential real property or the United States Department of Housing and Urban Development.
- C. “Maximum Monthly Rent” means the maximum rents for a Rent Restricted Unit as established and periodically revised by the County Board of Supervisors as described in the Housing Element Implementation Guidelines of Santa Barbara County.
- D. “Owner” means Initial Owner of the Subject Property and any subsequent purchaser, devisee, grantee or holder of title of the Subject Property or any portion of the Subject Property.
- E. “Restricted Unit” means a Unit with restricted occupancy and rents pursuant to the Covenant and which has been designated as such by Owner or as provided for herein.
- F. “Tenant” means any tenant of a Unit in the Subject Project.
- G. “Unit” means a housing unit in the Subject Property.

III. OCCUPANCY AND RENT RESTRICTIONS

- A. A total of 2 Units in the Subject Property shall be designated as Restricted Units. The Restricted Units must be occupied by, or reserved for occupancy by, certified Moderate Income Households. The initial Restricted Units applicable income levels for each Restricted Unit are described in Exhibit "C", attached hereto and incorporated herein. After initial occupancy, location of the Restricted Units may change as set forth in Section III.D below. Owner agrees to provide a current list of all addresses for the Restricted Units containing the information set forth in the attached Exhibit "C" to the Santa Barbara County

Housing and Community Development department upon any change in addresses of Restricted Units.

- B. For a Moderate -Income Household occupying a Restricted Unit the total rent charged inclusive of all fees and charges including utilities cannot exceed the Maximum Monthly Rent.
- C. The income levels and other qualifications of applicants for and residents of Restricted Units shall be certified by the County or a duly authorized representative thereof as conforming to the income restrictions on that Restricted Unit prior to initial occupancy and re-certified yearly by Owner. Rectification may at County's option by subject to review and approval by the County's Housing and Community Development Department.
- D. In the event that re-certification of a household occupying a Restricted Unit indicates that the income of that household exceeds the maximum income for an Moderate Income Household as determined by the Board of Supervisors, then the Owner shall rent the next available Unit in the Subject Property ("Next Unit") to a qualifying Moderate Income Household at no more than the Maximum Monthly Rent as provided for herein. In such event, the Next Unit shall become a Restricted Unit under this Covenant. Once the Next Unit has been rented to a qualifying Household, the Unit occupied by household whose income exceeded the threshold shall no longer be considered a Restricted Unit under this Covenant and the Owner may increase the rent on that Unit.

IV. LEASING THE RESTRICTED UNITS

- A. Owner agrees that no Restricted Unit within the Subject Property shall be leased except in compliance with a marketing plan which has been approved by the Director of Housing and Community Development (hereinafter "Director"). This Marketing Plan, approved by the Director for the advertising or rental of this Subject Property, is attached hereto as Exhibit "D" and by reference made a part of this Covenant as though set forth in full herein. Changes to the Marketing Plan may only be made upon the written agreement of the Owner and Director.
- B. Before leasing any Restricted Unit, Owner shall submit its proposed lease form to the Housing and Community Development Department for its review and approval. The term of the lease shall be for no less than one year unless by mutual agreement between the tenant and the Owner.

- C. The lease may not contain any of the following provisions:
1. An agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the Owner in a lawsuit brought in connection with the lease;
 2. An agreement by the tenant that Owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the Unit after the tenant has moved out of the Unit. In such a case, Owner may dispose of this personal property in accordance with State law;
 3. An agreement by the tenant not to hold Owner or Owner's agent legally responsible for any action or failure to act, whether intentional or negligent;
 4. An agreement of the tenant that Owner may institute a lawsuit without notice to tenant;
 5. An agreement by the tenant to waive any right to a trial by jury;
 6. An agreement by the tenant to waive the tenant's right to appeal, or otherwise challenge in court, a court decision in connection with the lease; or
 7. An agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by Owner against the tenant. The tenant however may be obligated to pay costs if the tenant loses.
- D. Owner shall include in leases for all Restricted Units provisions which provide that the household is subject to annual re-certification of income and that the tenancy of the household shall be immediately terminated should one or more of the household's members misrepresent any material fact regarding the household's qualification as a qualifying Moderate Income Household or repeatedly refuse or fail to cooperate in the re-certification process.
- E. To terminate or refuse to renew tenancy, Owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.
- F. Prior to tenancy, applicants for Restricted Units must complete, execute and deliver to the Housing and Community Development Department or its designee an Application for Income Certification and eligibility statement. The County may request additional information to supplement the application as necessary.

- G. To be eligible to lease a Restricted Unit, tenants cannot own any improved residential real estate.
- H. Owner may only lease Restricted Units to tenants who have been income certified by the County.
- I. In addition to executing a lease for a Restricted Unit, the Owner shall require that each household leasing a Restricted Unit execute a declaration of intent to occupy which shall require the household to occupy the Restricted Unit as the household's primary residence. Failure of Owner to enforce this requirement shall constitute a material violation of this covenant.
- J. Owner hereby agrees to abide by the Tenant Selection Plan attached hereto and incorporated by this reference as Exhibit "E". Modifications of the Tenant Selection Plan can be made only upon the written approval of Owner and Director.
- K. The Owner shall not convert Restricted Units in the Subject Property to condominium or cooperative ownership or sell condominium or cooperative conversion rights in the Subject Property during the term of this Covenant.
- L. The Owner shall not discriminate or segregate in the use, enjoyment, occupancy, conveyance, lease, sublease or rental of the Restricted Units on the basis or race, color, ancestry, national origin, religion, sex, sexual preference, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or any other arbitrary basis.
- V. MANAGEMENT
 - A. The Owner is responsible for all management functions with respect to the Subject Property including without limitation the selection of tenants, certification and re-certification of household size and income, evictions, collection of rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items and security. Such management functions shall be performed by or on behalf of Owner by an experienced, professional management company or organization that must be approved by the County's Housing and Community Development Department. The County shall have no responsibility over management of the Subject Property. The Owner shall submit to the County for its approval its proposed property manager. The Owner may only remove and/or replace the property manager with the prior written consent of the County.
 - B. Owner shall submit its written management policies with respect to the Subject Property to the County's Housing and Community Development Department for its review, and shall amend such policies in any way necessary to insure that such policies comply with the provisions of this Covenant.

- C. Owner shall maintain records that clearly document the Owner's performance of its obligations to operate the Subject Property under the terms of this Covenant. The Owner shall submit any records to the County's Housing and Community Development Department within ten (10) business days of the County's request. The Owner shall permit the County or its designee to enter and inspect the Subject Property for compliance with obligations under this Agreement upon twenty-four (24) hours advance notice of such visit by the County to Owner or Owner's management agent and to tenants of any Units.
- D. Owner shall submit to the County Housing and Community Development Department (i) not later than March 1st of each year, a report for the preceding period of January 1st through December 31st, showing the necessary information to allow the County to determine the Owner's compliance with the Covenant, and (ii) within thirty (30) days after receipt of a written request, any other information or completed forms requested by the County in order to comply with reporting requirements of the County.

VI. TRANSFER OF RESTRICTED PROPERTY

Prior to any transfer of the Subject Property the Owner shall notify the Housing and Community Development Department of the intended transfer. Failure to give such notice shall not affect the running or enforcement of this Restrictive Covenant.

VII. ENFORCEMENT

- A. Upon any violation of the provisions of this Covenant or if false or misleading statements are made in any documents or certification submitted to the County or its agent, the County may apply to a court of competent jurisdiction for specific performance of the Covenant, for an injunction prohibiting a proposed letting, sale, or transfer in violation of this Covenant, or for any such other relief as may be appropriate.
- B. Owner and Tenant understand that County's objective in requiring this deed restriction is to ensure that the Restricted Units remain affordable to eligible Moderate-income households for a period of twenty five (25) years and that should Owner sell or lease or Tenant occupy, the Subject Property in violation of the requirements set forth herein the public interest would be prejudiced and the County would thereby be damaged. The parties agree that it is impracticable and extremely difficult to fix the extent of actual damages to County from such a breach. However, the parties have made reasonable efforts to establish fairly the amount of compensation for certain types of breach described below and agree that a fair and reasonable amount owing to the County for such types of breach by the Tenant, or Owner as liquidated damages would be as follows:

1. **If a Restricted Unit in the Subject Property is rented or leased for an amount in excess of the Maximum Monthly Rent permitted under this Restrictive Covenant, Owner/Lessor shall be liable to the County for damages in an amount equal to twice the difference between the actual monthly rent and the allowable maximum affordable monthly rent as set forth in Section IIIB of this Covenant multiplied by the number of months that the Restricted Unit has been leased in violation of the Covenant.**

2. **If a Restricted Unit is rented or leased to a tenant whose household income has not been certified by the County, the required income certification set forth in Section II shall be completed within thirty (30) days of notification of non-compliance. If the tenant household's income does not qualify for letting of the Restricted Unit as required by this Restrictive Covenant, then subject to Section III.D herein Owner shall be assessed liquidated damages in the amount of three times the difference between the tenant's gross monthly household income and one twelfth of the County's maximum household income level allowable to rent or lease the Restricted Unit in effect at the time the Restricted is rented or leased multiplied by the number of months that the Restricted Unit has been so leased.**

Owner hereby agrees to the above-liquidated damages provisions
_____ **(Owner's signatures)**

3. These remedies shall be cumulative to all other rights and remedies the County may have.
- C. In addition to any other remedies the County may have, the Owner hereby grants, transfers and assigns to the County the right to receive the rents due or collected during the entire period the Subject Property is rented in violation of this Covenant, except where such rights are exercised by an institutional lender which is the maker of a loan secured by a deed of trust recorded in first priority as described in Section VIII. The Owner also assigns to the County the right to collect and/or compromise such rents, in whole or in part, and/or to enforce the payment of all or any part thereof as the County may deem proper.
- D. The running of the term of this covenant shall be tolled during any period in which the Owner s found to be in violation of this Covenant.
- E. The remedies stated herein shall not be exclusive, but shall be cumulative to all other remedies and rights the parties may lawfully exercise.

- F. In the event that any legal or administrative action is commenced to interpret or to enforce the terms of this Covenant, the prevailing party in any such action shall be entitled to recover all reasonable attorney's fees and costs incurred in such action.
- G. A violation of this Covenant constitutes a violation of the conditions of approval placed upon the Subject Property by the County and in addition to the remedies provided for herein it may be enforced as a violation of the conditions of approval.

VIII. FORECLOSURE OR BEQUEST

- A. The County agrees that the terms and conditions of the restrictive covenant are and shall be subordinate to the liens, rights, duties and obligations created by a deed of trust of an Institutional Lender recorded in first position.
- B. The provisions of this Covenant shall not impair the rights of an Institutional Lender, which is the maker of a loan secured by a deed of trust recorded in first priority (i.e. which is senior to all other deeds of trust recorded against the Subject Property), or such lender's assignee or successor in interest, to:
 - 1. Foreclose or take title to the Subject Property pursuant to the remedies in the deed of trust; or
 - 2. Accept a deed or assignment in lieu of foreclosure in the event of default by a trustor; or
 - 3. Sell or lease the Subject property to any person at any price, subsequent to exercising its rights under the deed of trust.
- C. In the event of a transfer of the Subject Property by operation of law such as by devise, bequest, foreclosure on any financing (except financing by an Institutional Lender which is exempt under this Section VIII above), the transferee or the estate of the decedent shall be bound by the provisions of this Covenant.
- D. Owner covenants to cause to be filed for record in the office of the County Recorder of Santa Barbara County a request for any copy of any notice of default and any notice of sale under any deed of trust or mortgage with power of sale encumbering the Subject Property, pursuant to Section 2924 (b) of the Civil Code of the State of California. The request shall specify that any notice shall be mailed to the Santa Barbara County Treasurer-Tax Collector, Affordable Housing Division, P.O. Box 2219, Santa Barbara, California 93102-2219 and Housing and Community Development Department, 105 East Anapamu St., Suite 5, Santa Barbara, California 93101-2065.

- E. In the event the Owner of the Subject Property reacquires the Subject Property at any time subsequent to a foreclosure, a deed in lieu of foreclosure or a trustee's sale of that Owner's interest in the Subject Property, the doctrine of after-acquired title shall apply, and the property shall be subject to all of the terms, conditions, restrictions and limitations of this Covenant.
- F. The running of the term of this Covenant shall be tolled during any period in which the Owner is out of compliance with the requirements contained in the Covenant.

IX. ADDITIONAL PROVISIONS

- A. The County may assign its rights and delegate its duties thereunder without the consent of Owner. Upon such assignment the County shall notify the Owner.
- B. The Owner and County covenant that they have not and will not execute any other agreement or covenant with provisions contradictory to or in opposition to the provisions hereof and that in any event this Covenant is controlling as to the rights and obligations between the Owner, the County, and their respective successors.
- C. If any one or more of the provisions contained in this Covenant shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Covenant and this Covenant be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- D. The terms of this Covenant shall be interpreted under the laws of the State of California.
- E. The terms of this Covenant shall be interpreted in a manner that is consistent with the County Housing Element and Housing Element Implementation Guidelines.
- F. All notices required herein shall be sent by certified mail, return receipt requested, to the addresses listed below.

To the County at:

Housing and Community Development
105 East Anapamu St., Suite 105
Santa Barbara, CA 93101-2065

Planning & Development Department
Comprehensive Planning Division
123 East Anapamu St.
Santa Barbara, CA 93101-2058

To the Owner at:

Yvonne Chen
Aberego Road Investment
122 East Arrellaga St.
Santa Barbara, CA 93101

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

- G. This Covenant may be enforced by the Redevelopment Agency of the County of Santa Barbara.
- H. There are no third party beneficiaries under this Covenant.
- I. A waiver by County of any obligation in this Covenant must be in writing. No waiver will be implied from any delay or failure by County to take action on any breach or default of Owner or to pursue any remedy allowed under the Covenant or applicable law. Any extension of time granted to County to perform any obligation under the Covenant shall not operate as a waiver or release from any of its obligations under the Covenant. Consent by County to any act or omission by Owner shall not be construed to be a consent to any other or subsequent act or omission or to waive the requirement for County's written consent to future waivers.

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

COUNTY OF SANTA BARBARA

Dated: _____

By _____
BOARD OF SUPERVISORS

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

By: _____

Dated: _____

By: _____
Director
Housing and Community Development
Department

Dated: _____

By _____
OWNER

By _____
OWNER
(Signature must be notarized)

APPROVED AS TO FORM:

STEPHEN SHANE STARK
COUNTY COUNSEL

By _____
Deputy County Counsel

EXHIBIT A

Legal Description of Property

EXHIBIT B

AFFORDABLE HOUSING CONDITION(S) FOR

Abrego Road Investment Triplexes

01DPV-00000-00032

(Name of Project and Number)

25 percent of the nine project units shall be provided to qualified households at an affordability target of low or moderate income, depending on number of bedrooms in the units, consistent with the requirements of Policy 5-10 of the Santa Barbara County Coastal Plan. The maximum income level for each unit shall be established prior to land use clearance. **Plan Requirements and Timing:** Prior to land use clearance, the applicant shall enter into and record an Agreement to Provide Affordable Housing and a Rental Restrictive Covenant and Preemptive Right with the County of Santa Barbara, agreeing to provide two affordable unit at rental prices affordable to low or moderate income households, as required by the Local Coastal Plan for the Isla Vista area. The Agreement and Covenant shall be based upon the County's model agreement and covenant. Both shall be subject to review and approval by Planning & Development, Housing and Community Development and County Counsel. These documents shall specify affordability consistent with the terms described above and shall include provisions describing marketing and lottery requirements and Developer's Tenant Selection Criteria for the initial rental of units. Income eligibility of prospective renters shall be determined by the County or its designee. An intent to reside statement shall be required for potential renters of the affordable units. The maximum rental rate\ for the affordable units shall not exceed the maximum levels established by the Board of Supervisors, consistent with the provisions of the Housing Element. The agreement and covenant shall specify that the affordable units remain affordable for 25 years, unless preempted by state or federal programs.

EXHIBIT D

MARKETING PLAN FOR

Abrego Road Investment Triplexes

01DPV-00000-00032

(Project Name and Number)

- A. After the Rental Restrictive Covenant has been recorded for the project, Housing and Community Development will make the project publicly available on the Affordable Housing list for moderate income applicants by including the project's name, location, number of affordable units and Developer's or his/her representative's phone number.
- B. Developer will advertise the project. The Rental Restrictive Covenant binds the Developer to this Marketing Plan. If the Developer determines that changes may be necessary after the Agreement has been recorded, Developer must contact Housing and Community Development and Treasurer regarding these changes and must receive approval of the revised Marketing Plan from the Director of Housing and Community Development.
- C. Project advertising shall conform to the requirements of the Fair Housing Act. The target group will be in the moderate Income category. All advertising should include "Equal Housing Opportunity" and Office Accessible" slogans advertisements for the project shall state that a lottery will be conducted if the number of interested persons exceeds the number of units available. The name and telephone number of the person to contact to participate in the Tenant Selection/ Lottery and to obtain additional information regarding income requirements and resale restrictions shall clearly state the deadline for inclusion in the Tenant Selection/Lottery.
- D. Standard advertising procedures in are to run an ad in the Santa Barbara New Press.
- E. All personnel involved in marketing Tenant Selection/Lottery or application processing will:
 - 1. Be available to explain the housing program.
 - 2. Explain how different requirements work to benefit the potential tenant and the success of the project,
 - 3. Be familiar with the Affirmative Fair Housing Marketing Plan for the project and Title VIII of the Civil Rights Act of 1968, the Department of Housing and Urban Development's advertising guidelines for Fair Housing and Executive Order 11063.

EXHIBIT E

TENANT SELECTION LOTTERY PLAN FOR

Abrego Road Investment Triplexes
01DPV-00000-00032
(Project Name and Number)

- A. Developer shall submit to Housing and Community Development staff in Santa Barbara, a copy of proposed lease, which provides details on terms, security deposit, other deposits such as last month payment, and any other tenant requirements for lease up (e.g. no smoking), as requested. Developer shall also submit advertising plan and specific language of all promotional materials. These must be reviewed and approved by Housing and Community Development prior to advertisement of the available units.
- B. Upon approval of all materials and document in A. above by Housing and Community Development, Developer shall begin to take names for the Tenant Selection/Lottery upon publication of an advertisement consistent with the terms of the Marketing Plan in a newspaper of general circulation in the Housing Market Area. Developer shall maintain a numbered list of names of applicants who are interested in leasing and affordable unit and wish to participate in the lottery. Developer shall collect the following information from applicants:
1. Name
 2. Address
 3. Daytime and Nighttime phone numbers
 4. Date the form was submitted
- C. Developer shall provide applicants with a dated receipt indication that their name has been taken by the Developer, and that they are included in the Tenant Selection/Lottery. This receipt shall correspond to the number of the applicant on the Tenant Selection/Lottery.
- D. At the time an applicant requests inclusion on the on the Tenant Selection/Lottery list, Developer or the Developer's representative shall provide and informational packet describing income qualifications, the Tenant Selection/Lottery process and expected timing, County Income Certification guidelines, source of financing, type of rentals available, equipment and services provided and rental restrictions. This informational packet shall be developed in conjunction with Housing and Community Development.
- E. During the Tenant Selection/Lottery timeframe and after occupancy, identify when and where professional staff will be available to answer question, along with local phone numbers.
- F. Developer shall continue to accept names for the Tenant Selection/Lottery for a minimum of 15 days or until the number of applicants is at least three time the number of units available, but no longer

than 30 days. If during this period Developer does not secure the names of at least two times the number of units available, Developer shall consult with Housing and community Development staff, and obtain written modification of the remainder of this plan, as determined appropriate by Housing and Community Development staff.

- G. After the Tenant Selection/Lottery list is closed the Developer shall submit it to Housing and Community Development. The list shall be submitted in two forms: 1) a hardcopy listing of all applicants, and 2) on an Excel spreadsheet format. The list will be posted for five business days in either the County Administration Building at 105 E. Anapamu St. Suite 5, Santa Barbara. If, during this period, an applicant has received a receipt for the initial list, but is not on the posted list, he or she may add their name upon presentation of the receipt to Housing and Community Development staff in the Santa Barbara office.

- H. After the five-day review period, Housing and Community Development shall conduct the Tenant Selection/Lottery by randomly computer ranking the names on the final list. This list will be made available in ranked order to the Developer. The Developer is responsible for contacting by U.S. mail all applicants to relay lottery results. The developer shall contact the highest ranked applicants, consisting of the same number as units available for income certification. Developer shall submit all materials required for income certification to Housing and Community Development, or designee.