

**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: September 9, 2005
Department Name: Housing and Community
Development Dept.
Department No.: 055
Agenda Date: September 20, 2005
Placement: Administrative
Estimate Time: n/a
Continued Item: NO
If Yes, date from:
Document File Name: G:\\HCD\\HOUSINGIMPLEMENTATION\\Hs
GCOMDEVDEPT\\PROJECTS\\VILLAS AT
CALLE REAL \\BOS\
BOARD.LETTER.AGREE.DOC

TO: Board of Supervisors

FROM: Housing and Community Development
Ed Moses, Director

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

SUBJECT: *Agreement to Provide Affordable Housing and Resale Restrictive Covenant for the Villas Condominiums and Affordable Housing (02-DVP-00000-00037, 02TRM-00000-0000(& 03RDN-00000-00003], Unincorporated Goleta area, Second Supervisorial District, Assessor Parcel Number(s) 067-210-039.*

Recommendations:

That the Board of Supervisors:

- A. Approve, execute and direct the recordation of the attached *Agreement to Provide Affordable Housing* (Attachment A) for the Villas Condominiums and Affordable Housing 16-unit condominium mixed market rate/affordable housing project in the unincorporated Goleta area. The project site is a 1.47-acre (gross and net) infill lot located approximately 900 feet west of the intersection of Turnpike and Calle Real at 4986 Calle Real, between the Pebble Hill Homes development and Extended Stay America in the unincorporated area of Goleta in the 2nd 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 primarily aligned with Goal No. 4. A Community that is Economically Vital and Sustainable.

Executive Summary and Discussion:

The Planning commission approved the Villas Condominiums and Affordable Housing on January 28, 2004. The approved project provides for construction of a sixteen unit residential development, of which ten would be for-sale,

detached, market rate units and six would be for-sale, attached affordable units (see Exhibit C, Address List of Affordable Housing Units). The Planning Commission Action letter dated February 2, 2004 required that the affordability levels would be secure for a 30-year period in compliance with the resale provisions of the Housing Element of the Comprehensive Plan. However, the developer, Calle Real LLC, recently agreed to restrict the six units through the County's Resale Restrictive Covenant for thirty years with an additional 30-year compliance term which shall restart with each subsequent sale of an affordable unit, for a maximum period of 60 years. Affordability is based on a formula, which includes Area Median Income (AMI) of Santa Barbara County. Of the six affordable units, two would be three-bedroom and would be offered in the upper-moderate income (100-120%AMI), two would be two-bedroom and would be offered in the lower-moderate income (80-100%AMI), and two would be one-bedroom offered in the low income (50-80%AMI). The affordable units would be located in two buildings, each building consisting of three units: one three-bedroom unit, one two-bedroom unit, and one one-bedroom unit.

The *Agreement to Provide Affordable Housing*, the *Resale Restrictive Covenant*, and the *Deed of Trust with Assignment of Rents*, which is attached thereto as Exhibit D, assure the provision of the required affordable units.

Mandates and Service Levels:

State Planning Law mandates that local jurisdictions prepare Housing Elements containing policies and programs to ensure local provision of affordable housing. One of these programs is a Density Bonus project, which is mandated by State law (Government Code Section 65915). The County's Density Bonus Program is a mechanism to provide incentives and at least a 25% increase in density beyond a site's land use designation and zoning. The plan for Villas Condominiums before the Planning Commission on January 28, 2004 was approved with a requested modification to reduce the open space requirement from 40% to 30% for projects under the Density Bonus Program for affordable housing. The Agreement together with the attached exhibits implements this January 2004 condition.

The execution and recordation of this Agreement to Provide Affordable Housing will satisfy the basic requirement of the housing conditions which state, *Prior to land use clearance, the applicant shall enter into and record an Agreement to Provide Affordable Housing and shall record a Resale Restrictive Covenant and Preemptive Right, and Deed of Trust based upon the County's model agreement and restrictive covenant. Both shall be subject to review and approval by Housing and Community Development Department and County Counsel. These documents shall specify affordability consistent with the terms described above and shall include provisions describing marketing and lottery requirements for the initial sale of units. Income eligibility of prospective purchasers shall be determined by the County or its designee. An intent to reside statement shall be required for potential owners of the affordable units. The maximum sales price 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 shall remain affordable for a period of 30 years unless preempted by state or federal programs and shall be sold to qualified households at prices as established by the Board of Supervisors.*

*Construction of the affordable units shall be concurrent with the construction of the market rate units. Occupancy clearance for no more than 50% of the market rate units shall be allowed prior to occupancy clearance for all of the affordable units. **Plan Requirements and Timing:** Prior to land use clearance, this requirement shall be included in the "Agreement to Provide Affordable Housing" and shall be printed on all grading and building plans.*

The applicant has opted to commit to sales of the six affordable units in the development. The affordability targets for Low, Lower Moderate and Upper Moderate households are characterized by incomes of 50-80% of area median family income of Santa Barbara County, above 80-100% of area median family income of Santa Barbara County and above 100-120% of area median family income for Santa Barbara County, respectively. Two dwelling units shall be provided at sales prices affordable to low income households, two units shall be provided at sales prices affordable to lower-moderate income households, and two units shall be provided at sales prices affordable to upper-moderate income households as defined by the County's Housing Element and the Housing Element Implementation Guidelines

Fiscal and Facilities Impacts:

The Housing and Community Development Department will expend funds for advertisements to market the affordable condominiums and to screen potential buyers through the Income Certification process. Funds will need to be expended for ongoing monitoring of the affordable homes in this project, and to enforce the Resale Restrictive Covenant (see Exhibit D in the Attachments for Resale Restrictive Covenant and Deed of Trust). 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 2005-2006 Housing and Community Development budget Pages D-247 through D-261.

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 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 5.

Concurrence: County Counsel.

ATTACHMENTS:

- A. *Attachment A, Agreement to Provide Affordable Housing at the Villas Condominiums*
Including:
Exhibit A, Legal Description of Property
Exhibit B, Affordable Housing Conditions for the Villas at Calle Real Condominiums
Exhibit C, Address List of Affordable Housing Units
Exhibit D, Resale Restrictive Covenant and Deed of Trust with Assignment of Rents
Exhibit E, Marketing Plan for the Villas Condominiums Affordable Homes
Exhibit F, Lottery Plan for the Villas Condominiums Affordable Homes

ATTACHMENT A

AGREEMENT TO PROVIDE AFFORDABLE HOUSING

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 Department
County of Santa Barbara
105 East Anapamu Street, Room 105
Santa Barbara, CA 93101-2062

Attn: Affordable Housing Program Planner

A.P.N : 067-210-039

AGREEMENT TO PROVIDE AFFORDABLE HOUSING

Villas at Calle Real

(Project Name)

02DVP-00000-00037, 02TRM-00000-00009 & 03RDN-00000-00003

(Project Case Number)

This AGREEMENT between the County of Santa Barbara (hereinafter "County") and Calle Real Partners II LLC (hereinafter "Developer") is made and entered into on the date set forth below.

Developer proposes to develop a residential development consisting of 16 units as described in 02DVP-00000-00037, 02TRM-00000-00009 & 03RDN-00000-00003. Said development is further identified as Assessor Parcel Number(s) 067-210-039 and is to be called Villas at Calle Real (the "Subject Property") and is more fully described in Exhibit "A" attached hereto and made a part hereof for all purposes.

RECITALS

WHEREAS, the County has determined that the granting of approval for 02DVP-00000-00037, 02TRM-00000-00009 & 03RDN-00000-00003 requires as a condition of approval that Developer provide affordable housing;

WHEREAS, Developer has received incentives, including increased density in return for providing affordable housing units;

WHEREAS, Developer desires to comply with the conditions of approval by constructing, marketing and selling the Subject Property, and all portions thereof, in compliance with the County's Housing Element of the Comprehensive Plan and Housing Element Implementation Guidelines;

WHEREAS, the purpose of this agreement is to assure that the developer complies with the County requirements for provision of affordable housing;

NOW, THEREFORE the parties hereto agree as follows:

1. Developer agrees to construct 6 affordable units for sale ("Restricted Units") pursuant to the conditions stated in Exhibit "B" which are incorporated by reference herein. The Restricted Units shall be constructed on the real property described in Exhibit "A". ***Affordable units will be constructed concurrent with market units.***
2. The Restricted Units and applicable income levels for each Restricted Unit to be constructed by Developer are described in Exhibit "C", attached hereto and incorporated herein. Developer agrees to provide a 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 prior to commencement of the income certification process for any project units. The County or its designee will not be able to process any income certification applications without the address list, as applicants must be matched with the Restricted Units.
3. Developer understands that the purpose and objective of this Agreement is to obtain and provide housing affordable to income eligible families. To achieve this end, Developer agrees to have executed and recorded the County's Resale Restrictive Covenant and Preemptive Right ("Restrictive Covenant) attached hereto as Exhibit "D" and incorporated by this reference, on the

title of each Restricted Unit within the Subject Property at the time of the first sale of the Restricted Unit to a qualified buyer. The Restrictive Covenant places maximum sales price on the Restricted Units and maximum income restrictions on potential buyers of Restricted Units. By executing this Agreement Developer agrees that all successor in interest assignees and beneficiaries of Restricted Units shall be bound by the terms of the Restrictive Covenant (even if they do not execute such covenant). Developer also agrees that it shall not sell Restricted Units except as allowed for in the Restrictive Covenant and that all purchasers must meet the County's Income Certification Guidelines.

4. Developer agrees to sell the Subject Property in compliance with the Restrictive Covenant. Developer shall comply with the procedures for the sale of a Restricted Unit, as described in the Restrictive Covenant, including, but not limited to sale of the Restricted Unit for a price within the maximum sales price as established by the Santa Barbara County Board of Supervisors or as dictated by other State or Federal programs and approved by the County. Failure to comply with these requirements shall render the developer subject to the enforcement and liquidated damages provisions set forth in the Restrictive Covenant.

5. Developer agrees that no Restricted Unit within the Subject Property shall be separately sold, offered for sale, or financed 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, sale of the Restricted Units, is attached hereto as Exhibit "E" and by reference made a part of this Agreement as though set forth in full herein. Developer agrees to abide by the Lottery Plan attached hereto as Exhibit "F".

6. Developer is obligated to use best efforts to sell the Restricted Units to persons within the corresponding income category. Developer understands and agrees that household of and over a certain size may be given a preference for certain Restricted Units depending on bedroom size pursuant to County Policy. Should any of the Restricted Units not be sold, or not be in escrow as evidenced by an earnest money deposit by an eligible income purchaser within one year from

the date of the Building and Safety Division's issuance of a Certificate of Occupancy for that unit, Developer may request a modification of final conditions of approval and/or changes to the terms of this Agreement. Any modification or amendment of this Agreement shall be made in writing and shall be consistent with the intent of the original conditions of approval to provide affordable housing and could include increasing the household income level, temporary rental of for sale units at or below the maximum rent for the identified income category, or some other remedy acceptable to the County.

7. Developer agrees that County is not obligated to grant a modification of condition(s) specified in paragraph 6 above. Any request for modification of condition(s) must be accompanied by proof of diligent efforts on the part of Developer to sell or rent, if applicable, the Restricted Units to eligible households. Diligent efforts include, but are not limited to, continuous advertisement of the Restricted Units for one year in a major newspaper of county-wide circulation.

8. The Developer and County shall comply with all applicable Federal, State and County laws and regulations governing conflict of interest.

9. Developer agrees that should County be required to enforce any provision of this Agreement through legal proceedings, Developer will, in addition to any other amount owing County, pay County all reasonable legal costs including attorneys' fees.

10. This Agreement shall be recorded by County immediately following its execution. This agreement is for the benefit of the real property described on the attached Exhibit "A" and shall inure to and benefit the owners thereof and the County of Santa Barbara. The burdens and benefits of this Agreement shall be both a covenant running with the land and equitable servitudes, binding the Developer, and the heirs, representatives, successors in interest and assigns of the Developer.

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

COUNTY OF SANTA BARBARA

DATED: _____

BY: _____
Chair Board of Supervisors

ATTEST:
MICHAEL F. BROWN
CLERK OF THE BOARD

BY: _____

BY: _____
Housing and Community Development
[Name of Developer - need 2 signatures]

DATED: _____

BY: _____
DEVELOPER

DATED: _____

BY: _____
DEVELOPER

(SIGNATURE(S) MUST BE NOTARIZED)

APPROVED AS TO FORM:
STEPHEN SHANE STARK
COUNTY COUNSEL

BY: _____
Deputy County Counsel

EXHIBIT A

LEGAL DESCRIPTION

That portion of the San Marcos Knoll Subdivision, in the County of Santa Barbara, State of California, as shown on a map recorded in Book 9, Pages 78 and 79 of Maps and Surveys, in the office of the County Recorder of said County, more particularly described as follows:

Beginning at the Northeast corner of the real property conveyed in the grant deed to Dolly D. Owens, Trustee, recorded November 9, 1990 as Instrument No. 90-073116 of Official Records, in the office of the County Recorder of said County;

thence South 1°00'00" West, along the Easterly line of said Owens Property, 295.35 feet to the Northerly line of the tract of land granted to the State of California in Book 1599, Page 438 of Official Records of said County;

thence South 86°27'04" West, along said Northerly line 36.23 feet to an angle point;

thence South 74°41'19" West, along said Northerly line, 150.75 feet to and angle point;

thence South 79°56'28" West, along said Northerly line, 24.72 feet to the Easterly line of the tract of land described in the grant deed to Robert F. Clark, et ux., recorded April 18, 1951 in Book 985, Page 179 of Official Records in the Office of the County Recorder of said County;

thence North 1°00'00" East, along said Easterly line projected 332.34 feet to the Northerly line of said Owens property;

thence North 87°23'00" East, along said Northerly line, 205.47 feet to the point of beginning.

EXHIBIT B

**AFFORDABLE HOUSING CONDITION(S)
FOR**

Villas at Calle Real

02DVP-00000-00037, 02TRM-00000-00009 & 03RDN-00000-00003

1. The project is a 16-unit condominium mixed market rate/affordable housing project in the unincorporated Goleta area. The proposed final development plan includes 16 condominium units, of which ten would be for-sale, detached, market rate units and six would be for-sale, attached affordable units as defined by the County’s Housing Element and Housing Element Implementation Guidelines.

Number of Units	Affordability Target	Income Level (% Median Income)
2	Low	50-80%
2	Lower-Moderate	100-120%
2	Upper-Moderate	120-150%

Prior to land use clearance, the applicant shall enter into and record an Agreement to Provide Affordable Housing and shall record a Resale Restrictive Covenant and Preemptive Right, based upon the County's model agreement and restrictive covenant. Both shall be subject to review and approval by Planning & Development, Housing and Community Development Department and County Counsel. These documents shall specify affordability consistent with the terms described above and shall include provisions describing marketing and lottery requirements for the initial sale of units. Income eligibility of prospective purchasers shall be determined by the County or its designee. An intent to reside statement shall be required for potential owners of the affordable units. The maximum sales price 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 shall remain affordable for a period of 30 years unless preempted by state or federal programs and shall be sold to qualified households at prices as established by the Board of Supervisors. The 30-year compliance term shall re-start with each subsequent sale of an affordable unit, for a maximum period of 60 years

2. Construction of the affordable units shall be concurrent with the construction of the market rate units. Occupancy clearance for no more than 50% of the market rate units shall be allowed prior to occupancy clearance for all of the affordable units. **Plan Requirements and Timing:** Prior to land use clearance, this requirement shall be included in the “Agreement to Provide Affordable Housing” and shall be printed on all grading and building plans.

EXHIBIT C

**ADDRESS LIST OF AFFORDABLE HOUSING UNITS
FOR**

Villas at Calle Real

02DVP-00000-00037, 02TRM-00000-00009 & 03RDN-00000-00003

TOTAL NUMBER OF UNITS IN THE PROJECT:	<u>16</u>
TOTAL NUMBER OF AFFORDABLE UNITS IN THE PROJECT:	<u>6</u>
NUMBER OF AFFORDABLE UNITS FOR VERY LOW INCOME HOUSEHOLDS:	<u>0</u>
NUMBER OF AFFORDABLE UNITS FOR LOW INCOME HOUSEHOLDS:	<u>2</u>
NUMBER OF AFFORDABLE UNITS FOR LOWER-MODERATE INCOME HOUSEHOLDS:	<u>2</u>
NUMBER OF AFFORDABLE UNITS FOR UPPER-MODERATE INCOME HOUSEHOLDS:	<u>2</u>

<u>Address</u>	<u>Lot & Unit #</u>	<u>Bedrooms</u>	<u>Income Level</u>
1) <u>130 Via Lee</u>	<u> </u>	<u>2</u>	<u>LM</u>
2) <u>140 Via Lee</u>	<u> </u>	<u>3</u>	<u>UM</u>
3) <u>150 Via Lee</u>	<u> </u>	<u>1</u>	<u>L</u>
4) <u>155 Via Lee</u>	<u> </u>	<u>1</u>	<u>L</u>
5) <u>145 Via Lee</u>	<u> </u>	<u>3</u>	<u>UM</u>
6) <u>135 Via Lee</u>	<u> </u>	<u>2</u>	<u>LM</u>

EXHIBIT D
(COVENANT)

EXHIBIT E

MARKETING PLAN

FOR

Villas at Calle Real

02DVP-00000-00037, 02TRM-00000-00009 & 03RDN-00000-00003

The Agreement to Provide Affordable Housing (AGREEMENT) binds the representatives of Calle Real Partners II LLC (hereinafter "DEVELOPER") to this Marketing Plan. If DEVELOPER determines that changes may be necessary after the Agreement has been recorded, DEVELOPER must contact Santa Barbara County Housing and Community Development Department (hereinafter "HCD") regarding these changes and must receive approval of the revised Marketing Plan from the Director of HCD or his/her designee.

- A. After the AGREEMENT has been recorded for the project, HCD will make the project publicly available on the Affordable Housing notification list by including the project's name, location, number of affordable units and the DEVELOPER'S or his/her representative's phone number.
- B. An advertisement shall be prepared by HCD in conjunction with DEVELOPER who will pay for the advertisement of the project in, at least, one newspaper of general circulation and, at least, one Spanish-language newspaper that circulates in the area of this project. Each newspaper must include the official "Equal Housing Opportunity" logo.
- C. Project advertising shall conform to the requirements of the Fair Housing Act. Advertisements for the project shall state that a lottery will be conducted for each Income category if the number of interested persons exceeds the number of units available in a particular Income category. The advertisement will contain the name and phone number of the person to contact to obtain additional information about the project. The advertisement will also contain information on Santa Barbara County's requirements for eligibility, which include but are not limited to: 1) the applicant must have the legal right to reside in the country, 2) the applicant must not have owned real estate in the past three years, 3) the applicant must live and/or work in Santa Barbara County, 4) household size will be matched to number of bedrooms, 5) applicant will be subject to income requirements, and resale restrictions, 6) the applicant must agree to reside in the property. The advertisement shall clearly state the deadline for inclusion in the lottery.

DEVELOPER'S specific marketing plan shall be comprised of the following components:

- 1. DEVELOPER shall approve and pay for at least one advertisement in the real estate section of the Santa Barbara News Press and one Spanish language newspaper, which circulates in the area of this project at least one time per week for six weeks, unless HCD approves less frequent advertising. At a minimum, the

advertisement shall be placed in the Sunday Real estate section. The advertisements shall be coordinated with the time period that the marketing period is open.

2. HCD shall provide a notice of availability of the units to the potential applicants on HCD's notification list, community groups, the County Housing Authority and housing advocacy groups. The notice shall be provided concurrent with commencement of advertisement described above.
3. During the time period that the affordable homes are being marketed, DEVELOPER will have a phone number identified at which inquiries concerning the affordable housing units can be made. A phone-recording device will be included on the phone when it is not being directly answered.
4. During the time period that the affordable homes are being marketed, buyer information packets will be available at the County offices and DEVELOPER's sales office at 109 South La Cumbre Lane Santa Barbara, CA. The Buyer Information Packet shall identify the level of affordability for the units, qualifying income levels, first-time homebuyers guidelines, County live/work requirement, County household size occupancy guidelines, an explanation of Santa Barbara County Income Certification guidelines, resale restrictions, floor plans, a site plan indicating the location of available units, information regarding the Homeowner's Association fees, and other information concerning time of sale, time within which each person must be qualified as a purchaser, etc. This packet shall be prepared by HCD in conjunction with DEVELOPER and shall be subject to review and approval by HCD and DEVELOPER prior to commencement of project advertising.
5. During the time that the marketing period is open. Prospective affordable housing purchasers will be able to visit DEVELOPER's office at 109 South La Cumbre Lane Santa Barbara, CA in order to learn more about the project during scheduled hours approved by HCD.
6. DEVELOPER will create a list of prospective affordable housing purchasers to be given to HCD for the purpose of implementing the Lottery and Post Lottery Considerations identified in Exhibit F.
7. The affordable units will be marketed to applicants identified and qualified to County requirements pursuant to this plan.

Representative of Developer

Director
Santa Barbara County
Housing and Community Development

EXHIBIT F

LOTTERY PLAN

FOR

Villas at Calle Real

02DVP-00000-00037, 02TRM-00000-00009 & 03RDN-00000-00003

To be eligible to purchase homes developed under Santa Barbara County's Affordable Housing Program, Santa Barbara County requires applicants who have completed an Income Certification application to participate in a lottery, be certified as income eligible by Santa Barbara County, be residents of or employed in Santa Barbara County, not have owned other real estate within the past three years, and meet the County's household size occupancy standards. The Lottery Plan and Post Lottery Considerations are as follows:

- A. Representatives of Calle Real Partners II LLC (hereinafter DEVELOPER) and Santa Barbara County Housing and Community Development Department (hereinafter HCD) will be consistent with Fair Housing Laws, the DEVELOPER shall not restrict applicants on the basis of race, color, religion, national origin, gender, age, familial status, or handicap.
- B. DEVELOPER shall provide a dated receipt to applicants who return completed Income Certification applications including a mortgage loan pre-qualification letter for the purchase of an affordable unit and a cashier's check or money order payable to the County of Santa Barbara for the application screening fee to the sales office before the marketing deadline. The receipt shall correspond to the number of the applicant on the lottery list. DEVELOPER shall not be held liable for any judgment errors occurring while DEVELOPER or DEVELOPER'S representative is determining preliminary completeness of applications. HCD may require additional information from applicants after the lottery is conducted during the Income Certification Process.
- C. During the marketing period, DEVELOPER shall maintain a list of prospective buyers. The following information should be included on the list:
 1. Name
 2. Address
 3. Daytime and Nighttime phone numbers
 4. Receipt Number and Date Issued
- D. DEVELOPER shall accept the income certification applications of lender approved and applicants for a minimum of 30 days or until the number of applicants is at least three times the number of units available, whichever occurs later. However, the acceptance of names shall not be required to continue for more than 60 days. Developer shall keep three lottery lists. Lottery requirements are based on allowable household income and household size.

- E. Applicants must return COMPLETE Income Certification applications including a lender pre-qualification letter to be included in the lotteries. Lottery applicants will participate in three lotteries based on their income category and household size.
- F. Upon closure of the marketing period, the DEVELOPER shall provide HCD with the list of applicants who were issued receipts and their income certification applications. HCD will review the Income Certification applications and shall make the list of lottery eligible applicants publicly available for ten (10) days at The Villas at Calle Real and at HCD offices. It is the responsibility of applicants to check this list and to inform HCD at 568-2014 within this ten-day period if their names do not appear on this list.
- G. After the ten-calendar day review period, HCD shall conduct the lottery by randomly computer ranking the names on the lottery lists. A representative of the County Auditor-controller's office shall witness the lotteries. Lottery results will be posted in a manner similar to E. above for ten calendar days.
- H. HCD shall contact an initial pool of applicants (two times the number of affordable units available) following the ten-calendar day lottery results review period. The top selected applicants will be required to pay the remaining \$65.00 fee (\$75.00 total), payable to Santa Barbara County by either cashier's check or money order to fund the Income Certification process. HCD will conduct income certification sequentially starting at the top of the lottery results list until at least six applicants have been income certified.
- I. Units are offered on the basis of the lottery results and an applicant's ability to income qualify for the income classification of the unit. Note: In the County's effort to maximize space availability priorities for larger units shall be given to larger households consistent with County policies and procedures.
- J. According to the lottery ranking, income certified households will be referred to DEVELOPER to open escrow and secure final loan approval and documents. Terms of escrow will be provided for HCD to have final approval of the loan documents before the close of escrow.
- K. Before the close of escrow, DEVELOPER will hold a workshop in conjunction with HCD for the lottery-selected applicants to review the COVENANTS, CONDITIONS AND RESTRICTIONS of The Villas at Calle Real Owner's Association and the Resale Restrictive Covenant.
- L. Before the close of escrow, HCD will compare the buyers Income Certification application with final loan documents for consistency. If any home falls out of escrow or applicants are disqualified by HCD, the above process (item J) will continue until all the homes are sold.