

Attachment A

GSS First Amendment to HEAP Loan Agreement

First Amendment to the
COUNTY HEAP LOAN AGREEMENT
Between
THE COUNTY OF SANTA BARBARA
AND
GOOD SAMARITAN SHELTER

This First Amendment to the County HEAP Loan Agreement (“AGREEMENT”) is entered into by and between the County of Santa Barbara, political subdivision of the State of California (“LENDER”), and Good Samaritan Shelter, a California Nonprofit Organization (“BORROWER”).

Effective Date: This Amendment shall take effect on the date it is executed by LENDER (“Effective Date”).

RECITALS

WHEREAS, on August 13, 2019, the Board of Supervisors of the County of Santa Barbara executed a County Heap Loan Agreement (“AGREEMENT”) to provide Borrower with \$196,148 in Homeless Emergency Aid Program (“HEAP”) funds to purchase and install two tiny-homes located at 203 North N Street, Lompoc, California (“Property”) for permanent housing for four to six persons persons previously experiencing homelessness (“Project”); and

WHEREAS, BORROWER has acquired the Property and commenced work thereon for the Project; and

WHEREAS, in the course of pre-construction for the Project, increases in budget were identified for additional permitting, site improvements, structures, and architectural and engineering fees, resulting in an expected deficiency of up to \$300,000 from the funds previously awarded for the Project; and

WHEREAS, BORROWER has requested a modification to the AGREEMENT, increasing the total amount of HEAP funds specified for the Project to help cover the \$300,000 deficiency; and

WHEREAS, On December 20, 2018, LENDER was awarded \$9,385,185.96 in HEAP funds from the State of California and HEAP funds have been held in LENDER’s treasury and are estimated to earn interest in the amount of approximately \$300,000; and

WHEREAS, Section 9.18 of the AGREEMENT states that “any amendments or modifications to the County HEAP Loan Documents must be in writing, and shall be made only if executed by both Borrower and Lender.”; and

WHEREAS, the parties wish to amend the AGREEMENT to include additional funding in the amount of up to \$300,000 from the Subrecipient Agreement, contingent on the availability of interest; and

WHEREAS, the parties will evidence the increased HEAP Loan amount by replacing the original promissory note in the amount of \$196,148 with a promissory note in the amount of up to \$496,148. The parties intend for this substitution of promissory notes to be a novation as defined at California Civil Code Sections 1530-1533.

NOW THEREFORE, the parties mutually agree to amend the AGREEMENT as follows:

1. Section 1.7 of the AGREEMENT is hereby amended as follows:

“**COUNTY HEAP LOAN**’ means the loan of HEAP funds made by the Lender to the Owner to finance certain development costs of the Project pursuant to the County HEAP Loan Agreement and the County HEAP Loan Note. The County HEAP Loan shall be in an amount not exceed Four Hundred Ninety-Six Thousand, One Hundred Forty-Eight Dollars (\$496,148) as provided in this County HEAP Loan Agreement to finance the costs of the “Project.” The actual amount of the County HEAP Loan shall be contingent on the availability of interest earned on the principle of HEAP funds held in County Treasury, but shall in no event be less than One Hundred Ninety-Six Thousand, One Hundred Forty-Eight Dollars (\$196,148) and no greater than Four Hundred Ninety-Six Thousand, One Hundred Forty-Eight Dollars (\$496,148).
2. Section 1.11 of the AGREEMENT is hereby amended as follows:

“**COUNTY HEAP LOAN NOTE**’ means the promissory note executed by the Borrower in favor of Lender in the amount of up to Four Hundred Ninety-Six Thousand, One Hundred Forty-Eight Dollars (\$496,148), to evidence the County HEAP Loan as well as any amendments to, modifications of, or restatements of said promissory note, substantially in the form attached hereto as Exhibit D, which is attached hereto and hereby incorporated into this County HEAP Loan Agreement by this reference.
3. Section 2.2 of the AGREEMENT is hereby amended and replaced with the following:

“**AMOUNT.**’ The principal amount of the County HEAP Loan shall be an amount not to exceed Four Hundred Ninety-Six Thousand, One Hundred Forty-Eight Dollars (\$496,148), and shall be evidenced by the County HEAP Loan Note as defined herein. The actual amount of the County HEAP Loan shall be contingent on the availability of interest earned on the principle of HEAP funds held in County Treasury, but shall in no event be less than One Hundred Ninety-Six Thousand, One Hundred Forty-Eight Dollars (\$196,148) and no greater than Four Hundred Ninety-Six Thousand, One Hundred Forty-Eight Dollars (\$496,148). The County HEAP Loan Note evidencing the County HEAP Loan shall replace and supersede the original note in the amount of \$196,148 described in the Agreement executed on August 13, 2019 prior to this Amendment; all references to the County HEAP Loan Note herein shall refer to the promissory note in the amount of up to \$496,148. The Parties agree this substitution shall constitute a novation pursuant to California Civil Sections 1530-1533. In the event Lender is unable to secure HEAP Funds for this County HEAP Loan Agreement for any reason at any time during the course of construction, Lender shall not be obligated to

make payments to Borrower until HEAP Funds become available to Lender, and Borrower shall hold Lender harmless”; and

4. Section 2.3 of the AGREEMENT is hereby amended as follows:
 “**INTEREST.**’ The County HEAP Loan Note shall bear simple interest at a rate of three percent (3%) per annum from the date of the January 26, 2021. Interest is not compounding. The foregoing notwithstanding, if Borrower remains compliant with the terms of the Regulatory Agreement, as determined by the County through periodic inspections of the Project and tenant files documenting occupancy by Qualified tenants, and as indicated with monitoring close-out letters from Lender to Borrower indicating compliance with the Regulatory Agreement, for the fifteen (15) year term described therein, then the interest of the loan shall be forgiven.”

5. Section 3.2 of the AGREEMENT is hereby amended as follows:
 “**DISBURSEMENT OF HEAP FUNDS.**’ Lender shall provide HEAP Funds to borrower on a reimbursement basis for approved Project costs incurred by Borrower and approved by Lender in accordance with the Budget (Exhibit B) and only after Project costs which are to be paid have been incurred and paid by the Borrower, as evidenced by invoices and proof of payment. Disbursement of HEAP Funds shall not exceed a total of Four Hundred Ninety-Six Thousand, One Hundred Forty-Eight Dollars (\$496,148), ”; and

6. EXHIBIT B Scope of Work is hereby amended and replaced with the following:

Expense	Total Program Budget	HEAP Program			Other
		Services	Rental Assistance or subsidies	Capital Improvements	
Salaries, Benefits, and Payroll Taxes - Provide detail for all program staff. Add lines as needed.					
Project Manager .12 FTE @100% - \$124000/year	\$ 14,815			\$ 14,815	
Employee Benefits and Payroll Taxes 35% (includes Workers Comp)	\$ 5,630	\$ -	\$ -	\$ 5,185	\$ -
Client Services and Direct Assistance					
Land Acquisition	\$ 40,000				\$ 40,000
Site Improvements	\$ 219,648			\$ 219,648	
Structures	\$ 181,000			\$ 181,000	
Contingency	\$ 10,000			\$ 10,000	
Architecture & Engineering (inc. Printing)	\$ 15,000			\$ 15,000	
Environmental	\$ 5,000			\$ 5,000	
Municipal Fees	\$ 35,000			\$ 35,000	
Local Impact Fees	\$ 10,500			\$ 10,500	
Other (specify below)					
	\$ -				
Indirect Costs (Maximum 10% of Grant)	\$ 4,000				\$ 4,000
Total Expenses	\$ 540,592	\$ -	\$ -	\$ 496,148	\$ 44,000
		TOTAL HEAP Portion:		\$ 496,148	

Except as set forth herein, this First Amendment shall not modify or change any of the provisions of the AGREEMENT, and the parties to the AGREEMENT are bound by its provisions, as amended herein.

IN WITNESS WHEREOF, LENDER and BORROWER have caused this Agreement to be executed by their respective duly authorized officers.

[Signatures on Following Pages]

IN WITNESS WHEREOF, LENDER and BORROWER have caused this Agreement to be executed by their respective duly authorized officers.

ATTEST:

MONA MIYASATO
Clerk of the Board

By: _____
Deputy Clerk of the Board

COUNTY:

County of Santa Barbara,
a political subdivision of the State of California

By: _____
Bob Nelson, Chair
Board of Supervisors

**APPROVED AS TO ACCOUNTING
FORM:**

Dept.
BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER

By: _____
Deputy

By: _____
George Chapjian, Director Community Services

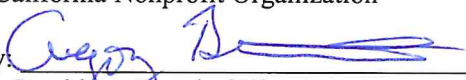
APPROVED AS TO FORM

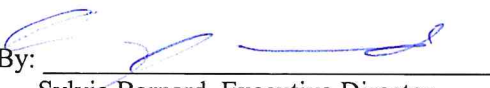
MICHAEL GHIZZONI
COUNTY COUNSEL

By: _____
Deputy County Counsel

BORROWER

Good Samaritan Shelter
a California Nonprofit Organization

By:  _____
Peggy D., President, Board of Directors

By:  _____
Sylvia Barnard, Executive Director

APPROVED AS TO FORM:

RISK MANAGEMENT

By: _____
Ray Aromatorio, ARM, AIC

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ATTEST:

MONA MIYASATO
Clerk of the Board

COUNTY:

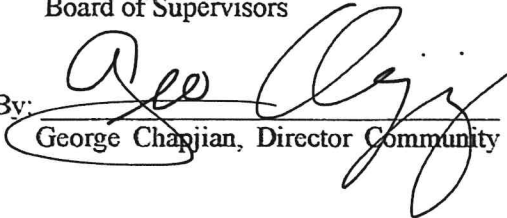
County of Santa Barbara,
a political subdivision of the State of California

By: _____
Deputy Clerk of the Board

By: _____
Bob Nelson, Chair
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Deputy

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MICHAEL GHIZZONI
COUNTY COUNSEL

By:  _____
Deputy County Counsel

BORROWER


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President, Board of Directors

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Sylvia Barnard, Executive Director

APPROVED AS TO FORM:

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By:  _____
Ray Aromatorio, ARM, AIC