

Attachment 1

Amendment to the Funding Agreement For Mental Health Housing Trust Funds

Project: BeWell Sanctuary Centers
Request for Reconveyance
APN: 039-222-029 (created from 039-
222-002 and -027)
RP File: 004019
Agent: SF

**AMENDMENT TO THE FUNDING AGREEMENT
FOR MENTAL HEALTH HOUSING TRUST FUNDS**

THIS AMENDMENT TO THE FUNDING AGREEMENT FOR MENTAL HEALTH HOUSING TRUST FUNDS (hereinafter, "Amendment") is made by and between the:

COUNTY OF SANTA BARBARA, a political subdivision of the State of California, hereinafter referred to as "COUNTY",

and

SANCTUARY CENTERS OF SANTA BARBARA, INC., doing business as SANCTUARY PSYCHIATRIC CENTERS OF SANTA BARBARA and SANCTUARY HOUSE OF SANTA BARBARA, INC. hereinafter "SANCTUARY";

with reference to the following:

WHEREAS, SANCTUARY is the owner of that certain real property and building located at 115 West Anapamu Street in the City of Santa Barbara, State of California, more particularly described as County Assessor's Parcel Number 039-222-029 (hereinafter "Property"); and

WHEREAS, SANCTUARY purchased the Property in 1995 with funding provided by the COUNTY pursuant to that certain Funding Agreement For Mental Health Housing Trust Funds ("Funding Agreement"), recorded on May 17, 1993, as Document No. 93-037076 in the Official Records of the County of Santa Barbara; and

WHEREAS, in accordance with the terms and conditions of the Funding Agreement, COUNTY provided a one-time payment of Four Hundred Thousand Dollars (\$400,000) ("Grant") to SANCTUARY conditioned upon SANCTUARY's commitment to operate the Property as a supervised independent living residential complex for very-low and low-income persons within the County's mentally ill target population, and to maintain project occupancy and affordability standards for a period of thirty (30) years ("Contingent Repayment Period") following the date on which the grant deed transferring title to the Property to SANCTUARY was recorded in the Official Records of the County of Santa Barbara, which recordation occurred on August 16, 1995 ("Date of Recordation"); and

WHEREAS, the Funding Agreement set forth a contingent grant repayment schedule that reduced SANCTUARY's contingent grant repayment obligation ("Contingent Repayment Obligation") by five percent (5%), or \$20,000, each year beginning on the tenth (10th) year after the Date of

Recordation, such that the Contingent Repayment Obligation would terminate upon the expiration of the Contingent Repayment Period, on August 15, 2025, at which time the Grant would be fully vested; and

WHEREAS, the Funding Agreement also provided that enforcement of the aforementioned contingent repayment obligation is a discretionary remedy that may be elected by the COUNTY in furtherance of the objectives of the Funding Agreement; and

WHEREAS, the Contingent Repayment Obligation is secured by a Deed of Trust with Assignment of Rents, which was recorded on August 16, 1995, as Document No. 95-045120 in the Official Records of Santa Barbara County (“DOT”); and

WHEREAS, to date, the amount of the Contingent Repayment Obligation has been reduced to Sixty Thousand Dollars (\$60,000) pursuant to the terms of the Funding Agreement; and

WHEREAS, in a letter dated January 20, 2022, SANCTUARY requested that the Santa Barbara County Department of Behavioral Wellness (“BeWell”) reconvey the DOT to SANCTUARY so that SANCTUARY can embark on a new construction project that will expand affordable housing and mental health-care services for adults living with mental illness and substance abuse in the Santa Barbara region; and

WHEREAS, COUNTY is willing to amend the Funding Agreement to accelerate vesting of the Grant, extinguish the Contingent Repayment Obligation, and provide for the requested reconveyance.

NOW THEREFORE, in consideration of the mutual covenants, conditions, promises and agreements contained herein, COUNTY and SANCTUARY agree to amend the Funding Agreement as follows:

1. Section 1(A) is hereby amended by deleting the final sentence of Section 1(A).
2. Section 3(B) is hereby amended to read in its entirety as follows:

“SANCTUARY agrees that the project occupancy and affordability requirements as set forth herein shall remain in effect, unless terminated sooner pursuant to this Agreement, for a period of no less than thirty (30) years (the “Occupancy and Affordability Requirements Period”) following August 16, 1995, which is the date on which the Grant Deed transferring title to the project property to SANCTUARY was recorded in the Official Records of Santa Barbara County (hereinafter referred to as “the date of recordation”).”

3. Section 4 is hereby amended to read in its entirety as follows:

LIQUIDATED DAMAGES

In the event that, during the Occupancy and Affordability Requirements Period, SANCTUARY ceases or fails to comply with the requirements set forth in any of

Sections 3, 6, or 7 of this Agreement, then SANCTUARY shall, upon written demand by COUNTY, pay to COUNTY an amount equal to:

- (A) \$60,000, if such noncompliance occurs on or before August 15, 2023, or
- (B) \$40,000, if such noncompliance occurs after August 15, 2023, and on or before August 15, 2024, or
- (C) \$20,000, if such noncompliance occurs after August 15, 2024, and on or before August 15, 2025,

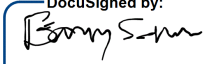
plus all of COUNTY's costs of collection.”

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IN WITNESS WHEREOF, COUNTY and SANCTUARY have executed this Amendment to be effective as of the date executed by COUNTY, as set forth below.

SANCTUARY AUTHORIZED SIGNATURES

“SANCTUARY”
SANCTUARY CENTERS OF SANTA BARBARA, INC.

DocuSigned by:

By: CE371144E1354BB...
Barry R. Schoer
President/CEO

8/30/2022 | 3:11 PM PDT
Date: _____

COUNTY SIGNATURES ON FOLLOWING PAGE

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“COUNTY”
COUNTY OF SANTA BARBARA

ATTEST:
MONA MIYASATO
CLERK OF THE BOARD

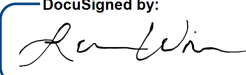
By: _____
Joan Hartmann, Chair
Board of Supervisors


By _____
Deputy

Dated: _____

APPROVED AS TO FORM:
RACHEL VAN MULLEM
COUNTY COUNSEL

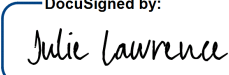
APPROVED AS TO FORM:
BETSY M. SCHAFFER, CPA
AUDITOR-CONTROLLER

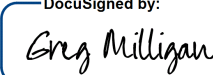
DocuSigned by:

By: _____
Lauren Wideman
Deputy County Counsel

DocuSigned by:

By: _____
Deputy

APPROVED AS TO CONTENT:

APPROVED AS TO FORM:
GREG MILLIGAN, ARM
RISK MANAGER

DocuSigned by:

By: _____
Julie Lawrence
Real Property Manager

DocuSigned by:

By: _____
Risk Management