



Community Services Department
Connecting People to Opportunities

George Chapjian, Director, Community Services
Sarah York Rubin, Executive Director, Office of Arts & Culture
Andrew Myung, Chief Financial Officer, Community Services
Jeff Lindgren, Assistant Director, Parks Division
Ashley Watkins, Division Chief, Sustainability Division



May 2, 2023

Billy Hughes, Director of Real Estate Development
Cabrillo Economic Development Corp. (CEDC)
702 County Square Dr., #200
Ventura, CA 93003

RE: Reservation of County funds to the Buellton Village Senior Apartments project (Project)

Dear Mr. Hughes:

On February 16, 2023, Santa Barbara County staff and Capital Loan Committee recommended funding toward the development costs of the proposed Project. On May 2, 2023, the County Board of Supervisors approved a reservation of County funds for the Project, in the amount of Two Million Dollars (\$2,000,000), until May 1, 2024.

The Project will be located at the northeast corner of Highway 246 and McMurray Road in the City of Buellton. Thirty-six (36) units will be restricted to senior citizens (aged 62+ years), and thirteen (13) units will be restricted to Veterans (aged 55+ years). A 2,450 square foot Community Room will be included as well as a large courtyard with outdoor seating. Other Project amenities include a community garden and pedestrian walking paths linking residents to the park and commercial center.

The Project is ready to proceed with construction if funded and awarded 9% tax credits, and has met the following requirements:

- ✓ Site control and entitlement approvals through the City of Buellton;
- ✓ All funding commitments other than Low-Income Housing Tax Credits;
- ✓ A HUD Part 58 Environmental Review was completed on February 24, 2022, by Rincon Consultants and approved by CSD. The Finding of No Significant Impact/Request for Release of Funds (FONSI/RROF) will be submitted to HUD upon the Project receiving a tax credit award by CATCAC. This is the usual and customary practice of the County;
- ✓ CEDC has provided all required documents to CSD for review and underwriting, and the Project has met CSD's underwriting standards. Upon CATCAC award notification, CEDC will submit any updated documentation submitted with its CATCAC application to CSD and will work with CSD staff during due diligence for loan closing to update the required documents.

If tax credits are awarded, CSD staff will draft County Loan Documents (Loan Agreement, Promissory Note, Deed of Trust, and Regulatory Agreement and Declaration of Restrictive Covenants) for approval and execution by the County Board of Supervisors at a future Board of Supervisors meeting. The source of funds will be Federal HOME, County In-Lieu, PLHA, or a combination, at the County's discretion, and the loan will be structured with 3% simple interest, a 55-year term, and annual payments from residual receipts from the Project, as is customary for multi-family, tax credit projects.

If HOME funds are used, A HUD-required amendment to the County's Annual Action Plan will be considered for approval by the Board of Supervisors at a future Board meeting and submitted to HUD. This will follow a 30-day public notice period. Recommended Board Actions will also include the approval and execution of the County Loan Documents.

Please work with Carlos Jimenez, Senior Housing Program Specialist, on moving the Project through County approvals once the Project receives an award of tax credits. Please keep Carlos updated on any changes to the Project as described above. Carlos may be contacted by email at cjimenez@countyofsb.org or by phone at (805) 568-3529.

The Village Senior Apartments has been and continues to be an essential component of Santa Barbara County's affordable housing project pipeline. Thank you for your efforts to expand affordable housing in the County of Santa Barbara, and for your interest in the County housing program.

Sincerely,

George Chapjian, Director
Community Services Department