



Jesús Armas, Director, Community Services
Andrew Myung, Deputy Director, Administration & Chief Financial Officer
Joe Dzvonic, Deputy Director, Housing & Community Development
Jeff Lindgren, Deputy Director, Parks Division
Ashley Watkins, Division Chief, Sustainability & Libraries Division
Sarah York Rubin, Executive Director, Office of Arts & Culture



April 2, 2024

Robert P. Havlicek, Jr. Executive Director
Housing Authority of the County of Santa Barbara
815 West Ocean Avenue
Lompoc, CA 93436

RE: Reservation of County Affordable Housing: Hollister Lofts (“Project”)

Dear Mr. Havlicek:

On March 11, 2024 Santa Barbara County Division of Housing and Community Development (County HCD) staff and the County’s Capital Loan Committee recommended a formal funding reservation towards development of the Project in the amount of \$2,057,850, effective until April 30, 2025, based on the following information provided by Santa Barbara County Housing Authority (Developer). On April 2, 2024, the Santa Barbara County Board of Supervisors concurred with the Capital Loan Committee’s recommendation and authorized the Director of the Community Services Department to execute this Project Funding Reservation Letter.

Project Description:

The Project is located in the 4500 block of Hollister Avenue on a portion of County Fee-Owned Parcel, in unincorporated south Santa Barbara County. Hollister Lofts will provide permanent supportive housing for homeless persons and households. The development includes 35 units: 29 studio apartments, 5 one-bedroom units, and one two-bedroom unit, reserved for an on-site property manager. Thirty-two of the affordable housing units will receive Project-based Section 8 rental assistance. The Project design is a single three-story, L-shaped structure, incorporating common space and related facilities on the ground floor. Hollister Avenue is a transportation corridor that connects the city of Santa Barbara to the south, through the unincorporated county and the City of Goleta to the north, effectively traversing all of Santa Barbara south county urban areas. It is also immediately adjacent to a bus stop with frequent stops, and is within walking distance to a full-service grocery store, pharmacy, and other community amenities. The Project site was under former ownership of Santa Barbara County that the County has since conveyed to the Developer. Hollister Lofts has received an award of State No Place funding in the amount of \$4,822,988.

The Project is ready to proceed with construction if awarded Low Income Housing Tax Credits (LIHTC) and, upon award notification, Developer will submit any updated documentation to County HCD, in order that HCD staff may determine:

1. All funding, other than County funds, have been formally committed, including from LIHTC investors, in sufficient amounts to complete the Project;
2. Planning and zoning approvals have been acquired;
3. County HCD has received documents necessary to complete Project review and underwriting, which include but are not limited to copies of final development budget, sources and uses, and cash-flow proforma;
4. County HCD staff has preliminarily determined Developer capacity and fiscal soundness, and has examined neighborhood market conditions to ensure adequate need for the Project.

In addition, if federal funds are used, the following must be completed:

County Parks Division, Division of Energy & Sustainability Initiatives, Housing & Community Development Division:
123 East Anapamu Street, 2nd Floor, Santa Barbara, CA 93101 · T: (805) 568-2467 · F: (805) 568-2459
Office of Arts and Culture: 1100 Anacapa Street, 3rd Floor, Rotunda Tower, Santa Barbara, CA 93101
sbccsd.org

1. Completion of environmental review required under the National Environmental Policy Act and receipt of Authority to Use Grant Funds (AUGF) by HUD. Note that no activity may occur at the Project site that would adversely affect or that would otherwise be a choice limiting action, including the acquisition, demolition, construction or relocation of buildings or structures, or otherwise making a physical change to the property (including moving dirt) until the AUGF has been issued by HUD;
2. Approval by the County Board of Supervisors (following a 30-day public comment period) of an amendment to the County's Action Plan for submittal to HUD.

Following an award of LIHTC, County HCD staff will draft County Loan Documents (including a Loan Agreement, Promissory Note, Deed of Trust, Regulatory Agreement and Declaration of Restrictive Covenants, and related loan subordination agreements) for approval and execution by the County Board of Supervisors at a future meeting date. The source of funds will be one or a combination of Federal HOME, State PLHA, or County In-Lieu funds at the County's discretion, and the loan will be structured with 3% simple interest, a 55-year term, and annual payments from Project operations' residual receipts.

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 Santa Barbara County Housing Authority has been and continues to be an essential component of Santa Barbara County's affordable housing goals. Thank you for your efforts to expand affordable housing in the County of Santa Barbara.

Sincerely,

Jesús Armas, Director
Community Services Department