

June 4, 2019

Bob Havlicek, Executive Director
Housing Authority of the County of Santa Barbara
815 West Ocean Avenue
Lompoc, CA 93436

RE: Conditional allocation of funds, West Cox Apartments, W. Cox Road, Santa Maria (Project)

Dear Mr. Havlicek:

On June 4, 2019, the Santa Barbara County Board of Supervisors approved a conditional allocation of State Homeless Emergency Aid Program (HEAP) funds, in the amount of One Million Three Hundred Fifty Thousand Dollars (\$1,350,000) to the Project to be developed by the Housing Authority of Santa Barbara County (HASBC). The State of California has allocated HEAP funds to the County to be awarded to programs and housing projects that serve the County's homeless population.

The funds will be set aside for the Project until December 2019 to allow HASBC to complete the financing needed to complete the construction of the Project. The County must receive copies of firm commitments from all funding sources, including formal notification by the State of California of an award of tax credits and No Place Like Home funding, on or before this date.

Once the financing is completed, the County, through the Community Services Department, Division of Housing and Community Development (HCD) will draft loan documents and return to the County Board of Supervisors for execution. The funds will be provided as a subordinate loan to the Project, with a zero-percent (0%) interest rate, that will be forgiven following a satisfactory 15-year compliance period with tenant income and rent restrictions imposed by the HEAP program. The required number of "HEAP units" will be determined at the time the funds are awarded. The County will record a 15-year regulatory agreement requiring income and rent restrictions of the HEAP units at or below fifty-percent (50%) of the area median income (AMI) as published annually by the U.S. Department of Housing and Urban Development (HUD). The County acknowledges there will be an underlying 55-year use restriction placed on the Project.

Please work with Kimberlee Albers and Roc Lowry, Homeless Programs, on drafting County loan documents once all the necessary Project financing has been secured.

Thank you for your efforts to expand affordable housing in the County of Santa Barbara and for your interest in the County's Homeless Assistance programs.

Sincerely,

George Chapjian, Director
Community Services Department

Cc: Dinah Lockhart, Deputy Director, HCD
Kimberly Albers, Homeless Programs Manager - kalbers@co.santa-barbara.ca.us
Roc Lowry, Business Specialist – roclowry@co.santa-barbara.ca.us