



**Community
Services
Department**
Connecting People to Opportunities

George Chapjian, Director, Community Services
Sarah York Rubin, Executive Director, Office of Arts & Culture
Ryder Bailey, CPA, Chief Financial Officer, Community Services
Dinah Lockhart, Deputy Director, Housing & Community Development
Brian Yanez, Deputy Director, Parks Division



ATTACHMENT B

February 27, 2018

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

RE: Reservation of County funds to The Residences at Depot Street t (Project)

RE: Reservation of County funds to the Sierra Madre Cottages project (Project)

Dear Mr. Havlicek:

On February 27, 2018, the Santa Barbara County Board of Supervisors approved a reservation of County funds, in the amount of Two Million, Three Hundred Eighty Seven Thousand and Ninety Five Dollars (\$2,387,095) to The Residences at Depot Street (Project). The funds will be set aside until September 30, 2018 for the purpose of completing the financing for 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, on or before this date.

A firm funding commitment, and execution of County loan documents, must be approved by the County Board of Supervisors. The following are required in order to receive a firm commitment:

1. Firm commitments from all financing sources, including tax credit investors, in sufficient amounts to complete the Project;
2. Planning and zoning approvals;
3. Submission of 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. Completion of environmental review required under the National Environmental Policy Act and authority to use federal funds by HUD or the County, as applicable for the use of HOME or other federal funds. Note that no activity may occur at the site that would adversely affect or that would otherwise be choice limiting , 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 authority to use federal funds has been provided;
5. County staff review and underwriting of Project budgets and other financial documents, assessment of developer capacity and fiscal soundness, and examination of neighborhood market conditions to ensure adequate need for the Project for which these funds are to be used;
6. County's Capital Loan Committee recommendation of approval to the County Board of Supervisors for a commitment of County funds;
7. Approval by the County Board of Supervisors (following a 30-day public comment period) of an amendment to the County's Action Plan, as may be required by HUD, and Board execution of

County loan documents (County Loan Agreement, Promissory Note, Deed of Trust, Regulatory Agreement and other associated documents).

Once all funding sources are secured, Housing and Community Development Division staff will work diligently toward getting approval for a firm commitment of funds to the Project and execution of County loan documents. The source of funds (HOME, In-Lieu, or a combination) will be recommended to the Board by staff, based on HOME commitment deadlines, availability of funds, and best uses of the funding sources.

Please work with Laurie Baker, Grants and Program Manager, on submitting the information needed to complete staff's review, and to get the Project before the County's Capital Loan Committee and Board of Supervisors. Laurie may be contacted by email at lbaker@sbccsd.org or by phone at (805) 568-3521.

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