



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: March 19, 2013

TO: Finance Committee

FROM: Administration, Housing and Human Services Division, Community Development

SUBJECT: Housing Authority of the City of Santa Barbara's Request For Subordination, Modification, And Release Of City Deeds Of Trust on 418 Santa Fe Place And 521 N. La Cumbre Road

RECOMMENDATION: That the Finance Committee recommend to City Council approval of the following:

- A. Subordination of the loan made by the former Redevelopment Agency to the Housing Authority of the City of Santa Barbara (HACSB) to assist in the acquisition by the HACSB of the property located at 521 N. La Cumbre Road (Villa La Cumbre) to a new Department of Housing and Urban Development (HUD) insured mortgage and to a new HACSB loan, and amendment of the maturity date of the City loan to coincide with the maturity date of the HUD-insured mortgage;
- B. Subject to disclosure to the HUD, an agreement between the City and HACSB providing for annual repayment to the City of the City loan in the amount of \$60,000 for the remaining extended term of the loan;
- C. HUD Rider to Affordability Control Covenant Imposed on Real Property;
- D. Release and reconveyance of existing City Grant Agreements and Deeds of Trust on Villa La Cumbre;
- E. Release and reconveyance of existing City Grant Agreements and Deeds of Trust on SHIFCO; and
- F. Authorize the Community Development Director to execute, subject to approval as to form by the City Attorney, such agreements and related City and HUD documents as required to facilitate the recapitalization of 418 Santa Fe Place (SHIFCO) and 521 N. La Cumbre Road (Villa La Cumbre).

EXECUTIVE SUMMARY:

The Housing Authority is seeking City support through modification of an existing City (formerly Redevelopment Agency) loan and covenant to use equity funding to rehabilitate two existing senior rental properties to "like new" condition and to provide additional funds to meet the current and future needs of the Housing Authority.

DISCUSSION:

Financing Plan "Villa Santa Fe"

The HACSB is working to recapitalize two of its low rent senior housing developments—SHIFCO, located at 418 Santa Fe Place, which comprises 107 units; and Villa La Cumbre, located at 521 N. La Cumbre Road, which comprises 60 units. This recapitalization transaction includes the purchase of the existing improvement on both the Villa La Cumbre and SHIFCO properties by a limited partnership, Villa Santa Fe Apartments, a California Limited Partnership ("LP") and the continued ownership of the real property by HACSB and, through a lease-back and property management agreement, the continued management of both facilities by HACSB.

The financing plan uses: 4% Low-Income Housing Tax Credits; tax-exempt bonds; a new low-interest, fixed rate HUD-insured mortgage with a 35-year term that will replace the bonds 18 months following their issuance; and, to the extent other project sources cannot pay the sales price, rehabilitation costs and other projects costs in full, HACSB financing.

HACSB has secured a reservation of tax credits for the combined project from the California Tax Credit Allocation Committee and a forward commitment for the bond allocation from the California Debt Limit Allocation Committee. HACSB expects a firm commitment of the Federal Housing Administration (FHA)/HUD-insured mortgage from HUD within the month.

During the initial 15-year tax credit compliance period, HACSB will maintain operational control of the properties by master leasing the improvements from the LP. This model, using the wrap around master lease, has been a successful arrangement on other HACSB rental housing developments such as El Carrillo, Artisan Court and Bradley Studios. The primary difference is the use of HUD insured mortgage financing for this project.

HACSB is requesting specific approvals from the City with regard to the previous financing provided by the City (and the former Redevelopment Agency) on Villa La Cumbre and SHIFCO.

Villa La Cumbre – Loan and Affordability Covenant

In April 2000, the former RDA provided HACSB with an acquisition loan in the amount of \$886,700 bearing 3 percent interest with a 30-year term and a maturity date of June 1, 2030. Payments are due on the loan on a "residual receipts" basis. No payments are due until the net income of the project, after payment of necessary operating expenses, is sufficient to support such payments. Any unpaid balance remaining at the end of the term is due and payable in full. These terms are typical of RDA affordable housing loans. In Villa La Cumbre's 2011 program year, the City received approximately \$5,000 per month in residual receipt payments. As of January 31, 2013, the outstanding balance (principal plus accrued interest) is \$1,167,224 ("City Loan").

The Affordability Control Covenant Imposed on Real Property recorded on this property requires that the property remain affordable to low-income seniors until 2060 (Covenant").

HACSB requests the following:

1. That the City, as successor agency, subordinate the City Loan to the new HUD-insured mortgage and to a new \$317,616 second trust deed loan made by HACSB to Villa Santa Fe Apartments, a California Limited Partnership. The City's loan committee approved subordination of the City Loan in October 2012, before the additional HUD requirements were fully understood. Under the HUD required form subordination, residual receipts payment on the City Loan is only permitted after payment of all operating costs, senior debt and reserves. Under these terms, it is unlikely that the City would continue to receive the residual receipts payments it is currently receiving. As a means to provide for the continued payment on the City Loan, HACSB has agreed to enter into a separate agreement with the City as described below (See item 4).
2. That the City amend the term of the City Loan, as required by HUD, to add eighteen (18) years to the term to coincide with the maturity of the new HUD-insured mortgage (2048 instead of 2030).
3. That the City amend the Covenant to incorporate the terms of a HUD Rider. The Rider essentially results in the subordination of the Covenant to the HUD-insured loan. The affordability requirements contained in Covenant will also be required through a regulatory agreement which is a component of the tax credit financing. Both the City's Covenant and the tax credit regulatory agreement will be subordinate to the HUD Regulatory Agreement.
4. In order to provide continuing payments to the City, the City and HACSB will enter a new agreement which will create an unsecured obligation by HACSB to make monthly payments of \$5,000 per month to the City out of non-project generated income.

The terms of this agreement between HACSB and the City would be fully disclosed to HUD and, in the event HUD does not approve the payment arrangement, HACSB will pay the City Loan in full.

Villa La Cumbre – Release of Grant Agreements

In March 2010 and July 2011, the City provided HACSB Community Development Block Grant (CDBG) funds in the amounts of \$90,000 and \$100,000 respectively for rehabilitation of the buildings. To secure performance under the terms of these grant agreements, the City recorded Deeds of Trusts. Since these were grants rather than loans, with no requirement for their repayment, and since these funds have been expended in full compliance with the grant agreements, HACSB requests the following:

1. Consent to release and reconvey the 2010 Deed of Trust and Grant Agreement in the amount of \$90,000.
2. Consent to release and reconvey the 2011 Deed of Trust and Grant Agreement in the amount of \$100,000.

SHIFCO

The City has provided HACSB three grants for rehabilitation of SHIFCO: April 2007 in the amount of \$400,000; April 2009 in the amount of \$200,000; and July 2011, in the amount of \$580,000. To secure performance under the terms of these grant agreements, the City recorded Deeds of Trusts. Since these were grants rather than loans, with no requirement for their repayment, and since these funds have been expended in full compliance with the grant agreements, the HACSB requests the following:

1. Consent to release and reconvey the 2007 Deed of Trust and Grant Agreement in the amount of \$400,000;
2. Consent to release and reconvey the 2009 Additional Advance in the amount of \$200,000; and
3. Consent to release and reconvey the 2011 Deed of Trust and Grant Agreement in the amount of \$580,000.

Long Term Affordability – Villa La Cumbre & SHIFCO

Both Villa La Cumbre and SHIFCO under the new Villa Santa Fe project will continue to provide low rent units for seniors. The City does not currently have a recorded affordable covenant on SHIFCO. As mentioned above, the Covenant on Villa La Cumbre expires in May 2060 and, subject to the HUD Rider, will remain on the title. The affect of the Rider will be to subordinate the Covenant to the HUD Regulatory Agreement. Affordability will be retained and required on both Villa La Cumbre and SHIFCO through the tax credit affordability requirements that expire in 2068 and the HUD's Regulatory Agreement. In the unlikely event of HACSB's default, the City may not have the same ability to enforce the long-term affordability.

Conclusion

The new Villa Santa Fe financing structure enables HACSB to continue to provide quality affordable housing to current and future seniors for the next several decades by extending the useful life of Villa La Cumbre and SHIFCO and extending the affordability term to 2068. Through the agreement between the City and HACSB, the City will continue to receive monthly loan payments. Staff recommends that the Finance Committee recommend that City Council approve HACSB's requests as outlined in this report.

BUDGET/FINANCIAL INFORMATION:

The City will incur no costs in connection with this transaction and, subject to HUD's approval of the payment agreement, will continue to receive payments on the Villa La Cumbre loan. Should HUD disapprove, the City will receive payment in full of the Villa La Cumbre loan on or before the finalization of the recapitalization transaction.

ATTACHMENT(S): 1. Villa Santa Fe Project Summary
2. Letter from HACSB dated February 18, 2013
3. Letter from HACSB dated August 20, 2012

PREPARED BY: Sue Gray, Community Development Business Manager/DR/DR

SUBMITTED BY: Paul Casey, Assistant City Administrator, Community
Development Director

APPROVED BY: City Administrator's Office

Villa Santa Fe Apartments

Santa Barbara, CA

Tax-Exempt Bond and 4% LIHTC Project

Property and Project Background:

Villa Santa Fe Apartments consists of 167 senior apartments located in two locations in Santa Barbara: 521 N. La Cumbre Road (currently known as Villa La Cumbre) and 418 Santa Fe Place (currently known as SHIFCO).

Villa La Cumbre, built in 1987, was purchased by the Housing Authority of The City of Santa Barbara ("HASCBS") from the original developers in April 2000. The property is situated on 4 acres of mature landscaped grounds and includes 60 one-bedroom units, 558 sq. ft. in size, with full kitchens, bathrooms, washer/dryer hook-ups, and private patios or balconies. The total rentable space is 35,280 sq. ft. Amenities include laundry facilities, carports with storage, on-site resident manager, community garden space and a newly refurbished recreation room. Although this property has been well maintained, it is nearing 30 years of age and all units are in need of rehabilitation.

SHIFCO was originally developed in 1975 by the Senior Housing Inter-Faith Corporation (aka SHIFCO). Shortly after being placed in service, the ownership was transferred to HASCBS. The property is situated on 8.21 acres on the Mesa of Santa Barbara and overlooks the Pacific Ocean. The development consists of 106 – one-bedroom rental units, 1 – two-bedroom manager's unit, a community room and manager's office. HASCBS has paid off the existing HUD 223(d)(3) loan and, in return, received project based voucher assistance from HUD for all 106 rental units. Although the Community Room and Manager's office have undergone complete rehabilitation, the individual units are in great need of rehabilitation and updating as it is nearing 40 years of age.

HASCBS will convey the improvements of both properties to a new single purpose entity ("Villa Santa Fe Apartments, LP") at fair market value, \$28,600,000. HASCBS will take a soft second to the extent the other project sources cannot pay the sales price, rehabilitation costs and other project costs in full. HASCBS, manage the properties under a property management agreement with the Limited Partnership to retain operational control throughout the compliance period. At the end of the initial 15-year compliance period, HASCBS plans to exercise its option to repurchase the improvements at the lower of taxes due on the investor's capital account or fair market value less debt and collapse the partnership.

As the property manager, most of the project compliance obligations are shifted from the partnership to the Housing Authority thereby limiting the exposure of the limited partners. The Housing Authority will also enter into certain guarantee agreements with the Limited Partnership to ensure completion of the rehabilitation and placing the two projects into service.

As stated previously, the structure of this project, as outlined in the attached Exhibit A – Project Organizational Chart, is very similar to successful past Low-Income Housing Tax Credit Projects which includes the following:

- El Carrillo – 62 studio units
- Artisan Court - 56 studio units
- Bradley Studios – 54 studio units (anticipated completion – November 1, 2012)

Those projects were all 9% tax credit projects where there is no permanent hard debt encumbering the developments. This project, as a 4% tax credit project, will utilize tax exempt bonds and permanent hard debt. The hard debt on the project will be in the form of an FHA insured loan that is serviceable through the projects' operations with adequate capacity for replacement reserves and a debt coverage ratio 1.27.

Project Timeline:

September 18, 2012	Award of forward Commitment of Tax Exempt Bonds from CDLAC
October 5, 2012	Submit Loan Application to HUD
October 10, 2012	Award of 4% Tax Credits
January 7, 2013	Begin Property Rehabilitation – through HACSB
March 27 - -April 11, 2013	Loan and tax credit equity investor closing
December 2013	Buildings “Placed-In-Service”
March 2014	“Completion” and cost certification
September 2014	Forms 8609 issues and “Stabilization”

Villa Santa Fe Apartments – Tax Exempt Bond and 4% LIHTC Project – Summary

February 19,2012

Page 3 of 3

Project Team:

Limited Partnership/Mortgager	Villa Santa Fe Apartments LP, whose co-managing partners are Villa Santa Fe Apartments MGP LLC (Garden Court, Inc. – sole member) and 2 nd Story SB Development 1 LLC (2 nd Story Associates – sole member), both California 501c3 Corporations
Equity Investor	Alliant Capital
FHA Lender	Bellwether Enterprise
Bond Issuer	HACSB
Bond Purchaser	Citi Community Capital
Bond Counsel	Paul Thimmig of Quint & Thimmig
Property Manager/Master Lessee	HACSB
Guarantor/Sponsor	HACSB
Developer	HACSB
Construction Manager	HACSB
Financial Consultants	Adam Diskin and Russell Hirsch of DH&G
Borrower Counsel	Mark Kantor and Watt Taylor – Kantor, Taylor, Nelson, Boyd & Evatt

Villa Santa Fe Apartments, LP

**A. Building **

Housing Authority of the City of Santa Barbara

- Continues as Property Manager
- Operates the Project
- Meets All Tax Credit Compliance Requirements
- Meets All City Land Use Requirements

B. Contracted Developer

Housing Authority of the City of Santa Barbara

- Executes a Developer Agreement with Limited Partnership
- Completes Development, Financing, Construction Oversight, Permits, Operation Oversight
- Role ends upon successful lease-up and Three Year stable operations

C. Limited Partnership

Villa Santa Fe Apartments, LP

- Lease with fee owner of project
- Executes Developer Agreement with Developer to build new structures
- Executes Consulting Agreement with Financial Consultant – DH&G LLC/Papallani LLC
- Leases Project to Housing Authority for operations

General Partners:

Managing General Partner:

Villa Santa Fe Apartments MGP, LLC
(Garden Court Inc.)

Co-Managing General Partner:

2nd Story SB Development 1, LLC
(2nd Story Associates)

(together GPs hold 1/10 of 1% interest in Buildings)

Limited Partner:

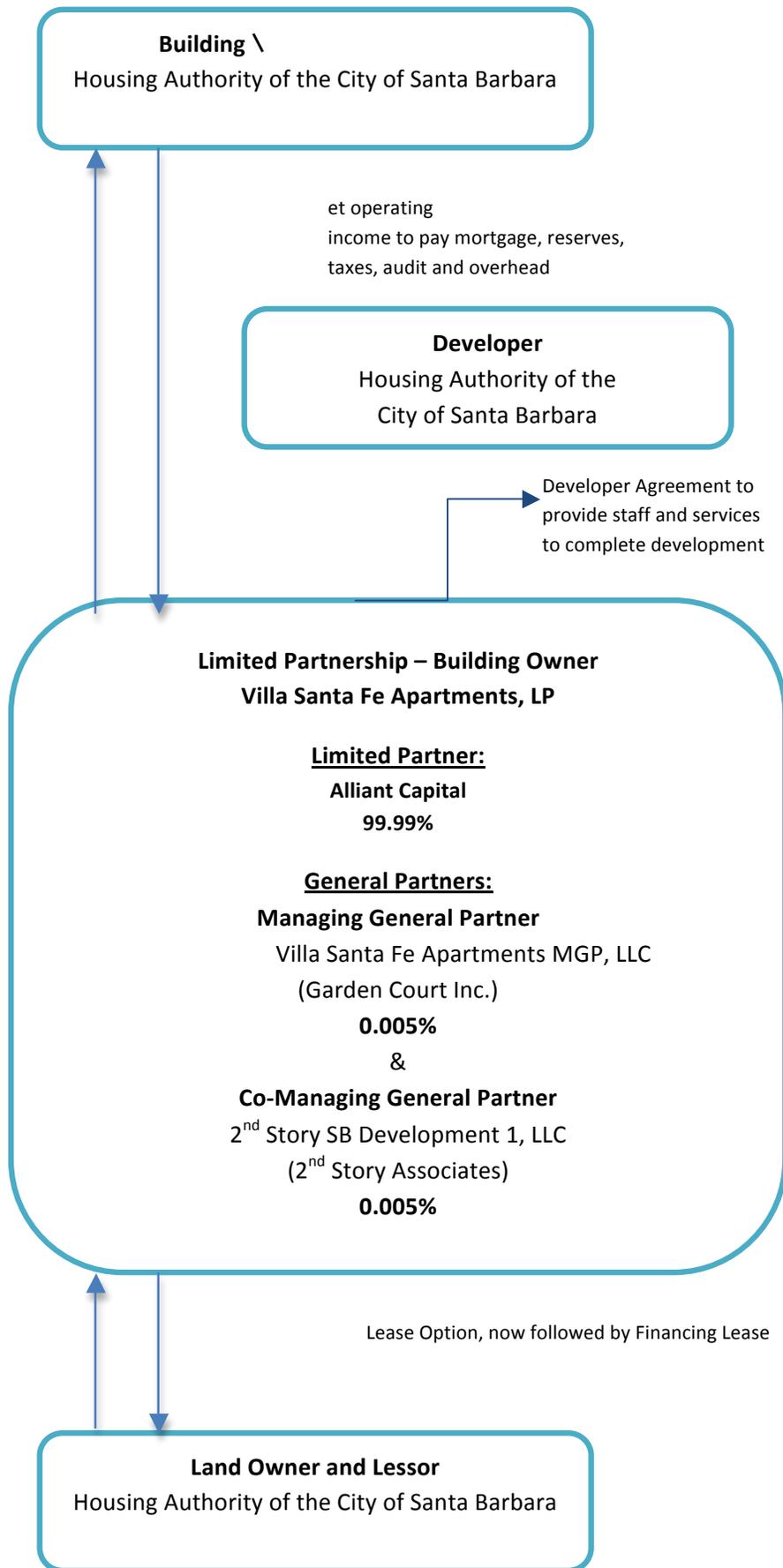
Alliant Capital

Tax Credit Investment Fund as Limited Partner
(holds a 99.9% interest in buildings)

D. Land Owner and Lessor

Housing Authority of the City of Santa Barbara

- Owns Land for the Project
- Grants Lease Option to Limited Partnership
- Leases to new Limited Partnership



Organizational Chart – Villa Santa Fe Apartments, LP



HOUSING

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TTY (866) 288-1311 (Sp)

February 18, 2013

Hand Delivered

Sue Gray, Administrative Services Manager
Community Development Department
City of Santa Barbara
630 Garden Street
Santa Barbara, CA 93101

RE: REQUEST FOR:

1. **SUBORDINATION AND AMENDMENT OF TERM FOR EXISTING RESIDUAL RECEIPTS LOAN ON 521 N. LA CUMBRE ROAD; AND**
2. **RECONVAYANCE OF DEEDS OF TRUST SECURING PERFORMANCE OF GRANT FUNDS ON 418 SANTA FE PLACE (SHIFCO) AND 521 N. LA CUMBRE ROAD (VILLA LA CUMBRE)**

Dear Ms. Gray,

As you are aware, the Housing Authority has been working diligently to recapitalize two of its low rent senior housing developments—SHIFCO , located at 418 Santa Fe Place, comprised of 107 units; and Villa La Cumbre, located at 521 N. La Cumbre Road, consisting of 60 units. The financing plan includes utilizing 4% Low-Income Housing Tax Credits, tax-exempt bonds and a new low-interest, fixed rate HUD-insured mortgage with a 35 year term that will take out the bonds 18 months following their issuance. The reservation of tax credits has been secured for this project from California Tax Credit Allocation Committee and a forward commitment for the bond allocation has been received from California Debt Limit Allocation Committee—both of which were subsequent to the City Council's June 12, 2012 TEFRA hearing approving our issuance of the bonds. We expect to receive a firm commitment of the FHA/HUD-insured mortgage from the Department of Housing and Urban Development within the next month whereupon all of the financing will be ready for closing.

In order to move this important recapitalization effort forward, we need specific approvals from the City. First, we would like to receive approval and agreement to have the City's existing residual receipts loan on the Villa La Cumbre property subordinated to the new HUD-insured mortgage and Housing Authority loans and to amend the maturity date of the loan to coincide with the maturity date of the new HUD-insured mortgage. Secondly, there are several deeds of trust recorded by the City encumbering both SHIFCO and Villa La Cumbre as security for performance of past grant funds given to the Housing Authority for capital improvements. As full performance on these past grants has been

Letter Request – Subordination of Residual Receipts Loan for Villa La Cumbre and Reconveyance of Deeds of Trust
February 18, 2012
Page 2 of 3

achieved, we would like to have these deeds re-conveyed. Included is a project summary to more fully inform you and your team of the recapitalization plan details (see attached **Exhibit A**).

Subordination and amending of maturity date of existing Residual Receipts loan on 521 N. La Cumbre Road

Villa La Cumbre has an existing City of Santa Barbara (Housing Successor Agency to the former Redevelopment Agency) residual receipts loan with an outstanding balance of \$1,167,224.61 (principal plus accrued interest through January 31, 2013) with a maturity date of June 1, 2030. From the inception of this recapitalization need and effort, the Housing Authority has contemplated leaving this loan in place and having the City subordinate the loan to the new HUD-insured mortgage. The Housing Authority sought formal approval for the subordination in August, 2012 (**see attached Exhibit B**), and received approval from the City's loan Committee. After recent discussions with our legal counsel and the City Attorney's Office, it has been determined that HUD will not only require subordination of the City's loan to their insured loan but may also require a modification of the maturity date to coincide with the maturity date of their loan. Should this modification be required, the loan would need to be extended an additional 18 years, to April 2048. We recognize this type of modification would require City Council approval. Thus, we are seeking written affirmation of the City Council's approval of the subordination request and a firm indication of City staff's support (to be followed by City Council approval) of this request to modify and extend the maturity date of the loan to coincide with the maturity date of the HUD insured loan, if so required.

As was detailed in our original subordination request in August of 2012 (**Exhibit B**), the residual receipts loan is an obligation of the Housing Authority and although use of the properties require conveyance to a limited partnership via a financing lease to effectuate the recapitalization, the Authority will ensure minimum payment of \$60,000 per year on the loan via a separate agreement between the Authority and the City. This is the same amount that Housing Authority has paid in its most recent program year and is an amount that fully amortizes the loan over the existing loan term. In other words, at the \$60,000 agreed upon minimum annual payment the loan will be paid in full in 2042, which would be in advance of the requested extended term of 2048. In the event that the Department of Housing and Urban Development (HUD) does not approve the proposed payment arrangement, the Housing Authority will pay the residual receipts loan on or before the close of the recapitalization transaction.

Requests for Reconveyance of Deeds of Trusts for Grant Agreements encumbering both SHIFCO and Villa La Cumbre

Over the last several years, the City of Santa Barbara has granted funds to the Housing Authority for the purpose of capital improvements to both properties. The most recent grants were for re-roofing projects at both properties. To secure performance of these grants, the City had Deeds of Trusts recorded encumbering both properties. Since these funds have been expended per the grant agreements, the Housing Authority would like to clean up title to both properties by having the Deeds of Trusts reconveyed. The Housing Authority will ensure that all new use agreements and affordability

Letter Request – Subordination of Residual Receipts Loan for Villa La Cumbre and Reconveyance of Deeds of Trust
February 18, 2012
Page 3 of 3

covenants that result from this recapitalization effort meet or exceed the City covenants put into place with the aforementioned grant agreements.

Approving the subordination and loan modification (should the latter be required by HUD) on the 521 N. La Cumbre residual receipts loan and reconveying the deeds of trust on the grant agreements as outlined above, will assist the Housing Authority in effectuating this very needed recapitalization effort. While this is a very complicated financing structure, it is essentially a refinance in conjunction with the injection of new tax credit capital to rehabilitate the two properties. At completion, all 167 units that make-up the two properties will be brought to “like new” condition such that they can effectively serve current and future low-income Santa Barbara seniors for another 40 years. The refinancing will also enable the Housing Authority to draw on equity to help address the rehabilitation needs of other properties in its current inventory. Allowing the City’s loan to remain on the project and not require repayment at closing as vetted with City staff in the past will enable the Housing Authority to also utilize equity funding to better address the community’s identified affordable housing needs. This is all the more important now that affordable housing funding via redevelopment agencies no longer exists in California.

We appreciate the work the City has put into the review of this project to date. Please review and forward this request to the City Council for their consideration as soon as is feasible as we are attempting to finalize the agreements and close on all financing between March 20th and March 31st.

If you should require any additional information, please feel free to contact me at 805-897-1025 or via email at rpearson@hacsb.org or Rob Fredericks at 897-1051 or email at rfredericks@hacsb.org.

Sincerely,

HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA



ROBERT G. PEARSON
Executive Director/CEO

cc: Rob Fredericks, Deputy Executive Director/CAO
Bob Peirson, Director of Finance



HOUSING

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August 20, 2012

Hand Delivered

Sue Gray, Administrative Services Manager
Community Development Department
City of Santa Barbara
630 Garden Street
Santa Barbara CA 93101

RE: 521 N. LA CUMBRE LANE (VILLA LA CUMBRE) REQUEST FOR SUBORDINATION OF EXISTING RESIDUAL RECEIPTS LOAN

Dear Ms. Gray,

The Housing Authority of the City of Santa Barbara is planning to recapitalize Villa La Cumbre, a 60 unit affordable senior housing development located at 521 N. La Cumbre Road, Santa Barbara, CA. This complex was originally developed in 1986 and was purchased by the Housing Authority on April 28, 2000 using, in part, a \$886,700 low interest, residual receipts loan from the Redevelopment Agency of the City of Santa Barbara. As the property is now 26 years old, many building materials and systems are in need of repair and/or replacement. Accessing the Federal Low-Income Housing Tax Credit Program (LIHTC) and a tax-exempt bond issuance, the Housing Authority is planning to perform the necessary rehabilitation of this property along with another Authority owned affordable senior housing development, SHIFCO, located on the Mesa.

To facilitate this transaction and to ensure the long term stability of Villa La Cumbre, the Housing Authority is making this formal request to your office (the Housing Successor Agency (HSA) of the Redevelopment Agency) to subordinate the above referenced loan on the property to the new financing that will ultimately take the form of an FHA/HUD-insured mortgage. The outstanding balance of the HSA loan as of July 31, 2012 is \$1,178,559.11 (principal and accrued interest).

As explained in our past meetings and reports made as part of the TEFRA hearing held by the City Council on June 13, 2012 for the project, the Housing Authority has formed a California limited partnership that will purchase the improvements existing on both Villa La Cumbre and SHIFCO. The Housing Authority will retain fee title ownership of the land and will master lease the improvements back from the partnership in order to maintain operational control of the properties during the initial 15 year tax credit compliance period. After this initial period, the Housing Authority will repurchase the improvements under an option, returning them to its non-HUD portfolio under favorable terms. This model, utilizing the wrap around master lease of the improvements back to the Housing Authority, is tried and proven with several of our other "non-HUD" (LIHTC) rental housing developments.

Letter Request – Subordination of Residual Receipts Loan for Villa La Cumbre

August 19, 2012

Page 2 of 2

The planned rehabilitation of Villa La Cumbre is budgeted at \$1,533,806 (\$25,563.43 per unit) and will include the following:

- Replacement of hydronic heating units and water heaters with energy efficient models
- New kitchen counters, cabinets and energy efficient appliances
- New flooring throughout
- New windows
- New entry doors
- Replacement of plumbing fixtures
- New perimeter fencing
- Upgrade of electrical fixtures

This rehabilitation project will enable the Housing Authority to continue providing quality affordable housing for the current and future residents of Villa La Cumbre for the next several decades by extending its useful life.

To be clear, the existing residual receipts loan will remain an obligation of the Housing Authority of the City of Santa Barbara, but will be, subject to the City's approval, subordinate to the new permanent HUD-insured financing with the Limited Partnership. As discussed previously with City staff, to preserve the City's position on residual receipts payments on the loan, the Housing Authority is open to negotiating mutually agreeable repayment terms, such as maintaining residual receipts payments at the greater of the actual residual receipts for each program year or \$60,000 per year, which was the amount paid in 2012 based on our 2011 results of operations.

We are expecting to have our tax credit application and bond allocation approval from the State in mid-September and are looking to close the new financing, with concurrent subordination of the City's residual receipts loan, between November 15th and December 15th, 2012. We appreciate your review and forwarding of this request to the City Council (the Housing Successor Agency) for their consideration prior to the stated closing time frame.

If you should require any additional information, please feel free to contact me at 805-897-1051 or via email rfredericks@hacsb.org

Sincerely,

HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA



ROB FREDERICKS
Deputy Executive Director/CAO

cc: Robert G. Pearson, Executive Director
Bob Peirson, Director of Finance