



MENTAL HEALTH ASSOCIATION  
IN SANTA BARBARA COUNTY  
*Creating Hope Through Understanding*

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July 19, 2006

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Mr. Dave Gustafson,  
Housing & Redevelopment Manager  
City of Santa Barbara,  
Community Development Department  
PO Box 1990  
Santa Barbara, CA 93102-1990

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Dear Dave,

The purpose of this letter is to formally request \$500,000.00 additional Redevelopment Agency Housing Subsidy for our MHA Garden Street Apartments to be built at 617 Garden Street in Santa Barbara.

When complete, this innovative integrated housing project will provide 51 affordable apartments to adults living with a mental health disability and those who work in the downtown business district. Additionally, we will build a Fellowship Club social- rehabilitation center and MHA office space to provide supports to all residents who wish to participate in the varied activities and services offered. Lastly, there will be a third floor condo office space built for the sale to a government or non-profit buyer.

STAFF  
Annmarie Cameron  
EXECUTIVE DIRECTOR

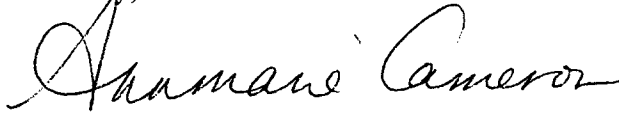
Patricia Collins  
ASSOCIATE DIRECTOR

Since last October, the escalating material and labor cost increases have added \$3.5 million dollars to our construction budget and our development team has been challenged to seek new funding sources to close this gap. To this end we have successfully been awarded a 9% Tax Credit Allocation from the California Tax Credit Allocation Committee (CTCAC). The MHA has pledged an additional \$500,000.00 of equity and will commit to carrying more permanent debt. Lastly, we will seek to be awarded a grant of \$346,000.00 from the Federal Home Loan Bank AHP program this Fall. The sum of these four sources brings us to a final gap of \$500,000.00 to balance the funding for the project.

We have enjoyed the consistent support from the City Council and every department as we have spent the last few years planning for this important community project. Specifically, the positive attitude and guidance we have received from Planning and the Redevelopment Agency have been invaluable to our progress to this critical juncture.

We respectfully request that the Redevelopment Agency Board and the City Council of Santa Barbara approve this increased commitment to this project so that we may all enjoy the successful completion of this effort. Should you have any questions or require more information, please let me know.

Sincerely,



Annmarie Cameron  
Executive Director  
Mental Health Association in Santa Barbara County

