



**SAN LUIS OBISPO NONPROFIT
HOUSING CORPORATION**

December 19, 2023

County of San Luis Obispo
Department of Social Services
1055 Monterey Street
San Luis Obispo, CA 93408

RE: Clarification Letter - 2024 CDBG Applications for Monterey Crossing Senior and Arroyo Terrace

Dear County Staff,

We appreciate your time and effort in pursuing a resolution to move forward with our 2023 CDBG allocations. In addition, we are thankful for the consideration for the two 2024 CDBG application requests.

This letter provides clarity on how the existing 2024 CDBG requests for Monterey Crossing Senior and Arroyo Terrace will be structured to satisfy HUD's regulations. To date, both applications include San Luis Obispo Nonprofit Housing Corporation (SLONP) as the applicant. The applications will essentially remain the same, except for the structure.

As prescribed by HUD, SLONP would use the CDBG funds to acquire a leasehold interest in the property from the Housing Authority of the City of San Luis Obispo, which it would then sell/transfer to the tax credit partnership using a seller carryback loan.

The project would still satisfy the nation objective as stated in the application for Low/Mod Housing Benefit.

Sincerely,

Ken Litzinger

Chief Financial Officer

San Luis Obispo Nonprofit Housing Corporation