



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Housing and
Community
Development
Department No.: 055
For Agenda Of: 3/13/2007
Placement: Administrative
Estimated Tme: 15 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department John Torell Director Housing and Community Development
Director(s) Department, 568-3515
Contact Info: Jennifer Christensen, Project Manager, 5683514
**SUBJECT: Update Of Affordability Provisions and Encumbrance for 24 S. Glen Annie,
Second Supervisorial District**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: Select_Other

As to form: Select_Concurrence

Recommended Actions:

(a) Approve the update of the affordability provisions of the real property located in Pacific Glen at 24 South Glen Annie, Assessor Parcel No. 073-480-025, from Upper Moderate (100-120% of Area Median Income) to Workforce (121-150% of area Median Income).

(b) Approve the affordability encumbrance of the property for an additional 45 years from the date of transfer to the new owner.

Summary Text:

The County of Santa Barbara exercised its right of first refusal with the purchase of the property located at 24 S. Glen Annie, in Goleta as the result of the owners violation of the occupancy requirement of the Resale Restrictive Covenant and Preemptive Right, instrument number 1999-034342. The County purchased the home at the Upper Moderate Maximum Sales price of \$236,900, as defined in Section II, C of the Resale Restrictive Covenant. The purchase of the property was completed on August 14, 2006 and the County of Santa Barbara is now the owner of record.

Housing and Community Development (HCD) intends to resell the home to a qualified affordable housing applicant. Currently, the home is designated an Upper Moderate unit (100 -120 % of Area Median Income). Staff recommends that the unit's designation be changed to a Workforce unit eligible to be sold to a buyer earning up to 200 % of Area Median Income. This will allow the County to

recoup costs associated with repairs and maintenance necessary to place the unit back on the market. It will also add a Workforce unit to the County's inventory for a period of 45 years as the affordable purchaser will sign a 45 year Resale Restrictive Covenant and Preemptive Right, a Deed of Trust and a Notice of Default.

Background:

The Board of Supervisors approved the update of affordable provisions and the encumbrance of another affordable property located in the First Supervisorial District in 2004.

Performance Measure:

It is a County goal to preserve affordable housing stock. Policy 6.3 states *The County shall extend the duration of existing affordability agreements whenever feasible if such extension is consistent with requirements of other applicable laws, regulation or programs and county policies.* Policy 6.3, Action 4 states *Where feasible when an affordable unit is subject to a county affordability covenant is for sale, the county shall exercise its first right of refusal to acquire the unit. Once acquired and prior to reselling the unit the county shall update the affordability provisions and encumber the units for at least 45 years.*

The County recognizes the need for housing for families earning between 121 to 200% Area Median Income. This workforce category includes families who cannot afford market rate homes, do not qualify for low income affordable housing and are employed in the community in essential occupations. HCD intends to sell the home to an affordable workforce applicant and affordability encumbrance with the new owner of the property with a 45 year Resale Restrictive Covenant.

Fiscal and Facilities Impacts: The county expended \$236,900 from 0065 Affordable Housing Trust Funds to purchase the home and \$2,600 for maintenance, repairs and utilities since August 14, 2006. HCD intends to sell the home for \$296,100 to an income certified workforce category purchaser. The net profit from the sale of the home would generate approximately \$56,600 and would be deposited in the South Coast Housing Market area housing fund.

Budgeted: No

Special Instructions:

After Board Action send Action Summary to

Housing and Community Development Department

Attention: Susan Everett Affordable Housing Program, basement Room 5

Attachments:

Authored by:

Susan Everett Staff 568-2014