



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:** Treasurer-Tax Collector  
**Department No.:** 065  
**For Agenda Of:** 2/7/2023  
**Placement:** Departmental  
**Estimated Time:** 5 minutes  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Harry E. Hagen, CPA, CPFA, CPFO, CFIP, CGIP, ACPFIM  
Director(s): Treasurer – Tax Collector  
(805) 568 – 2490  
Contact Info: LeAnne Hagerty, CPA, CPFO  
Treasury Finance Chief  
(805) 568 – 2498  
**SUBJECT:** Housing Authority of the County of Santa Barbara Issuance of Tax-Exempt  
Multifamily Housing Revenue Obligations for the Benefit of Brisa Encina  
Apartments

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Debt Advisory Committee

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:** That the Board of Supervisors:

- A) Hold a public hearing in compliance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) regarding the issuance by the Housing Authority of the County of Santa Barbara of tax-exempt multifamily housing revenue obligations, for the benefit of Brisa Encina, L.P., and consider public comment; and
- B) Adopt a resolution of the Board of Supervisors of the County of Santa Barbara approving the issuance by the Housing Authority of the County of Santa Barbara of its multifamily housing revenue obligations for the benefit of Brisa Encina, L.P. in an aggregate amount not to exceed \$11,500,000, to finance the acquisition and construction of a 49-unit multifamily rental housing facility; and
- C) Determine that the above actions involve government funding mechanisms and/or fiscal activities and are not a project under the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(4) of the CEQA Guidelines.

**Summary Text:** Brisa Encina, L.P., a limited partnership or a related entity (Borrower), has requested that the Housing Authority of the County of Santa Barbara (HACSB) adopt a plan of financing providing for the issuance of multifamily housing revenue notes or bonds (Obligations) in one or more series issued from time to time, including Obligations to refund such Obligations in one or more series from time to time, and at no time to exceed \$11,500,000 in outstanding aggregate principal amount, to finance the acquisition and construction of a 49-unit multifamily rental housing facility to be located in the unincorporated area of the County of Santa Barbara (County) at 1498 Burton Mesa Boulevard in Lompoc, California, generally to be known as Brisa Encina Apartments (Project).

This item was considered by the Santa Barbara County Debt Advisory Committee on January 17, 2023 and was approved for recommendation to the County Board of Supervisors.

**Background:**

Brisa Encina, L.P. provided the following information:

Brisa Encina, L.P. proposes to issue \$11,500,000 of tax-exempt obligations, with the Housing Authority of the County of Santa Barbara as the issuer and Pacific Western Bank as the privately-placed bond buyer. The full amount of the bonds, \$11,500,000, will be issued and utilized to construct the 49-unit apartment development, and held for at least one year after sustaining occupancy, at which time the permanent loan balance is proposed to be reduced to \$5,335,000 fully amortized over 360 months at an interest rate of 6.15%.

Brisa Encina Apartments received all zoning and land use approvals in August, 2022. The Project holds a commitment for 12 veterans VASH rental vouchers, and it is seeking and expects to receive a commitment of \$6,000,000 of “Community Care Expansion” capital funds from the State Department of Social Services. It also holds commitments for solar and energy efficiency incentives for approximately \$225,000. The Project seeks an allocation of \$11,500,000 in private activity bond authority from the California Debt Limit Allocation Committee, and an allocation of \$9,770,056 of 4% low income housing tax credits from the California Tax Credit Allocation Committee.

Brisa Encina Apartments will offer 13 units of studio housing to mentally disabled households at basic rents of \$733 per unit per month, including all utilities, and will offer 12 units of studio apartment housing for participation under the federal VASH program for formerly homeless veterans. The remaining 24 units will include one- and two-bedroom units (with rents set at very low-income levels: 50% of area median income), encouraging family housing, consistent with neighborhood input. The Project includes space for a 49-child capacity community child care center. A separate grant of \$1,500,000 is being sought to fund the construction of the child care center with CommUnify as the Head Start operator. Section 8 tenant-based subsidies will be accepted in all units.

The following are the estimated Project sources and uses:

	Construction	Permanent
<b>Sources</b>		
Tax Exempt Loan	11,500,000	5,335,000
CCE Loan (California)	4,400,000	6,000,000
Land Seller Loan	1,100,000	1,100,000
Energy Equipment Loan	0	122,500
Tax credit Equity	2,190,383	8,851,533
Developer Equity	2,240,820	22,170
<b>Total Sources</b>	<b>21,431,203</b>	<b>21,431,203</b>
<b>Uses</b>		
Land	1,300,000	1,300,000
Soft Costs (Design, Permits, Res.)	4,968,671	4,968,671
Construction Costs	14,520,425	14,520,425
Financing	642,107	642,107
<b>Total Uses</b>	<b>21,431,203</b>	<b>21,431,203</b>

**Fiscal and Facilities Impacts:** The Obligations and the responsibility to pay principal of and interest thereon and any redemption premium with respect thereto will not constitute an indebtedness or an obligation of the HACSB, the County, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them, but will be payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower.

**Special Instructions:**

Please return one signed original resolution to the Treasurer Tax-Collector’s office, Attention: LeAnne Hagerty.

**Attachments:**

A Resolution of the Board of Supervisors of the County of Santa Barbara Approving the Issuance of Multifamily Housing Revenue Obligations for Brisa Encina Apartments by the Housing Authority of the County of Santa Barbara.

**Authored by:**

LeAnne Hagerty, CPA, CPFO, Treasury Finance Chief