



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: County Executive Office
Department No.: 990
For Agenda Of: 5/03/11
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Directors, Redevelopment Agency
FROM: Department Chandra L. Wallar, Executive Director, Redevelopment Agency
Director Glenn Russell, Ph.D., Director, Planning and Development
Contact Info: Vicki Parker, Deputy Director, Planning and Development, 568-2057
SUBJECT: Public-Private Partnership for Six Affordable Housing Units at 909 Embarcadero del Mar in Isla Vista, 3rd Supervisorial District

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the County of Santa Barbara Redevelopment Agency (“Agency”) Board of Directors:

1. Approve and authorize the Chair to execute the Second Amendment to the Owner Participation Agreement with Paradise Ivy, LLC (“Developer”), a limited liability company, that includes a \$717,000 loan of Isla Vista Project Area Redevelopment Agency Affordable Housing Funds for development of six studio housing units affordable to low-income residents, located at 909 Embarcadero del Mar in Isla Vista (Attachment A).
2. Authorize the Chair to execute an Intercreditor Agreement (which allows the developer’s construction lender to hold the remaining balance of committed Agency funds [\$617,000] and disburse them in accordance with Agency-approved performance milestones) in a form approved by County Counsel.
3. Authorize a Budget Revision Request in the amount of \$617,000.

SummaryText:

This item is on the agenda to amend the Owner Participation Agreement (OPA) approved by the Redevelopment Agency Board of Directors on July 14, 2009, and amended on June 15, 2010, and to allow Agency funds to be held in trust and disbursed by the Developer’s construction lender. The OPA established a public/private partnership to redevelop a key corner of downtown Isla Vista with a mixed

use residential and commercial project. The project, located at 909 Embarcadero Del Mar, is identified as a catalyst redevelopment project in the Isla Vista Master Plan approved by the Board of Supervisors in August 2007.

The OPA provided a loan of \$717,000 (\$119,500 per unit) from the Agency to the Developer to assist in the development of housing that is affordable to low income households. A disbursement of \$100,000 has already been made, leaving \$617,000 to be disbursed according to performance milestones included in the OPA. and to provide that future disbursements be made by the construction lender. The Intercreditor Agreement sets for the terms and conditions under which the Agency agrees to allow Developer’s construction lender (Wells Fargo, N.A.) to hold Agency funds on account and disburse those funds. In order to receive a disbursement, Developer must submit a Request for Disbursement of Funds to the lender and the Agency certifying that work required to meet the milestone has been completed. The Request must be signed by both the lender and the Agency.

Background:

The IVMP describes a long term vision for the Isla Vista community, with a revitalized downtown that provides housing and high quality retail uses that serve area residents. The project meets the goals of the adopted Plan by providing new community-serving commercial space on the ground floor and twenty four residential studio units on the remaining two levels. Six studios will be price restricted affordable units available for rent to low income households earning less than 75% of the Area Median Income. The remaining eighteen studios will be market rate rental units.

The proposed project at 909 Embarcadero del Mar was approved by the County Planning Commission on February 6, 2008, permit numbers 05DVP-00000-00027, 07CUP-00000-00036, 07ORD-00000-00009, 07DPA-00000-00001. As part of the Project’s Conditions of Approval for the Conditional Use Permit, Paradise Ivy, LLC entered into and recorded agreements with the Redevelopment Agency.

These Agreements are exempt from CEQA pursuant to Cal. Code of Regs., Title 14, Section 21090(b). The Clerk of the Board filed the Notice of Exemption on May 4, 2011.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
RDA Housing Fund	\$ 617,000.00		\$ 617,000.00
Total	\$ 617,000.00	\$ -	\$ 617,000.00

The Low/Moderate Income Housing monies were committed to this project at the time the original Owner Participation Agreement was executed and the current budget includes funding needed to transfer to the Developer’s lender. There are no additional costs associated with the Second Amendment or the Intercreditor Agreement

Special Instructions:

Please notarize and acknowledge Chair's signature of the Second Amendment to the Owner Participation Agreement and the Intercreditor Agreement.

Please forward original signed copies and the minute order to Redevelopment Agency.

Attachments:

Attachment A: Second Amendment to the Owner Participation Agreement

Attachment B: Intercreditor Agreement

Attachment C: Budget Revision Request

Attachment D: Notice of CEQA Exemption

Authored by:

Vicki Parker, 568-2057

CC:

Mary McMaster, County Counsel