



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: Community Services
Department No.: 057
For Agenda Of: November 7, 2023
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department George Chapjian, Director (805) 568-2467
Director(s)
Contact Info: Joe Dzvonik, HCD Deputy Director (805) 568-3523
Laurie Baker, Grants & Program Mgr./HCD (805) 568-3521
SUBJECT: Agreement to Provide Affordable Housing and Rental Restrictive Covenant for Ocean Meadows Residential Development 19DVP-00000-0002, Third Supervisorial District

County Counsel Concurrence

As to form: YES

Auditor-Controller Concurrence

As to form: YES

Risk Concurrence:

As to form: YES

Recommended Actions:

That the Board of Supervisors:

- a) Approve and authorize the Chair of the Board of Supervisors to execute the attached *Agreement to Provide Affordable Housing* (Attachment A) for the Ocean Meadows Residential Development (Agreement) and direct its recordation.
- b) Find that pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15162, no substantial changes are proposed, and no new information of substantial importance has come to light regarding environmental effects of the Ocean Meadows Residential Development (Project) or the sufficiency or feasibility of mitigation measures, and therefore approval of the Agreement is within the scope of the Project covered by the Final Mitigated Negative Declaration (MND) (20-NGD-00000-00007), which was adopted by the County Planning Commission on December 1, 2020, and therefore no new environmental documentation is required.

Summary Text:

County HCD is seeking the approval and authorization of the Chair of the Board of Supervisors to execute the Agreement to Provide Affordable Housing for the Ocean Meadows Residential Development and direct its recordation. The County Planning Commission approved the Project on December 9, 2020. The Project will be developed on two separate parcels [APN #073-090-072 \(lot 2\) and #073-090-073 \(lot 3\) in Santa Barbara County, Third Supervisorial District](#), and includes a request for a density bonus under California's Density Bonus Law based on the provision within the Project of six (6) Affordable Housing Rental Units (as defined in Section 46A-2 of the County Code). The Project owner-developer proposes that 6 units, over 20% of the 28 unit base density, be designated as affordable low-income units. With this percentage of low-income units, the applicant is entitled to a 35% increase in density (28 x 1.35), resulting in an allowance of 10 additional units, or a total of 38 residential units. Consistent with this allowance, the Project owner-developer proposes a total of 38 total units (32 market-rate, and 6 affordable). The Project as approved by the Santa Barbara County Planning Commission includes construction of thirty-eight (38) residential units, six (6) of which are designated as Affordable Housing Units available for rent to Low-Income Households, and subject to a Rental Restrictive Covenant and Preemptive Right (Affordable Units). Each Affordable Unit shall remain subject to the Rental Restrictive Covenant and Preemptive Right (Covenant) for a period of fifty-five (55) years.

To comply with the Project's Conditions of Approval, the Agreement to Provide Affordable Housing (Attachment A), including the Covenant attached thereto as Exhibit D, will be executed and recorded concurrently with the final Project map recordation.

Background:

Under California's Density Bonus Law, set forth in Government Code sections 65915-65918 (SDBL), and the County Code, a density increase allows for additional housing units over the otherwise maximum allowable density authorized in the applicable base zone district. Given the Property's base density of 28 units, and the Project's inclusion of six (6) Affordable Units, the Project is eligible for a density increase of ten (10) units over base density, for a total of 38 Project units.

The execution and recordation of the Agreement will satisfy the conditions that govern participation in the State's mandated density bonus program under the SDBL. Concurrently with final Project map recordation, the Owner-Developer shall enter into and record the Agreement with the County of Santa Barbara, agreeing to provide six (6) rental units as Affordable Housing Units at prices affordable to Low-Income Households as follows: Six (6) Low-Income dwelling units shall be provided at rental prices affordable to households earning 60% of the Area Median Income (AMI), consistent with the provisions of the SDBL. The above-described conditions are wholly consistent with the provisions outlined in Santa Barbara County's adopted Revised 2015-2023 Housing Element.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Six (6) Affordable Units will become available and part of the County's affordable housing stock, which will require annual monitoring until the expiration of the term of the Rental Restrictive Covenant and Preemptive Right. The fiscal impact of future monitoring is included in the base budget.

Staffing Impacts:

The Community Services Department (CSD) administers the County's Inclusionary Housing Program and, in this role, is the lead agency in drafting the Agreement and Covenant based on the Project Conditions of Approval as set forth by the County. CSD will use its series of monitoring and reporting processes to mitigate risks and preserve the existing stock of affordable housing through its involvement with any resale, refinancing, or other transfer of these six (6) Affordable Units for the duration of the term of the Covenant.

Special Instructions:

1. The original copy of the Agreement to Provide, executed by Developer will be provided to Clerk of the Board prior to 11/7/23 Hearing date.
2. Clerk of the Board to forward the executed *Agreement to Provide Affordable Housing* to the Housing and Community Development Department for forwarding to the County Clerk Recorder for recordation.
3. Clerk of the Board to make a copy of the recorded Agreement. Clerk of the Board shall send a copy of the Minute Order and the original, recorded Agreement to Andrew Kish, County HCD.

Attachments:

Attachment A: Agreement to Provide Affordable Housing including:

- Exhibit A, Legal Description of Property
- Exhibit B, Affordable Housing Conditions for The Ocean Meadows Residential Project
- Exhibit C, Address List of Affordable Housing Units
- Exhibit D, Rental Restrictive Covenant and Preemptive Right
- Exhibit E, Marketing Plan for Ocean Meadows Residential Project
- Exhibit F, Lottery Plan for Ocean Meadows Residential Project

Attachment B: Link to the Ocean Meadows Residential Project Final MND:

<https://app.box.com/s/t3u8kx9hqvir2lm3gkf05semw1x2lu5i>

Authored by:

Andrew Kish, HPSS, Housing and Community Development Division (akish@countyofsb.org)

cc: Lisa Plowman, Director, CoSB Planning & Development