



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  
**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

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**TO:** Board of Supervisors  
**FROM:** Department George Chapjian, Community Services Director (805) 568-2467  
Director  
Contact Info: Laurie Baker, Grants & Program Manager (805) 568-3521  
Joe Dzvonik, Deputy Director, (805) 568-3523  
**SUBJECT: Permanent Local Housing Allocation (PLHA) Loan Documents with Good Samaritan Shelter for acquisition and improvements to a single-family residence located at 2260 Tree Line Drive, in the City of Santa Maria, (the “Project”), 5th Supervisorial District.**

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

- a) Approve and authorize the Chair to execute, where applicable, County Loan Documents:
  - i. A PLHA Promissory Note (Attachment D) and PLHA Deed of Trust, (Attachment B) with Good Samaritan Shelter; and
  - ii. Approve and authorize the Chair of the Board of Supervisors to execute: A PLHA Loan Agreement (Attachment A) and PLHA Regulatory Agreement, (Attachment C) with Good Samaritan Shelter, collectively County Loan Documents for a loan in the amount of \$325,000 (“PLHA Loan”) as financial support for the Project; and
- b) Find that the recommended actions related to the proposed Project qualify as a Categorical Exemption based on Section 15303 (New Construction or Conversion of Small Structures) of the California Environmental Quality Act (CEQA).

**Summary Text:**

The Recommended Actions would approve a Permanent Local Housing Allocation (PLHA) Loan of \$325,000 for Good Samaritan Shelter (Good Sam) to acquire and improve a Project that will house five formerly homeless veterans. PLHA funds are provided annually to the County by the State of California for development of affordable housing and will cover a share of property acquisition costs and for certain

improvements. Good Sam has also been awarded a \$425,000 grant from the U.S. Department of Veteran’s Affairs under its Grant and Per Diem Program together the PLHA and the Veterans Affairs funding comprise the \$750,000 Project budget. A Promissory Note executed by Good Sam (Attachment D) securing the County PLHA Deed of Trust is included herein as reference.

**Background:**

On July 18, 2023, Santa Barbara County Housing and Community Development Division (HCD) convened a meeting of the PLHA Consortium, consisting of the County as lead agency and participating jurisdictions representing the cities of Buellton, Carpinteria, Goleta, Lompoc, Santa Maria and Solvang. At this meeting, the County presented the Project to the Consortium members and the allocation of \$325,000 in PLHA funds to the Project.

The Project entails Good Sam’s purchase of a 2,160 square foot, 5-bedroom 2.5 bath single-family residence located at 2260 Tree Line Drive in the City of Santa Maria (“Property”), and subsequent improvement work to accommodate future tenancy of up to five formerly homeless veterans. Pursuant to requirements associated with a Department of Veterans Affairs Grant, as part of the property improvement scope of work, each bedroom will have a private bathroom. Therefore, the improvements will include adding two bathrooms and converting the existing half bathroom into a full bathroom. One bathroom will be compliant with the Americans with Disabilities Act (ADA).

The total Project cost is in the amount of \$750,000. Project financing sources are reflected below.

|                                  |                   |
|----------------------------------|-------------------|
| Department of Veterans Affairs   | \$ 425,000        |
| <u>Santa Barbara County PLHA</u> | <u>\$ 325,000</u> |
| Total Project Budget/Sources     | \$ 750,000        |

Of these sources, \$697,000 will be used to purchase the 5-bedroom home, while the remaining \$53,000 will be used toward the cost of property improvements Good Sam will cover any costs over this amount. Once Good Sam closes escrow and acquires the Property, Property improvements will commence as soon as a contractor is procured. Once Project work is completed, qualifying veterans will be able to move into the residence; occupancy is projected for the first quarter of 2024.

The Veterans Affairs funding helps homeless Veterans achieve residential stability, increase their skill levels and/or income, and obtain greater self-determination. Additionally, the Veteran’s Affairs Grant and Per Diem Program offers Case Management grants to support housing retention for Veterans who were previously homeless and are transitioning to permanent housing. Veterans in supportive housing may be asked to pay rent if it does not exceed 30% of the Veteran's monthly-adjusted income.

The County’s Regulatory Agreement requires that the units be made available to qualified households, defined as households with annual incomes at or below eighty percent (80%) of Area Median Income and that also qualify under the Department of Veterans Affairs Grant and Per Diem Program. The term of the Regulatory Agreement is fifty-five (55) years. No payments are required on the loan and, if the Project remains compliance with the 55-year Regulatory Agreement that restricts the Property for low-income Veterans, then the loan will be forgiven in its entirety.

**Performance Measure:**

County HCD staff will monitor the Project during the construction phase through Project completion and lease-up to ensure that all performance metrics are being met and the Property is being occupied by Qualifying Veteran’s Populations, including formerly homeless veterans, in accordance with Department of Veterans Affairs requirements. HCD staff will continue to monitor the Project for the 55-year term of the Regulatory Agreement.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

| <u>Current FY Cost:</u> | <u>Annualized On-going Cost:</u> | <u>Total One-Time Project Cost</u> |
|-------------------------|----------------------------------|------------------------------------|
| State PLHA              |                                  | \$ 325,000.00                      |
| \$ -                    | \$ -                             | \$ 325,000.00                      |

**Key Contract Risks:**

The PLHA Loan Agreement and Regulatory Agreement specify Project eligible expenses, and County staff will review each Good Sam Project payment request to ensure that expenses considered for reimbursement have been incurred for Project-eligible costs; the County pays for Project expenses on a cost-reimbursement basis.

**Staffing Impacts:**

Current HCD staff will administer the PLHA Loan Documents.

**Special Instructions:**

Documents to be signed by Board Chair

1. Please have the Board Chair execute one original **Loan Agreement** (Attachment A); retain the original in COB files and email a scanned copy to [cjimenez@countyofsb.org](mailto:cjimenez@countyofsb.org).
2. Please have the Board Chair execute one original **Regulatory Agreement** (Attachment C). Signature must be notarized\*. **Return the notarized\* original** to Carlos Jimenez for recording in the County’s Real Estate/Official records. Please email or call when ready for pick up: (805) 568-3529 [cjimenez@countyofsb.org](mailto:cjimenez@countyofsb.org). The original (or a conformed copy) will be returned to COB for their records following recording.

\*If acknowledged by the Clerk of the Board staff, please also include a signed acknowledgement form in addition to the embossment. Alternatively, an HCD notary will contact COB to arrange for a notarized signature.

Documents not signed by Board Chair

1. Please retain the original Promissory Note (Attachment D) in COB files and email a scanned copy to [cjimenez@countyofsb.org](mailto:cjimenez@countyofsb.org).
2. Please *return the original* Deed of Trust (Attachment B) to Carlos Jimenez for recording in the County's Real Estate/Official records. Please email or call when ready for pick up: (805) 568-3529 [cjimenez@countyofsb.org](mailto:cjimenez@countyofsb.org). The original (or a conformed copy) will be returned to COB for their records following recording.
3. Please email a copy of the Minute Order to [cjimenez@countyofsb.org](mailto:cjimenez@countyofsb.org).

**Attachments:**

ATT A: Loan Agreement

ATT B: Deed of Trust

ATT C: Regulatory Agreement

ATT D: Promissory Note

**Authored by:**

Carlos Jimenez, Housing Program Specialist