



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: November 20, 2007  
Placement: Administrative  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: No Vote Required

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TO: Board of Supervisors  
FROM: Department John Torell, CPA 568-3520  
Director(s)  
Contact Info: Susan Everett 568-2014  
SUBJECT: **Memorandum of Understanding for Rice Ranch Project Case Numbers 03RZN-00000-00003, 97-SP-001, TM 14,430, TM 14,636, 03ORD-00000-00008, 03DVP-00000-00009, -00010, -00011, -00012, -00013, -00014, Orcutt Community, Fourth Supervisorial District**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: N/A

**Other Concurrence:** N/A

**Recommended Actions:** Approve and execute the attached *Memorandum of Understanding for Rice Ranch* (Attachment A) for Rice Ranch Housing Development.

**Summary Text:**

The attached Memorandum of Understanding outlines an agreement between the County of Santa Barbara and Rice Ranch Ventures, LLC in which the Developer agrees:

- to construct 73 affordable *workforce* units concurrent with the construction of market rate units throughout the development, and
- to construct 73 affordable *low income* units concurrent with the construction of market rate units throughout the development **unless plans and entitlements are amended and in-lieu fees are paid**, and if such in-lieu fees are approved and paid,
- **to identify acceptable potential sites** where these paid in-lieu fees can be spent for construction of *low income* affordable units if the appropriate amendments are made to developer's plans and entitlements.

**Background:**

Regarding the Rice Ranch development, the County has executed and recorded two Agreements to provide Affordable Housing: instrument numbers 2007-0067891, Agreement to Provide Affordable Low Income Housing and 2007-0067891 Agreement to Provide Affordable Workforce Housing recorded on September 20, 2007.

The approved Rice Ranch project allows for construction of seven hundred and twenty five (725) residential units, seventy three (73) of which are designated *workforce affordable units* available to families earning less than 150% of median area income and seventy three (73) are designated *low income units* for families earning less than 80% of median income.

**Workforce units** - Condition of Approval item number 50 of TM 14,430 requires developer to construct 73 Restricted units with 50 of the units in the 120% medium income level and 23 units in the 150% medium income range whose marketing and sale must be concurrent with the construction of the market rate units throughout the development.

**Low Income units** - The Developer is also required to construct 73 units affordable to low-income with an affordability target of 75% of median income concurrent with the construction of market rate as required by condition of approval number 49 of TM 14,430. The affordable units must be constructed concurrent with the construction of market rate units with occupancy clearance for no more than 10% of the market rate units be allowed prior to occupancy clearance for the same percentage of the affordable units.

The Agreements to Provide were recorded to allow the project to move forward. However, the Developer *intends to apply to the County to amend plans and entitlements currently requiring the construction of low income affordable units in Rice Ranch be built on-site and instead to pay in-lieu fees.* Construction of the 73 units affordable to low-income will not be required if this amendment to the plans and entitlements is approved and in-lieu fees would be paid to provide capitol to assist with other housing projects.

The primary purpose of the attached MOU is to clarify the meaning of Conditions 49 and 50 in the Development Agreement for Rice Ranch. This will facilitate construction of the market rate and workforce units while Rice Ranch Ventures, LLC processes the necessary applications to pay in-lieu fees of the required low income units.

**Special Instructions:**

- Execute the Memorandum of Understanding and return to Housing and Community Development Department.

**Attachments:**

*Attachment A: Memorandum of Understanding Rice Ranch*

**Authored by:**

Susan Everett, Senior Planner, Housing and Community Development

**cc:**