



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

Submitted on:  
(COB Stamp)

Choose an item.

**Department Name:** Community Services  
**Department No.:** 057  
**Agenda Date:** January 7, 2025  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:** N/A  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Director(s): Jesús Armas, Director, Community Services Department (CSD),  
(805) 568-2485  
Contact Info:  
Joe Dzvonic, Deputy Director, Housing and Community Development (HCD), (805) 568-3523  
Lucille Boss, HCD Housing Programs Manager, (805) 568-3533  
**SUBJECT:** Extension of Conditional Reservation of County Affordable Housing Funds to Hollister Lofts  
(Second Supervisorial District)

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:**

As to form: Yes Choose an item.

**Auditor-Controller Concurrence**

As to form: Yes Choose an item.

**Recommended Actions:**

That the Board of Supervisors:

- a) Approve extension of and authorize the Community Services Director to execute a Funding Reservation Letter (Attachment A) for the Housing Authority of the County of Santa Barbara (Housing Authority), representing a conditional reservation of \$2,057,850 in Project County affordable housing funds through April 30, 2026; and
- b) Determine the above recommended action is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15162, no substantial changes are proposed and no new circumstances or information of substantial importance has come to light regarding environmental effects of the Project, and therefore the proposed action is within the scope of the CEQA Notice of Exemption approved by the Board of Supervisors (Board), on November 5, 2019, and on file with the Clerk of the Board, pursuant to CEQA Guidelines section 15004(b)(4), and that therefore no new Notice of Exemption is required.

**Summary Text:**

This item authorizes an extension of a \$2,057,850 conditional reservation of County affordable housing funds for the Project, subject to fulfillment of certain conditions precedent by the Housing Authority and the future execution and approval by the Board of loan documents memorializing the terms and conditions of such funding. On April 2, 2024, the Board authorized the CSD Director to execute a Project Reservation Letter, the term of which expires on April 30, 2025. This Item extends the reservation of such funds to April 30, 2026, allowing the Housing Authority to apply to the State of California Tax Credit Allocation Committee (CTCAC), and related Project funding sources.

**Background:**

On November 15, 2023, CSD issued a Notice of Funding Availability (NOFA) for community development and affordable housing funds, and the Housing Authority submitted an application for such funds. On March 11, 2024, the County Capital Loan Committee (CLC), recommended conditional reservation of \$2,057,850 in County funds for the Project (to be located in the 4500 block of Hollister Avenue on a 0.775-acre parcel in unincorporated South County, between the urban boundaries of the Cities of Goleta and Santa Barbara). On April 2, 2024, the Board authorized the CSD Director to execute a conditional Reservation Letter for such Project funds (See Attachment B, April 2, 2024 Board Letter, for additional details).

On April 23, 2024, the Housing Authority applied to CTCAC and the California Debt Limit Allocation Committee for 4% tax-credit and tax-exempt private-activity bond financing respectively. However, the Project was not considered for an award of funding. The Housing Authority and the County's General Services Department have since established Project site specifications and related items predicated on the Project's future fee ownership of the parcel, including a lot split, site survey and associated land appraisal.

On November 5, 2024, the Board authorized General Services to move forward with the disposition of this County-owned parcel to Hollister Lofts, L.P. for future development of the Project, which will provide affordable housing for the homeless. This Board action enables the Housing Authority to meet CTCAC's site control requirements for a future funding application, which the Housing Authority will submit in 2025. It is anticipated the CTCAC will likely meet in mid-May of 2025 to consider funding for applications submitted in February. At the time of the 2025 CTCAC meeting, the term of the existing Reservation Letter will have expired and pursuant to CTCAC regulations, no longer meet the site control requirement. The extension is necessary to allow the Housing Authority to continue pursuing funding and meet the required timelines.

**Performance Measure:**

Subject to future Board approval, County loan documents will memorialize loan terms, income limits and rent restrictions for the County-restricted units through a recorded Project Regulatory Agreement. County CSD will monitor the restricted units for an affordability period required by the funding source(s), but for a minimum of twenty years. The Project will add inventory to the County's Regional Housing Needs Assessment goals under its General Plan Housing Element.

**Contract Renewals:**

N/A

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

Contracts are not being executed at this time. Staff will return to the Board at a future date to approve and execute loan documents once Project entitlements and funding are realized precedent to the commencement of construction.

<b>Funding Source</b>	<b>FY 2025-2026</b>	<b>FY [fiscal year 2]</b>	<b>FY [fiscal year 3]</b>	<b>Total</b>
General Fund				
State				
Federal	\$2,057,850			<b>\$2,057,850</b>
Fees				
[Other Source]				
<b>Total</b>				<b>\$2,057,850</b>

**Staffing Impacts:**

The requested actions fall within the currently budgeted CSD staff duties.

**Special Instructions:**

Please email a copy of the Minute Order to Carlos Jimenez, [cjimenez@countyofsb.org](mailto:cjimenez@countyofsb.org).

**Attachments:**

**Attachment A** – Reservation Extension\_Hollister Lofts\_1.7.2025

**Attachment B** – April 2, 2024 Board Agenda Letter regarding Reservation Letter

**Attachment C** – November 5, 2024 General Services Board Agenda Letter regarding Purchase and Sales Agreement and Escrow Instructions

**Authored by:**

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Cc Kirk Lagerquist, Director, General Services

Antoinette Navarro, Director, County Behavioral Wellness Department