



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:** Treasurer-Tax Collector  
**Department No.:** 065  
**For Agenda Of:** 10/17/2023  
**Placement:** Departmental  
**Estimated Time:** 5 minutes  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Harry E. Hagen, CPA, CPFA, CPFO, CFIP, CGIP, ACPFIM  
Director(s): Treasurer – Tax Collector  
(805) 568 – 2490  
Contact Info: LeAnne Hagerty, CPA, CPFO  
Treasury Finance Chief  
(805) 568 – 2498  
**SUBJECT:** Housing Authority of the County of Santa Barbara Issuance of Tax-Exempt  
Multifamily Housing Revenue Obligations for the Benefit of Heritage Ridge  
Senior Apartments

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**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Debt Advisory Committee

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:** That the Board of Supervisors:

- A) Hold a public hearing in compliance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) regarding the issuance by the Housing Authority of the County of Santa Barbara of tax-exempt multifamily housing revenue obligations, for the benefit of Heritage Ridge Senior, L.P., and consider public comment; and
- B) Adopt a resolution of the Board of Supervisors of the County of Santa Barbara approving the issuance by the Housing Authority of the County of Santa Barbara of its multifamily housing revenue obligations for the benefit of Heritage Ridge Senior, L.P. in an aggregate principal amount not to exceed \$30,000,000, to finance the acquisition and construction of a 41-unit multifamily rental housing facility to be located southeasterly of the intersection of Calle Koral and Los Carneros in Goleta, California; and
- C) Determine that the above actions involve government funding mechanisms and/or fiscal activities and are not a project under the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(4) of the CEQA Guidelines.

**Summary Text:** Heritage Ridge Senior, L.P., a limited partnership, has requested that the Housing Authority of the County of Santa Barbara (HACSB) adopt a plan of financing providing for the issuance of multifamily housing revenue notes or bonds (Obligations) in one or more series issued from time to time, including Obligations issued to refund such Obligations in one or more series from time to time, and at no time to exceed \$30,000,000 in outstanding aggregate principal amount, to finance the acquisition and construction of a 41-unit multifamily rental housing facility to be located southeasterly of the intersection of Calle Koral and Los Carneros in Goleta, California, to be known generally as Heritage Ridge Senior Apartments.

This item was considered by the Santa Barbara County Debt Advisory Committee on August 24, 2023 and was approved for recommendation to the County Board of Supervisors.

**Background:**

Heritage Ridge Senior, L.P. provided the following information:

The Housing Authority of the County of Santa Barbara proposes to issue \$30,000,000, of tax-exempt debt, with the Housing Authority of the County of Santa Barbara as the issuer and Pacific Western Bank as a privately-placed bond buyer. The full amount of the bonds, \$30,000,000, will be issued and utilized to construct the 41-unit apartment development, and held for at least one year after sustaining occupancy, at which time the permanent loan balance is proposed to be fully reduced to \$3,122,474.

The 3 phase Heritage Ridge development received all zoning and land use approvals on March 7, 2023. The approval process with the City of Goleta extended over an 18-month period in which the previously approved 360-unit project by the Towbes Group was revised to 332 units, including 228 market rate apartments and the 104 affordable units, which comprise 41 units for Heritage Ridge Senior and 63 units for the Heritage Ridge Special Needs Family Project. Given the passage of time, the planning commission chose to amend and then recertify the environmental impact report. Revised standards for setbacks, creek setbacks, parks and open space were carefully studied.

This subject 41-unit project, Heritage Ridge Senior Apartments, includes 38 one bedroom and 3 two-bedroom units. The development holds a commitment for 35 Project-Based rental vouchers and 5 VASH (Veterans) rental vouchers. The development holds commitments for \$5,450,000 of Housing for a Healthy California funding and has a current Multifamily Housing Program (MHP) application submitted for \$4,700,000 from the State Department of Housing and Community Development. The development seeks an allocation of \$30,000,000 in private activity bond authority from the California Debt Limit Allocation Committee, and an allocation of \$22,649,595 of 4% low income housing tax credits from the California Tax Credit Allocation Committee.

The development will offer 38 one bedrooms and 3 two bedrooms. One two-bedroom unit will be for the resident manager. Five units will be for veterans, twelve units for the Housing for a Healthy California tenants, four will house mentally disabled households and the remaining 19 will be other low income. Nineteen one-bedrooms will be \$832 per unit per month, including all utilities, and the other nineteen units will be \$1,387 per month. The two rental two-bedrooms will be rented at \$999 and \$1,675 per month.

The following are the estimated project sources and uses:

	Construction	Permanent
<b>Sources</b>		
Construction Loan	30,000,000	
State HHC Loan	4,905,000	5,450,000
County HOME Loan		500,000
Tax Credit Proceeds (Cons)	3,264,959	
Deferred Costs	333,430	
Perm Bond Proceeds		3,122,474
Tax Credit Proceeds		22,649,595
MHP Loan		4,700,000
Deferred Developer Fee		2,081,320
<b>Total Sources</b>	<b>38,503,389</b>	<b>38,503,389</b>
<b>Uses</b>		
Land	4,000,000	4,000,000
Soft Costs (Design, Permits, Res.)	10,573,614	10,573,614
Construction Costs	20,942,958	20,942,958
Financing	2,986,817	2,986,817
<b>Total Uses</b>	<b>38,503,389</b>	<b>38,503,389</b>

**Fiscal and Facilities Impacts:** The Obligations and the responsibility to pay principal of and interest thereon and any redemption premium with respect thereto will not constitute an indebtedness or an obligation of the HACSB, the County, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them, but will be payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower.

**Special Instructions:**

Please return one signed original resolution to the Treasurer Tax-Collector’s office, Attention: LeAnne Hagerty.

**Attachments:**

A Resolution of the Board of Supervisors of the County of Santa Barbara Approving the Issuance of Multifamily Housing Revenue Obligations for Heritage Ridge Senior Apartments by the Housing Authority of the County of Santa Barbara.

**Authored by:**

LeAnne Hagerty, CPA, CPFO, Treasury Finance Chief