



**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: 7/3/07
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: HCD Director John Torell, ext. 3520
Housing Finance Pat Gabel, ext. 3522
Manager
SUBJECT: **Amendment to College Park Apartments Loan Agreement,
4th Supervisorial District**

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- A. Approve the allocation of \$400,000 in Santa Barbara County HOME Program Income funds to replace a commitment of equal funding from the County’s prior Loan Portfolio Recapitalization Fund for financing costs associated with the College Park Apartments project;
- B. Authorize the Chair of the Board of Supervisors to execute an Amendment to the existing Loan Agreement, Note and Regulatory Agreement between the County and College Park Housing Associates, a Limited California Partnership, to change the funding source of the \$400,000 to be loaned from the Loan Portfolio Recapitalization Fund to HOME Program Income funds (Fund 0066), subject to the all of the same terms, conditions and provisions set forth in the existing College Park Apartments Loan Agreement.

Summary:

College Park Apartments is a 35-unit affordable apartment complex located at 201-207 East College Street in the City of Lompoc currently under development by the Lompoc Housing and Community Development Corporation (LHCDC). The project has received financial assistance from Santa Barbara County in the aggregate amount of \$2,085,466, of which \$1,685,466 is in the form of County HOME funds, while \$400,000 represents a past commitment of Portfolio Recapitalization loan funds. Separate Loan Agreements were approved based on the different funding source of each loan.

On January 23, 2007, based on a recommendation from the Debt Advisory Committee, the Board retired the Portfolio Recapitalization loan fund (Fund 0067), and approved budget revisions rededicating the loans that had served as collateral for this fund to their original budget line items, funds 0066 and 0065. Fund 0066, the HOME Program fund, consists of revenues received from payment of past housing rehabilitation loans, Homebuyers Assistance Program loans, and construction loans made through the HOME Program, while Fund 0065 consists of loan receipts from past Community Development Block Grant (CDBG), program housing rehabilitation loans.

Prior to that action the Board had executed a loan agreement committing \$400,000 of Portfolio Recapitalization Loan Funds to the College Park Apartments Project. Borrower has not taken down those funds. At the time of the retirement of the Portfolio Recapitalization fund, it was assumed that the committed funds would be replaced with Home Program Income Funds. Today's recommended Board action would accomplish this through amendment of the College Park Apartments Loan Agreement, Note and Regulatory Agreement.

Background:

On December 13, 2005, the Board of Supervisors approved the commitment of \$2,085,466 in county affordable housing funds towards permanent financing of the College Park Apartments project, \$400,000 of which was in the form of Portfolio Recapitalization funds. A Loan Agreement and associated documents were executed. As noted, the fund providing the basis of the financing no longer exists as the Board took action in January 2007 retiring the Portfolio Recapitalization Loan fund (0067), thereby reallocating the funding serving as collateral to their originating Funds: 0065 and 0066.

The proposed amendment of the existing \$400,000 Loan Agreement to replace the commitment of Portfolio Recapitalization with HOME Program Income funds, will reconcile the sole outstanding allocation of the Portfolio Recapitalization funds and transfer the commitment to Fund 0066. As the commitment represented assistance to repay the construction loan—with construction scheduled for completion in September 2007—no funds under the Loan Agreement have been expended or are anticipated to be needed until this date.

Amending the existing \$400,000 Loan Agreement to reflect the funding source as HOME Program Income is consistent with Board action retiring the Portfolio Recapitalization Loan fund on January 23, 2007. As the funding will not be required until September 2007 when the project is completed and permanent financing is necessary, the Loan Agreement will secure the funding in Fund 0066 for this future purpose.

Performance Measure:

Safe and Healthy Families: Housing for all Segments of the Population.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
HOME Program Income (Fund 0065)			\$400,000
Total	\$ -	\$ -	\$ 400,000.00

Staffing Impacts:

Legal Positions:

n/a

FTEs:

n/a

Special Instructions:

Execute three (3) original copies of the Amendment to Loan Agreement and contact Miriam Gallardo at ext. 3529 to pick up two (2) copies of the executed Amendment.

Attachments:

Attachment A: Amendment to \$400,000 Portfolio Recapitalization Loan Agreement with College Park Associates

Authored by:

Carlos Jimenez, Senior Housing Program Specialist

cc: