

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 5/28/02
Department Name: County Administrator
Department No.: 012
Agenda Date: 6/18/02
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Michael F. Brown
County Administrator

STAFF Scott Ullery John Patton
CONTACT: Deputy County Administrator, 568-2243 Planning & Development Director, 568-2085

SUBJECT: Property Exchange Agreement Between the County and the City of Santa Barbara Pertaining to St. Vincent Reorganization and Amendment to Sphere of Influence

Recommendation:

That the Board of Supervisors

1. Adopt the attached resolution providing for the negotiated exchange of property tax revenue pertaining to the St. Vincent Reorganization and Annexation to the City of Santa Barbara. The parcel to be annexed currently has a church exemption and generates no taxes.
2. Authorize the Chair to sign the attached letter to the City of Santa Barbara regarding amending the City's sphere of influence to include the project area.

Alignment with Board Strategic Plan:

{Double-click here} The recommendation is primarily aligned with Goal No. 1. An Efficient Government Able to Respond Effectively to the Needs of the Community.

Executive Summary and Discussion:

The City of Santa Barbara proposes to annex 19.5 acres and portions of Highway 154 and Calle Real located in the unincorporated area of the County and within the City's existing Sphere of Influence (see attached map). The property will be the site for new affordable housing project to be carried out by Mercy Charities Housing California, a non-profit affordable housing development corporation.

The development project will include construction of 75 units of rental housing for low-income families, and 95 units for low-income seniors. The existing Girls Inc. after-school program and the Santa Barbara Christian School will relocate offsite. The project will also include an adult day health program to serve up to 50 low-income seniors and continuation of several existing programs including the following:

- The sisters' residence;
- The sisters' administrative offices;
- A residential program for up to 30 single mothers and their children;
- A residential program for up to 12 adolescent girls on probation;
- The indoor swimming pool used by residents and non-profit organizations;
- The multi-purpose room which is used for bingo and community meetings; and
- The childcare center on site, which currently provides service to 50 infants and children.

The project expects to obtain funding from a number of sources. A portion of the funding for the senior housing component will likely come from the Federal Department of Housing and Urban Development's (HUD) 202 Program. To qualify for this program, a development must provide housing to the elderly with supportive services. The program provides financial assistance through a capital advance that is interest free and non-repayable so long as the housing is available to very-low income seniors for at least 40 years. The family housing project will be partially financed through the Federal Low-Income Housing tax credit program, which creates equity investment for construction of low-income rental units.

Project funding will also likely be provided through use of both City and County HOME funds. HOME is a HUD program where money is granted to participating communities to fund affordable housing. Through the HOME program, HUD establishes maximum rents, income levels and per unit subsidies. County HOME funds may be used within both incorporated and unincorporated areas; however City HOME funds may only be used within City limits, thus annexation is required for this project to receive City funds. City Redevelopment Agency housing funds may also be provided to the project. The Redevelopment Agency may fund housing projects outside of the Redevelopment District but within the City limits. The Redevelopment Agency has tentatively set aside \$2,050,000 for the Mercy Housing family project.

Property Tax Exchange Agreement:

Pursuant to state law, the County and City must agree on an exchange of property tax revenue before the Local Agency Formation Commission (LAFCO) may consider the reorganization. City and County staff have reached an agreement to exchange property tax revenue equal to the City's allocated percent from an adjacent tax rate area, with that portion (12.46328156%) deducted from the County Fire District's allocated percent (13.59225245%) and assigned to the City, and the County General Fund retaining the remainder (1.12897089%) on behalf of the Santa Barbara County Fire District.

Since the property is owned and will continue to be owned by a tax-exempt non-profit entity, there are no actual property taxes to exchange at the present time.

Sphere of Influence Amendment:

Another issue is amendment of the City of Santa Barbara's sphere of influence to allow annexation of the parcel. Under the Government Code (Section 56425, added by AB 2838-Hertzberg, the City is to consult with the County on the zoning and development standards the City intends to apply to the area within the sphere of influence amendment. The consultation may result in an agreement, which is then to be accorded "great weight" by LAFCO in its action on the amendment. The purpose of this provision is to encourage regional coordination in regulating land uses within areas added to a sphere of influence by conforming

regulations. The statute makes sense when multiple properties are brought into a city's sphere in a single amendment, but will be subject to development entitlements and annexation in separate later proceedings.

The City requests County agreement that the requirements of the statute have been met (see attached letter). In this case, the County and City have already coordinated for some time in the entitlement process and funding of the project which is the sole subject of this proposed sphere amendment. County staff supports this project and the proposed zoning and development standards. Assuming the amendment, annexation and approvals move forward, there is no practical reason to enter into a formal agreement to amend the County general plan to precisely reflect the City's zoning and standards. The property is already zoned by the County for the density the City proposes.

The attached draft letter expresses support for this project, the amendment, and the proposed zoning and development standards, and encourages the City to move forward with its application to LAFCO. It also reaffirms the understanding that the City and County will share equally in the "credits" for housing element compliance purposes.

Mandates and Service Levels:

Pursuant to Government Code section 56425, the County and City are to consult on the proposed sphere amendment. The consultation has occurred and the remainder of the amendment and annexation proceedings are matters for LAFCO. State law also provides for a property tax exchange agreement prior to annexation.

Fiscal and Facilities Impacts:

None. The subject property is 100% church exempt and generates no property taxes. Responsibility for provision of services will shift to the City. Both the City and the County are contributing housing subsidies to the project.

Special Instructions:

Please forward signed certified copies of resolution to the LAFCO director Bob Braitman and Office of the Auditor Controller, Barbara Godwin..

Concurrence:

County Counsel
Auditor-Controller

Attachments

xc: Chief John Scherrei, County Fire Department
Bob Braitman, Executive Director, LAFCO
Barbara Godwin, Office of the Auditor Controller
John Patton, Director of Planning and Development
Paul Casey, Assistant Director, City of Santa Barbara Community Development Department