



County of Santa Barbara

Community Services Department
Division of Housing & Community
Development



Staff Report to the County Board of Supervisors

Amendment to the FY 2014-15 Action Plan
and

**HOME Investment Partnerships Program (HOME) funds to
the Solvang Senior Apartments Project**

October 14, 2014



Recommended Actions

- Consider public comments submitted during the thirty-day public comment period (September 13 – October 14);
- Approve the amendment to the FY 2014-15 Action Plan to include a HOME Loan, in the amount of \$180,000 to the Solvang Senior Apartments Project and direct staff to submit the Amendment to HUD;

Recommended Actions

- Approve a County HOME loan, in the amount of \$180,000, to 1758 Laurel Ave., LP;
- Authorize the Community Services Department Director to approve subsequent line item changes to the development budget in the County HOME Loan Agreement;
- Approve and authorize the Chair of the Board to execute the original and duplicate original Subordination Agreement;
- Approve and authorize staff to replace the current exhibits to the County Loan Documents that contain the Project's legal description following the recordation of a revised legal description to reflect the merger of two lots into one
- Find that pursuant to CEQA Section 15162, the Solvang Senior Apartments Project is within the scope of the project covered by Final Mitigated Negative Declaration.

HOME Program Background

- County receives an annual allocation of HOME funds from U.S. Dept. of Housing and Urban Development (HUD) for the County HOME Consortium
- The County and each member city receives a sub-allocation of HOME funds to award to projects or programs in their own communities

Buellton

Lompoc

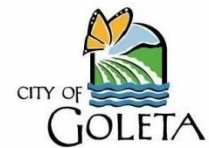
Carpinteria

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Goleta

Solvang

- The County is lead entity for the HOME Consortium and is accountable to HUD for the uses of HOME funds
- The Division of Housing and Community Development (HCD) administers the HOME and CDBG programs



HOME Reservation

- On June 9, 2014, the Capital Loan Committee recommended a preliminary HOME *Reservation*, in the amount of \$180,000 to the Solvang Senior Apartments; and
- On July 8, 2014, the County Board of Supervisors approved a preliminary HOME *Reservation*
- The developer, Corporation for Better Housing (CBH), now has the necessary funding commitments in order for the Project to proceed

Solvang Senior Apartments



- **Developer and General Partner: Corporation for Better Housing**
- **\$180,000 HOME funding request**
- **44 units multi-family rental housing for low income seniors (and one unrestricted manager's unit)**
- **To be constructed at 1758 Laurel Avenue in the City of Solvang**
- **On-site laundry, parking, community gardens, community room with kitchen, computer lab, and space for resident services and programs**

Project Sources and Uses

Total Development Costs: \$9,325,367

Sources of Funds:

Pacific Western Bank	\$1,261,600
Deferred Developer Fee	699,138
County HOME Loan	180,000
Federal Home Loan Bank, Affordable Housing Fund Grant	900,000
City of Solvang Grant/Partnership loan	394,404
Limited Partner capital/tax credit equity	<u>5,890,225</u>
	\$9,325,367

- Pacific Western Bank will provide a construction loan, in the amount of \$7,340,000
- Alliant Capital LTD will be the Limited Partner and tax credit investor
- Up to \$70,000 of additional HOME funds will be used to cover costs incurred by the County for construction monitoring



Solvang Senior Apartments

- The use of HOME funds must be included in the County's annual Action Plan and, if not included, then the annual Action Plan must be amended to include County HOME-funded projects.
- An amendment to the FY 2014-15 Action Plan has been prepared to include the Solvang Senior Apartments Project.

Actions:

1. Consider any written comments received related to the Project (as of today, no written comments have been received)
2. Open public hearing to hear and consider public comments
3. Close public hearing and consider:
 - Approval of the amendment to the FY 2014-15 Action Plan to include the Project and direct staff to submit it to HUD;
 - Approval of the HOME Loan, in the amount of \$180,000, to the Project

Recommended Actions

- Consider public comments submitted during the thirty-day public comment period (September 13 – October 14);
- Approve the amendment to the 2014-15 Action Plan to include a HOME Loan, in the amount of \$180,000 to the Solvang Senior Apartments Project and direct staff to submit it to HUD;
- Approve a County HOME loan, in the amount of \$180,000, to 1758 Laurel Ave., LP;
- Authorize the Community Services Department Director to approve subsequent line item changes to the development budget in the County HOME Loan Agreement;
- Approve and authorize the Chair of the Board to execute the original and duplicate original Subordination Agreement;
- Approve and authorize staff to replace the current exhibits to the County Loan Documents that contain the Project's legal description following the recordation of a revised legal description (Attachment G) to reflect the merger of two lots into one
- Find that pursuant to CEQA Section 15162, the Solvang Senior Apartments Project is within the scope of the project covered by Final Mitigated Negative Declaration.