



**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)

Department Name: Community Services
Department No.: 057
Agenda Date: May 5, 2026
Placement: Departmental Agenda
Estimated Time: 30 Minutes
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s): Jesús Armas, Director, Community Services Department
Contact: Joe Dzvonic, Assistant Director, Housing and Community Development
Lucille Boss, Housing Programs Manager
SUBJECT: Workforce Housing Development, 117 East Carrillo Street, APN 029-211-025 (1st Supervisorial District)

DS
JA

County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk, General Services, Planning & Development

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve and adopt a Resolution declaring the Disposal of the Real Property located at 117 East Carrillo Street/ APN 029-211-025, Santa Barbara California, 93101 as Exempt Surplus Property pursuant to Government Code Section 54221(F)(1)(A); and
- b) Consider Proposals to enter into an Agreement to Develop a Portion of Real Property located at 117 East Carrillo Street/ APN 029-211-025, Santa Barbara California, 93101 for Joint Occupancy; and
- c) After consideration of all proposals, authorize staff to:
 - i. Pursue an Exclusive Negotiating Agreement (“ENA”) or comparable pre-development agreement with SoLa Impact LLC; and
 - ii. In the event negotiations with SoLa Impact LLC are unsuccessful, pursue an ENA or comparable pre-development agreement with The Pacific Companies/Housing Authority of the County of Santa Barbara/AMG Land Development, or such other development team as the Board may deem appropriate; and

- d) Determine that the proposed actions do not constitute a “Project” within the meaning of the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(5) of the CEQA Guidelines, because it consists of an organizational or administrative activity of government which will not result in direct or indirect physical changes in the environment and that the above action is not a project under CEQA Guidelines Section 15378(b)(4) because it consists of the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text:

In early 2026, consistent with Board direction, a Request for Proposals was released inviting responses from experienced development teams – including firms, partnerships, corporations, non-profits, and other entities – interested in partnering with the County through a public-private partnership (“P3”), to plan, finance, design, construct, operate, and maintain a new affordable housing development at 117 East Carrillo Street/ APN 029-211-025 (the “Site” or “Project”) in the City of Santa Barbara.

The item before the Board today seeks authorization to declare the Site as Exempt Surplus Property, consider Proposals to enter into an Agreement for Joint Occupancy, and pursue an Exclusive Negotiating Agreement (“ENA”) or comparable pre-development agreement with the highest-scoring and recommended development team. Following Board approval of the developer (“Developer”), property negotiations will commence. A long-term ground lease with the selected Developer will also be subject to Board approval, to be presented at a later date following negotiations.

Discussion:

In January 2026, the County issued a Request for Proposals (“RFP”) for Affordable Workforce Housing Public Private Partnership (“P3”) Development. The RFP was the second step in a two-phase procurement process that identified a shortlist of qualified developers through a Request for Qualifications (“RFQ”) process who were invited to respond to the RFP. Through this RFP, the County sought a development partner capable of delivering high-quality, financially feasible housing that aligns with County policies and community values and meets the County’s primary objectives. The County intends to enter into a long-term ground lease with the selected developer (“Developer”), subject to future completion of negotiations and Board approvals. Proposals were considered from five developers, listed here in order of overall score following in-person interviews:

1. SoLa Impact LLC
2. The Pacific Companies / Housing Authority of the County of Santa Barbara / AMG Land Development
3. National Community Renaissance / Housing Authority of the City of Santa Barbara
4. Linc Housing Corporation
5. Servitas, LLC

In this endeavor, the County seeks a partner that can combine financial strength, technical expertise, and community sensitivity to bring forward a project that demonstrates how public land can be used to advance local housing goals while maintaining fiscal responsibility. The selected development team will be responsible for leading all aspects of Project delivery—from initial concept through financing, design, construction, management, maintenance, and operations. Respondents were

asked to demonstrate a proven record in mixed-income, workforce, and/or affordable housing, creative deal structuring, and community engagement.

Following due diligence review of proposals and in-person interviews, a team of representatives from Community Services, General Services, Planning and Development, and Brailsford & Dunlavey recommend pursuing an Exclusive Negotiating Agreement (“ENA”) or comparable pre-development agreement with the highest-scoring development team, which was SoLa Impact. SoLa emerged as the highest-scoring development team, although the top three firms were separated by just 4 points, 84.5-88.6, based on a scale of 100 points. All five proposals received are attached, as is a summary outlining components of each proposal in terms of parking, estimated project costs and schedule, roles and responsibilities, and past experience. A summary of the top three is provided here:

1. SoLa proposes using modular units to construct a building with an option of either 4 or 5 stories, up to 104 units with a weighted average of 82% AMI, a project completion date of February 2029, and a total project cost of \$47M (\$450K per unit).
2. Pacific Companies propose traditional construction of 4 stories, up to 99 units with a weighted average option from 63% to 72% AMI (2 scenarios for AMI unit mix are proposed), a project completion date of Feb 2030, and a total project cost of \$60.4M (\$610K per unit).
3. National Community Renaissance also proposed traditional construction of 4 stories, up to 72 units with a weighted average of 63% AMI, a project completion date of April 2030, and a total project cost of \$57.8M (\$803K per unit).

To pursue housing development on the project, State law provides a couple of options: The County could declare the property surplus and dispose of it in a structured process that includes obtaining State Housing and Community Development approval through a Notice of Availability. Alternatively, the County can retain ownership of the property but enter into a long-term lease with a third-party developer. Under the second scenario, the parcel would be considered exempt from the Surplus Land Act procedures described above. The principal difference between these options is that under the surplus land category, the County would be indicating the Carrillo parcel is no longer necessary for its use and therefore available for disposal, while under the exempt surplus category the County is deciding instead to enter into an agreement to lease its property to a private entity for shared, ongoing use (i.e., housing) and will retain the benefit of the project.

To enter into a long-term lease and relationship with a third-party developer, the County would pursue what the law characterizes as joint occupancy. Joint occupancy framework allows a third-party developer to lease the parcel and develop the housing project, while the County retains ownership and the benefit of the housing development. The developer is allowed to recoup their investment over a long-term amortized repayment while not generating actual profit. This arrangement reduces the cost to the County while maintaining the benefit. Joint occupancy projects are often referred to as P3 projects and are common particularly in other Southern California counties.

The County is not offering to sell the land but contribute land to the development plan under a long-term ground lease, with the developer providing the planning, financing, design, construction, maintenance, and ongoing operation of the rental housing development. The terms of this lease remain to be negotiated and will return to the Board for review and approval at a later date. The County does not intend to declare the Site as surplus. Rather, the County intends to use the Surplus Lands Act Agency Use Exemption 54221, allowing for joint occupancy of county buildings [CA Govt. Code § 25549.1 et seq. (2024)]. The code addresses joint occupancy primarily through provisions that authorize public entities, such as counties, to partner with private parties for the joint use of buildings.

If approved by the Board today, staff will begin drafting and work on an ENA with the developer of the Board's recommendation. This ENA will return to the Board for approval and execution at a future date. At this stage, the Board is not committing to any development plans or construction. Upon execution of the ENA, the County will begin negotiations with the Developer as to the terms of a future lease, the terms of the development, and other appropriate pre-development matters. Upon final agreement by County staff and the Developer, CSD will again return to the Board for review and approval of a long-term lease and development contract.

Background:

Following the April 8, 2025 Board approval to pursue repurposing the current site of the Probation building, proposals were requested from qualified P3 consultants to assist County staff with development of an RFP for developers, and to evaluate the merits of the proposals submitted by developers. Brailsford & Dunlavey ("B&D"), a development advisory and program management firm recognized as a national leader in P3s, was selected. With B&D's assistance, the County developed an RFQ designed to produce a list of the most qualified organizations to be invited to respond to the RFP. This RFQ-RFP two-step process resulted in more thoughtful responses, including clearer financial commitments, more fully developed design concepts, and more detailed implementation strategies. The RFQ yielded fifteen responses; following review and interviews conducted by B&D and County staff, a short-list of developers was prepared. Following Board approval, the County released the RFP seeking a development partner capable of delivering high-quality, financially feasible housing that aligns with County policies and community values.

Staffing Impacts:

This activity falls within currently budgeted staff duties.

Special Instructions:

Please return Resolution and a Minute Order via email to Lucille Boss at lboss@countyofsb.org

Attachments:

Attachment A – Request For Proposals

Attachment B – Proposal Summary

Attachment C – Proposals

Attachment D – Resolution declaring the Disposal of the Real Property as Exempt Surplus Property

Contact Information:

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Housing Programs Manager
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