



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: CEO, HCD
Department No.: 012, 055
For Agenda Of: 2/6/07
Placement: Departmental
Estimated Tme: Set Hearing
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Ron Cortez, Deputy CEO, 568-2243
Director(s) John Torell, Director, HCD, 568-3515
Contact Info: Jennifer Christensen, Project Manager, 568-3520
SUBJECT: Rice Ranch Proposal to Pay In-Lieu Fees for 73 Low-Income Units

County Counsel Concurrence

As to form: N/A

Other Concurrence: N/A

As to form:

Recommended Actions:

Recommend the Board of Supervisors direct staff to further pursue payment of in-lieu fees for 73 low income units as part of the Rice Ranch project in Orcutt, following the applicable public process, including: public comment, CEQA compliance and Planning Commission recommendations.

Summary Text:

Since the departure of the former Housing and Community Development Director in July 2006, Deputy CEO Ron Cortez and CEO Project Manager Jennifer Christensen have been reviewing ways to improve departmental operations. In order to be more responsive to community needs and improve departmental efficiency, the financing of rental units to serve low income individuals and families has been identified as one opportunity to maximize housing opportunities while reducing the County's administrative burden associated with "for sale" affordable units.

The existing conditions of approval for the Rice Ranch project require the provision of 73 low-income units as well as an additional 73 work force units in different levels of the moderate-income range. Rice Ranch Ventures proposes to amend the condition to allow for the in-lieu fee to be paid for the 73 low-income units. In order to amend this condition, the developer will need to submit applications for the following:

- General Plan Amendments to amend the text of the Rice Ranch Specific Plan and the Orcutt Community Plan;
- Ordinance Amendment to amend the text of the Development Agreement;

- Revised Tentative Tract Map application to revise condition of approval #49 of TM 14,430; and,
- Revision to Development Plans 03DVP-00000-00011 and 03DVP-00000-00012 to revise condition of approval #57.

Since the project would need to file an application to amend the project and return to the Planning Commission for approval of the new condition to pay in-lieu fees, the current fee schedule would apply subject to annual fee updates as provided for in the Housing Element. The estimated amount of in-lieu fees to be paid is approximately \$8 million, but this figure would be subject to the express condition approved by the Planning Commission or other decision-making body and any fee updates according to the Housing Element. The developer has proposed a range for estimated fees to be paid of approximately \$6-8 million, and may make some adjustments to actual number of units built when the project modification is submitted to Planning and Development.

The developer has asked that the Board of Supervisors indicate its support for this proposal. We believe that this is a good opportunity to eliminate additional monitoring needs from an overburdened program and replace the units with funds that could more effectively be leveraged to finance the construction of affordable rental housing. Unlike “for sale” affordable units that require County resources to monitor for covenant compliance for the entire term of the covenant, rental units are monitored by the developer/property manager. According to the in-lieu fee policy stated in the Housing Element, the fees would be required to be utilized in the same Housing Market Area. In this case, the Rice Ranch project in Orcutt is located in the Santa Maria Housing Market Area.

Background:

The Rice Ranch project consists of 725 residential units on 467 lots. Lot sizes for the 447 single-family detached units range in size from 0.11 acres to 1.7 acres in size. The remaining 278 units are condominium units, both attached and detached. The project also contains nine open space lots that will be dedicated to Santa Barbara County, four neighborhood parks, and one 26-acre community park that will also be dedicated to Santa Barbara County, two school lots totaling 12 acres that will be dedicated to the Orcutt Union School District, and a 29.92 acre lot used for oil and gas production in the PRD and AG-II-100 zone district. The northerly 586 acres of the proposed project is Key Site 12 of the Orcutt Community Plan (OCP) and located south of Rich Ranch and Stubblefield Roads in southeast Orcutt.

Condition 49 of the Conditions of Approval (TM 14,430) provides that 73 dwelling units (10% of the total of proposed units) shall be provided at sale prices affordable to low income with an affordability target of 75% of median income, and 73 dwelling units (10% of the proposed units) shall be provided for workforce housing. Of these additional 73 units, 50 would be priced to be affordable to individuals and families that earn 120% of median area income; 23 units would be priced to be affordable to individuals and families that earn 150% of median area income.

Fiscal and Facilities Impacts:

Budgeted: No fiscal impacts at this time.

Fiscal Analysis:

Narrative:

If the conditions were changed and the developer was allowed to pay in-lieu fees to the County, the amount proposed to be paid would be approximately \$8 million. However, this figure will depend upon several factors including timing of the application from the developer to Planning and Development, date of application completeness and conditions imposed by the Planning Commission or other decisionmaking body.

Staffing Impacts:

Legal Positions:

0

FTEs:

0

Special Instructions:

Please set hearing for Departmental Agenda for February 13, 2007.

Attachments:

Proposal from Rice Ranch Ventures

Authored by: Jennifer Christensen

cc: John Baker, Director, Planning and Development
Dianne Black, Assistant Director, Planning and Development
Shane Stark, County Counsel