



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: County Executive Office  
Department No.: 990  
For Agenda Of: 7/14/09  
Placement: Administrative  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Directors, Redevelopment Agency  
**FROM:** Department John McInnes, Assistant County Executive Officer  
Director  
Contact Info: Jeff Lindgren, Redevelopment Manager, 568-2069  
**SUBJECT: Public-Private Partnership for Six Affordable Housing Units in Downtown Isla Vista, 3<sup>rd</sup> Supervisorial District**

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**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 County of Santa Barbara Redevelopment Agency (“Agency”) Board of Directors:

1. Approve and authorize the Chair to execute an Owner Participation Agreement with Paradise Ivy, LLC (“Developer”), a limited liability company, that includes a \$717,000 loan of Isla Vista Project Area Redevelopment Agency Affordable Housing Funds for development of six studio housing units affordable to low-income residents, located at 909 Embarcadero del Mar in Isla Vista (Attachment A).
2. Approve and authorize the Chair to execute a Regulatory Agreement and Declaration of Restrictive Covenants with Paradise Ivy, LLC, a limited liability company, for development of six studio housing units affordable to low-income households, located at 909 Embarcadero del Mar in Isla Vista (Attachment B).
3. Approve and authorize the Chair to execute an Agency Parking Agreement allowing residents and customers of the Project to utilize parking spaces on a Redevelopment Agency owned parking lot located at 881 Embarcadero Del Mar (Attachment C).
4. Find that the agreements referenced above are exempt from CEQA pursuant to Cal. Code of Regs., Title 14, Section 21090(b), and direct the Clerk of the Board to post the Notice of Exemption (Attachment D).

**SummaryText:**

This item is on the agenda to establish a public/private partnership to redevelop a key corner of downtown Isla Vista with a mixed use residential and commercial project. The project, located at 909 Embarcadero Del Mar, is identified as a catalyst redevelopment project in the Isla Vista Master Plan approved by the Board of Supervisors in August 2007. Authorization of the attached agreements effectuates County Planning Commission approval, permit numbers 05DVP-00000-00027, 07CUP-00000-00036, 07ORD-00000-00009, 07DPA-00000-00001, of the proposed mixed-use project with six affordable units in downtown Isla Vista.

The Owner Participation Agreement, Attachment A, provides a loan of \$717,000 (\$119,500 per unit) from the Agency to the Developer to assist in the development of housing that is affordable to low income households. The loan would be provided from the Agency's Low/Moderate Income Housing Fund. Monies in this fund can only be used for the development of affordable housing in the Isla Vista Redevelopment Project Area. The funds will be provided to Paradise Ivy, LLC in the form of a 55-year loan. The principal of and all accrued interest on the loan will be automatically forgiven at then end of the fifty five (55) year term so long as it has been operated in conformity with the affordability restrictions.

The Regulatory Agreement, Attachment B, describes and establishes the affordability covenants for the six restricted rental units that will be made available to low income households and establishes the 55 year term of affordability.

The Parking Agreement, Attachment C, establishes how Agency-owned public parking lots may be used by Paradise Ivy project residents and commercial patrons on a non-exclusive fee basis.

**Background:**

The IVMP describes a long term vision for the Isla Vista community, with a revitalized downtown that provides housing and high quality retail uses that serve area residents. The project meets the goals of the adopted Plan by providing new community-serving commercial space on the ground floor and twenty four residential studio units on the remaining two levels. Six studios would be price restricted affordable units available for rent to low income households earning less than 75% of the Area Median Income. The remaining eighteen studios would be market rate rental units.

The proposed project at 909 Embarcadero del Mar was approved by the County Planning Commission on February 6, 2008. As part of the Project's Conditions of Approval for the Conditional Use Permit, Paradise Ivy, LLC shall enter into and record agreements with the Redevelopment Agency included in Attachments A, B and C.

While the regulatory changes adopted with the IVMP are pending action by the Coastal Commission, the redevelopment of sites in downtown Isla Vista may proceed under existing County zoning regulations. These early projects must also be consistent with Isla Vista Master Plan design standards.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
RDA Housing Fund	\$ 717,000.00		\$ 717,000.00
Total	\$ 717,000.00	\$ -	\$ 717,000.00

The adopted Redevelopment Agency FY 2008-2009 Low/Moderate Income Budget includes funding necessary to finance this project.

**Special Instructions:**

Please notarize and acknowledge Chairs signature of the Regulatory Agreement and the Parking Agreement.

Please forward original signed copies and the minute order to Jeff Lindgren, Redevelopment Agency.

**Attachments:**

Attachment A: Owner Participation Agreement

Attachment B: Regulatory Agreement and Declaration of Restrictive Covenants

Attachment C: Parking Agreement

Attachment D: CEQA Notice of Exemption

**Authored by:**

Jeff Lindgren, 568-2069

**cc:**