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**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:** Community Services  
**Department No.:** 057  
**For Agenda Of:** December 12, 2023  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

**TO:** Board of Supervisors

**FROM:** Department George Chapjian, Community Services Director (805) 568-2485  
Director(s)  
Contact Info: Joe Dzvonik, Deputy Director, Housing and Community  
Development, (805) 568-3523  
Laurie Baker, Grants and Program Manager (805) 568-3521

**SUBJECT: Conditional Reservation of County Affordable Housing Funds to Perkins Place  
Apartments (Supervisorial District 1)**

**County Counsel Concurrence**

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:** That the Board of Supervisors:

- a) Approve a reservation of County affordable housing funds for the Perkins Place housing development in an amount not to exceed \$1,500,000 until December 12, 2024;
- b) Authorize the Director of Community Services Department (CSD) to sign a funding reservation letter (Attachment A) addressed to Santa Barbara County Housing Authority (HASBARCO) indicating a conditional reservation of \$1,500,000 in County funds for the Perkins Place Apartments Project; and
- c) Determine that the approval of these funding allocations is not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(4) as it is 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 impact on the environment.

**Summary Text:**

Today’s Board Action authorizes a conditional reservation of County affordable housing funds in the amount of one-million, five hundred thousand dollars (\$1,500,000) for Perkins Place Apartments (Project)

to be developed by HASBARCO. Perkins Place is located in the rural unincorporated area of New Cuyama. The source of funding will be one or a combination of Federal HOME, State Permanent Local Housing Allocation, (PLHA), or County In-Lieu funds, which will be determined by the County at such time that the County enters into a loan agreement.

HASBARCO intends to apply to the California Tax Credit Allocation Committee (TCAC) and California Debt Limit Allocation Committee (CDLAC), for low-income housing tax credit (LIHTC) and bond financing in early February of 2024. To this end, HASBARCO must demonstrate that all other funding sources needed to complete construction of the Project are committed. The County conditional funding reservation letter will support the application and enhance competitiveness to receive state funds.

**Background:**

On November 7, 2022, Santa Barbara County Housing and Community Development (HCD), issued a Notice of Funding Availability (NOFA), for County community development and affordable housing funds. HASBARCO submitted an application for consideration under the NOFA for Perkins Place. HCD staff evaluated the proposal and presented it before the County’s Capital Loan Committee (CLC) at its March 30, 2023 meeting, during which the CLC voted to recommend \$1,500,000 in County funding to the Project.

This new construction Project is located on Perkins Road in the unincorporated area of New Cuyama. The County Housing Authority will develop two apartment buildings and one commercial building. The residential portion will comprise thirty-three (33) apartments, one of which will serve as a property manager’s unit. The unit-mix consists of eight (8) three-bedroom, nine (9) two-bedroom and 16 one-bedroom units. The Project will serve low-income family households and farmworker households, whose incomes do not exceed 60% of Area Median Income (AMI), for Santa Barbara County as determined annually by U.S. Department of Housing and Urban Development, (HUD). Project common spaces include a laundry room, common kitchen, two restrooms, a large meeting area, and two age-appropriate play areas. A community garden with planter boxes will also be provided. The 1,100-square-foot commercial portion may be divided into multiple rental spaces, with many potential uses, and may include future use as a food distribution site for the Foodbank. The commercial costs and operations budget for the commercial element are not included in this proposal and are separately financed.

Perkins Place’s affordable housing development budget and funding sources are reflected below:

Tax Credit Equity	\$ 7,295,833
Permanent Commercial Loan	\$ 4,760,000
State of California Joe Serna Farmworker Housing	\$ 2,075,000
<b>County Funds</b>	<b>\$ 1,500,000</b>
Deferred Developer Fee	\$ 581,731
SBCAG REAP II Energy Grant	\$ 275,000
<u>Solar Tax Credit Equity</u>	<u>\$ 178,500</u>
<b>TOTAL DEVELOPMENT BUDGET</b>	<b>\$ 16,666,064</b>

**Performance Measure:**

County loan documents, if later approved by the Board, would designate the loan terms, income limits and rent-restrictions for the required number of units through a County Loan Regulatory Agreement, pursuant to which HCD staff would monitor the County-restricted units for an affordability period required by the funding source(s) used, but at minimum twenty years. This Project would add to the County’s Regional Housing Needs Assessment (RHNA) goals in Santa Barbara County’s General Plan Housing Element.

**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>
General Fund			
State			
Federal			\$ 1,500,000.00
Fees			
Other:			
Total	\$ -	\$ -	\$ 1,500,000.00

The source of funding will be one or a combination of Federal HOME, State Permanent Local Housing Allocation, (PLHA) or County In-Lieu funds.

**Key Contract Risks:**

Contracts are not being executed at this time. Staff will return to the Board to approve and execute loan documents when all funding is secured and the Project is permit ready.

**Staffing Impacts:**

The requested actions fall within currently budgeted staff duties.

**Special Instructions:**

Please email a copy of the Minute Order to Carlos Jimenez, [cjimenez@countyofsb.org](mailto:cjimenez@countyofsb.org).

**Attachments:**

- A. Perkins Place Funding Reservation Letter

**Authored by:**

Carlos Jimenez, Senior Housing Program Specialist