



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: 6/15/09
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Directors, Redevelopment Agency
FROM: Department Michael Brown, Executive
Director David Matson, Director, Housing and Community Development
Contact Info: Jeff Lindgren, Redevelopment Manager, 568-2069
SUBJECT: Public-Private Partnership for Six Affordable Housing Units in Downtown Isla Vista, 3rd Supervisorial District

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Recommended Actions:

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

1. Approve and authorize the Chair to execute the First Amendment to the 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. Authorize the Agency Executive Director to execute a Subordination of Deed of Trust (which will result in the Agency’s loan becoming subordinate to the developer’s construction loan and subsequent permanent financing from Wells Fargo Bank, National Association in a form approved by County Counsel.

SummaryText:

This item is on the agenda to amend the Owner Participation Agreement (OPA) approved by the Redevelopment Agency Board of Directors on July 14, 2009 and to allow the Agency’s existing loan to be subordinated to the Developer’s construction loan. The OPA established 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.

The OPA provided 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 and includes a Schedule of Performance that establishes a timeline for construction. Due to events beyond the control of Developer, the Developer's ability to develop the Project has been delayed. The Developer has requested to amend the Schedule of Performance to take into account the delays that have occurred and to establish a new timeline for construction (Attachment A, Exhibit 1) and to provide that future disbursements be made through the construction lender.

The Developer and Agency also wish to amend the Notice of Affordability Restriction to clarify the number of affordable units that are rent and income restricted under the Agreement to make it consistent with the OPA and the approved regulatory agreement (Attachment A, Exhibit 2).

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 will 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 will be market rate rental units.

The proposed project at 909 Embarcadero del Mar was approved by the County Planning Commission on February 6, 2008, permit numbers 05DVP-00000-00027, 07CUP-00000-00036, 07ORD-00000-00009, 07DPA-00000-00001. As part of the Project's Conditions of Approval for the Conditional Use Permit, Paradise Ivy, LLC entered into and recorded agreements with the Redevelopment Agency.

The OPA is exempt from CEQA pursuant to Cal. Code of Regs., Title 14, Section 21090(b). The Clerk of the Board filed the Notice of Exemption on July 14, 2009.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

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

The adopted Redevelopment Agency Low/Moderate Income Housing Budget includes funding necessary to finance this project. There is no additional cost associated with the Amendment.

Special Instructions:

Please notarize and acknowledge Chairs signature of the First Amendment to the Owner Participation Agreement.

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

Attachments:

Attachment A: First Amendment to the Owner Participation Agreement

Authored by:

Jeff Lindgren, 568-2069

CC:

Mary McMaster, County Counsel