



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
Department No.: 057
For Agenda Of: April 21, 2015
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Community Services Department
Director(s) Renée E. Bahl, Interim Community Services Director (805) 568-2467
Contact Info: Margo Wagner, Senior Housing Program Specialist (805) 568-3529

SUBJECT: **Second Amendment to Agreement to Provide Affordable Low Income Housing and Second Amendment to Agreement to Provide Workforce Housing – Rice Ranch – Case No. 14RMM-00000-00007 for TM 14,430, 14SPP-00000-00002, 14ORD-00000-00012, 15GPA-00000-00001, 15ORD-00000-00001, Orcutt Area, Fourth Supervisorial District**

County Counsel Concurrence

As to form: Yes

Other Concurrence: Planning & Development

As to form: Yes

Auditor-Controller Concurrence

As to form: No

Recommended Actions:

That the Board of Supervisors:

- A. Approve and authorize the Chair of the Board of Supervisors to execute two (2) original Second Amendments to Agreement to Provide Affordable Low Income Housing (Attachment A) for Rice Ranch Community, LLC,
- B. Approve and authorize the Chair of the Board of Supervisors to execute two (2) original Second Amendments to Agreement to Provide Workforce Housing (Attachment B),
- C. Direct the Community Services Department staff to record the Second Amendments, and
- D. After considering the previously adopted Environmental Impact Report (03-EIR-05 prepared for the Rice Ranch project), determine that no subsequent EIR or Negative Declaration shall be prepared for this project pursuant to CEQA Guidelines Section 15162.

Summary Text:

The recommended Board actions request that the Board of Supervisors approve and execute the attached Second Amendment to Agreement to Provide Affordable Low Income Housing and Second Amendment to Agreement to Provide Workforce Housing for the Rice Ranch residential development in Orcutt.

The proposed Second Amendments for the Board's consideration changes the timing and rate of the construction of the affordable units as noted below, but does not change the total number of affordable units required to be built:

“Construction of the affordable units shall commence with the construction of the 196th market rate units. Following zoning clearance of the 195th market rate unit, three (3) affordable units shall be constructed concurrent with the construction of every eight (8) market rate units in each phase of development until a total of 146 affordable units have been constructed. **PLAN REQUIREMENTS & TIMING:** Prior to recordation of the map modification, this requirement shall be included in an amended “Agreement to Provide Affordable housing units” and shall be printed on all grading and building plans. Prior to issuance of a zoning clearance for each market rate or affordable unit P&D staff shall obtain a sign-off from the Housing & Community Development Department. **MONITORING:** Permit Compliance staff shall ensure compliance during construction”.

Background:

The Agreement to Provide Affordable Low Income Housing and The Agreement to Provide Workforce Housing (collective, the Agreements to Provide) were executed on September 18, 2007. Of the 725 residential units, 146 are designated as affordable units. The original Agreement(s) to Provide required the 146 affordable units to be built concurrently with the market rate units. 73 units are designated in the Low Income category at sales prices affordable to low income households with an affordability target of 75% of Area Median Income. 73 units are designated in the Workforce Income category. Of these 73 units, 50 shall be priced at sales prices affordable workforce households with an affordability target of 120% of Area Median Income and 23 units shall be priced at sales prices affordable to 150% of Area Median Income.

On July 10, 2012, your Board approved staff recommendations (Attachment E), for the First Amendment to the Agreement to Provide which amended the timing of the construction of the 146 affordable units to allow for 181 market rate units to be built before requiring that 3 affordable units be built concurrent with the construction of every 8 market rate units.

On March 11, 2015, the County Planning Commission recommended approval of the project and requested revisions to Condition No. 50 of TM 14,330 and Subsections 4.3.1 Affordable Housing Program Requirements, and 4.3.2 Affordable Housing, Implementation and Monitoring of the approved Rice Ranch Specific Plan (14SPP-00000-00002, 15GPA-00000-00001). These revisions permit Rice Ranch Community, LLC to construct a total of 195 market rate units before being required to build 3 affordable units concurrently with the construction of every 8 market rate units. The proposed Second Amendments amend the Agreements to Provide to ensure consistency with these revisions.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

The Housing and Community Development Division of the Community Services Department will expend funds to screen buyers through the Certification Process; to monitor the affordable homes in this

project, and to enforce the “Resale Restrictive Covenant and Preemptive Right Secured by a Deed of Trust”. Application fees offset a portion of the expenses; the remainder will be paid from Santa Maria Housing Market Area (HMA) In-Lieu Fees in the Affordable Housing Trust Fund. There is currently \$394,911.00 in the Santa Maria HMA In-Lieu Fees collected, 20% of which \$78,982.00 is retained for department administration costs. The affordable units remain affordable for a period of thirty (30) years.

Key Contract Risks:

None. No Federal or County grant funds are associated with this development

Staffing Impacts:

None

Special Instructions:

- Clerk of the Board to forward one (1) original executed Second Amendment to the Agreement to Provide Affordable Low Income Housing and one (1) original executed Second Amendment to the Agreement to Provide Workforce Housing to Margo Wagner, Housing and Community Development to forward to the County Clerk Recorder for recordation and,
- Clerk of the Board to forward a copy of the Minute Order to Margo Wagner.

Attachments:

Attachment A: Second Amendment to the Agreement to Provide Affordable Low Income Housing

Attachment B: Second Amendment to the Agreement to Provide Workforce Housing

Attachment C: Agreement to Provide Affordable Low Income Housing dated September 18, 2007

Attachment D: Agreement to Provide Workforce Housing dated September 18, 2007

Attachment E: Minute Order and Board Hearing Letter dated July 10, 2012

Authored by:

Margo Wagner, Senior Housing Program Specialist

cc:

Scott Greenwood, Deputy County Counsel

John Zorovich, Planning & Development