



**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:** Set Hearing on 10/15/13  
for 11/5/13  
**Placement:** Set Hearing (10/15/13)  
Departmental (11/5/13)  
**Estimated Time:** 10 minutes on 11/5/13  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Herman Parker, Community Services Director (805) 568-2467  
Director  
Contact Info: Dinah Lockhart, HCD Deputy Director (805) 568-3523  
**SUBJECT: Housing Authority of the County of Santa Barbara Leland Park Apartments and  
Positano Apartments housing projects (Projects).**

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Risk Management**

As to form: N/A

**Recommended Actions:**

On October 15, 2013, set a hearing for November 5, 2013 to consider recommendations for the Housing Authority of the County of Santa Barbara (Housing Authority) to issue multifamily housing revenue bonds for Leland Park Apartments and Positano Apartments (Projects).

On November 5, 2013, your Board would consider the following:

- a) Open Public Hearing regarding the issuance by the Housing Authority of multifamily housing revenue bonds for Leland Park Apartments and close Public Hearing as required by Section 147(f) of the Internal Revenue Code of 1986;
- b) Adopt a Resolution approving the issuance by the Housing Authority of multifamily housing revenue bonds for Leland Park Apartments;
- c) Open Public Hearing regarding the issuance of multifamily housing revenue bonds for Positano Apartments and close Public Hearing as required by Section 147(f) of the Internal Revenue Code of 1986;

- d) Adopt a Resolution approving the issuance by the Housing Authority of multifamily housing revenue bonds for Positano Apartments; and
- e) Determine that the above actions are 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), finding that the actions are 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 physical impact on the environment, and direct staff to file the Notice of Exemption.

**Summary Text:**

Federal law provides a process for entities to issue tax-exempt private activity bonds that are used to finance qualified residential rental projects, as defined in Section 142(d) of the Internal Revenue Code. The Tax and Equity Fiscal Responsibility Act of 1982 (TEFRA), at Section 147(f) of the Internal Revenue Code, requires the legislative body of the local agency in which the project will be located to hold the TEFRA hearing, in order for the bonds to be tax-exempt. The County has the limited role of approving the financing, but is not a party to the issuance and assumes no liability by its approval.

The Housing Authority of the County of Santa Barbara is authorized and empowered by Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, as amended (the “Act”) to issue revenue bonds for the purpose of financing the acquisition, construction, rehabilitation, refinancing, or development of multifamily rental housing projects.

According to information provided by the Housing Authority, the Housing Authority plans to issue multifamily housing revenue bonds in order to 1) finance the acquisition and rehabilitation of Positano Apartments, and 2) finance the acquisition and rehabilitation of Leland Park Apartments.

- Positano Apartments, located in District 2 at 11 Camino De Vida, is nearing the end of its fifteen-year Low-Income Housing Tax Credit compliance period and the acquisition of the property into a new limited partnership will preserve the affordability of the housing units to low-income households.
- Leland Park Apartments, located in District 4 at 250 and 260 N. Pacific Avenue in Orcutt, is currently part of the Housing Authority’s Public Housing stock and the Housing Authority has received approval from the U.S. Department of Housing and Urban Development (HUD) to reposition Leland Park Apartments into a low-income housing tax credit financed limited partnership. The approval from HUD is part of a Rental Assistance Demonstration (RAD) program authorized by Congress and signed into law by the President.

The steps required by the County for the issuance of tax-exempt bonds by the Housing Authority include:

1. Bring the matter before the Debt Advisory Committee to consider concurrence for the Board of Supervisors to approve the issuance by the Housing Authority of multifamily housing revenue bonds for Leland Park Apartments and Positano Apartments;
2. Hold a TEFRA Hearing for each property; and

3. Adopt Resolutions approving the issuance by the Housing Authority of the County of Santa Barbara of multifamily housing revenue bonds for Leland Park Apartments and Positano Apartments.

The matter will be heard by the Debt Advisory Committee on October 18, 2013 and the final recommendation of the DAC will be included in the Board Letter along with all attachments for the November 5, 2013 Departmental hearing.

**Fiscal and Facilities Impacts:**

Budgeted: There are no fiscal impacts.

**Fiscal Analysis:**

The County of Santa Barbara carries no financial risk by approving the issuance of tax-exempt bonds by the Housing Authority. The County will carry no debt and will not be responsible for repayment of the bonds.

**Special Instructions:**

None. Public noticing will be handled by the Housing Authority's bond counsel.

**Attachments:**

None. Attachments will be provided with the Departmental Agenda docket.

**Authored by:**

Laurie Baker, Senior Housing Program Specialist