



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: 12/15/20
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: 4/5

TO: Board of Supervisors
FROM: Department George Chapjian, Community Services Director (805) 568-2485
Director(s)
Contact Info: Dinah Lockhart, Deputy Director HCD (805) 568-3523
SUBJECT: Execution of Grant Agreement with Housing Authority of the City of Santa Barbara for Acquisition of the Property located at 536 West Pedregosa Street in the City of Santa Barbara (Supervisory 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. Find, in accordance with California Government Code Section 26227, that the Housing Authority of the City of Santa Barbara provides programs necessary to meet the social needs of the population of the County, and that it would benefit the County and the general public for the County to provide financial support for the acquisition of property in support of these programs; and
- B. Approve and authorize the Chair to execute the original and duplicate original Grant Agreement (Attachment 1) in the amount of \$1,100,000 between the Housing Authority of the City of Santa Barbara and County of Santa Barbara, to acquire the property located at 536 W. Pedregosa Street (APN 043-132-016) (the "Pedregosa Property") for homeless family housing;
- C. Authorize the Director of the Community Services Department, or designee, to act on behalf of the County and execute an original and duplicate original County Regulatory Agreement, in a form

substantially similar to Attachment 2, that requires the Pedregosa Property be rented to homeless families at 30% Area Median Income or below for a term of 20 years;

- D. Approve the attached Budget Revision Request No. 0007339 to establish appropriations of \$1,100,000 in the Community Services Department, General Fund, for Other Charges, funded by a transfer from the General Fund. (Attachment 4) (4/5ths Vote Required); and
- E. Determine that the recommended actions are part of a project that is exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15301 finding that the proposed property acquisition consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures involving negligible or no expansion of existing or former use, and Section 15303 finding that the proposed property acquisition consists of conversion of a multi-family residential structure totaling no more than four dwelling units from one use to another where only minor modifications are made in the exterior of the structure, and direct staff to file the notice of exemption (Attachment 3).

Summary Text:

The Housing Authority of the City of Santa Barbara (Housing Authority) proposes to acquire the existing triplex located at 536 W. Pedregosa Street in the City of Santa Barbara (APN 043-132-016) (the "Property") to provide permanent housing for three families who are homeless or at-risk of homelessness. The three units consist of one 3-bedroom 1-bath unit, and two 2-bedroom 1-bath units on the approximately 0.12 acre site. The COVID-19 pandemic has highlighted the need to address the housing needs of homeless families. The availability of this Property in South County, and interest by the Housing Authority of the City of Santa Barbara in its acquisition and on-going management, was salient in staff's recommendation to purchase at this time. The Board's approval of the \$1,100,000 Grant Agreement (Attachment 1) will partially fund acquisition of the Property with the Housing Authority contributing \$150,000 plus closing costs. The Regulatory Agreement, in a form substantially similar to Attachment 2, will protect the County's interests in the ongoing affordability of the Property for 20-years. The Housing Authority has agreed to record the Regulatory Agreement on the Property after escrow closing given the December 30, 2020 Purchase and Sales Agreement expiration date and practical difficulties of obtaining original notarized documents for recording during the COVID-19 pandemic. The Housing Authority intends to offer supportive services to residents of the property.

Background:

The Property at 536 W Pedregosa Street in Santa Barbara is a triplex with one 3-bedroom, one bathroom and two 2-bedroom, one bathroom units. The Property was originally listed for sale for \$1.4 million. The Property includes an attached one-car garage and large outdoor patio on the first floor. The two 2-bedroom units are on the second floor. The Property's current monthly rental income is \$4,800, considered below market for the area. The three units are currently occupied; the Housing Authority will work with the existing tenants to transfer them based on their income and housing need. The tenants will be given notice not to move or do anything due to the Property sale. The Property is contiguous to property already owned by the Housing Authority which facilitates property management and maintenance.

This Board Letter recommends approval of a \$1,100,000 General Fund grant for acquisition of the Property, and authorizing the Community Services Director to execute a Regulatory Agreement to ensure the Property serves tenants experiencing homelessness or at risk of experiencing homelessness for 20-years.

Performance Measure:

The Property will provide three (3) critical units of permanent housing for families experiencing homelessness or at risk of homelessness. Approval of the Grant Agreement would enable the Housing Authority to close escrow on the purchase of the Property before the December 30, 2020 Purchase and Sales Agreement for the Property expires. The Regulatory Agreement will ensure the affordability of the Property for 20-years.

Fiscal and Facilities Impacts:

The source of funding necessary to support this request is recommended to be the General Fund. The County has recently been reimbursed under the federal CARES Act for previous eligible expenses incurred in response to the current pandemic. Staff recommends that a portion of this reimbursement to the County General Fund be used to secure permanent housing for homeless or those at-risk of homelessness.

Fiscal Analysis:

Federal	
Fees	
General Fund	1,100,000
Total	\$1,100,000

Key Contract Risks:

The Regulatory Agreement will ensure affordability for 20 years. Staff annually review a sampling of affordable housing units, and review monitoring requirements, to ensure County assisted units are in compliance with regulatory requirements. The Grant Agreement specifies eligible expenses. Once recorded, the Regulatory Agreement will “run with the land” and bind future owners of the property. If the Regulatory Agreement is not recorded against the Property as anticipated, and if the Housing Authority were to sell the Property, the County’s recourse would be enforce the terms of the Grant Agreement against the Housing Authority.

Staffing Impacts:

The current requested activity falls within currently budgeted staff duties.

Special Instructions:

1. Please return an original copy of the signed Agreement (Attachment 1) and a copy of the Minute Order to Ted Teyber at teyber@co.santa-barbara.ca.us.
2. Please retain an executed original Agreement for COB records.

Attachments:

1. County Grant Agreement
2. County Regulatory Agreement

December 15, 2020

Page 4 of 4

3. CEQA NOE
4. Budget Revision Request 0007339