



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: Housing and Community  
Development  
Department No.: 055  
For Agenda Of: 7/15/08  
Placement: Administrative  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors  
**FROM:** HCD Director John Torell, ext. 3520  
Housing Finance Pat Gabel, ext. 3522  
Manager  
**SUBJECT:** Amendment to HOME Loan for Permanent Financing, College Park Apartments,  
4<sup>th</sup> Supervisorial District

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors authorize the Chairman to execute an Amendment to Loan Agreement with College Park Housing Associates Limited Partnership, (Attachment A), to amend the unit mix of restricted units so as to make the project economically feasible consistent with Santa Barbara County HOME funding and federal Low Income Housing Tax Credit (LIHTC), rental limit requirements.

**Summary**

College Park Apartments is a 35-unit newly constructed, affordable housing development in the City of Lompoc sponsored by Lompoc Housing and Community Development Corporation. The project is currently being occupied. On April 1<sup>st</sup>, 2008, the Board approved a loan agreement for this project in the aggregate amount of \$2,198,400 ("Loan Agreement"). The Loan Agreement called for eleven (11) of the units in the project to be designated as county "assisted-units"-- the rents and occupancy of which would be restricted. Ten (10) of the Assisted Units were specifically designated as four-bedroom units and one (1) as a three bedroom unit, all at very-low income rents, affordable to families earning no more than 50% of area median income.

In the process of acquiring permanent financing mortgage financing, it was determined that two of the ten (10) four-bedroom Assisted Units would need to be rented at levels affordable to households earning up to 60% of area median income in order to meet the rent limits on the remaining units that are all restricted under the Tax Credit regulations and HOME regulations while still maintaining the financial

viability of the Project. As a result, the County and the borrower would like to amend the County Loan Agreement to modify the bedroom mix of the units that are restricted under it. Specifically, the mix of Assisted Units would change from ten (10) four-bedroom units and one (1) three-bedroom unit to eight (8) four-bedroom units and three (3) three-bedroom units. The same number of units would be restricted, only the bedroom mix is proposed to be amended. Further, all Assisted Units would continue to be occupied at rent levels not to exceed 50% of area median income.

Staff has evaluated the underwriting pursuant to federal HOME program funding criteria and this technical amendment to the Loan Agreement is consistent with federal financial subsidy-layering review and per-unit funding limits. The Deed of Trust, Promissory Note and Regulatory Agreement executed by the Board at the April 1, 2008 meeting for this project are unaffected by today’s action and remain in place. The formal groundbreaking ceremony for the project is scheduled for mid-July.

**Performance Measure:**

Safe and Healthy Families: Housing for all Segments of the Population.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
	\$ -	\$ -	\$0

**Staffing Impacts:**

**Legal Positions:**  
n/a

**FTEs:**  
n/a

**Special Instructions:**

- 1) Execute three (3) original copies of the Amendment to Loan Agreement, and contact Carlos Jimenez, at ext. 3523 to pick up two (2) original copies of the executed Amendment to Loan Agreement.

**Attachments:**

Attachment A: Amendment to Loan Agreement between Santa Barbara County and College Park Housing Associates, LP

**Authored by:**

Carlos Jimenez, Senior Housing Program Specialist

**cc:**