



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: August 20, 2024
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Jesús Armas, Community Services Director (805) 568-2485
Director(s)
Contact Info: Joe Dzvonic, Deputy Director, Housing and Community
Development, (805) 568-3523
Lucille Boss, Interim Housing Program Manager

SUBJECT: Reservation Letter for County Affordable Housing Funds to Brisa Encina
Apartments (Project), 1498 Burton Mesa Boulevard (Supervisory District 4)

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:

- a) Approve a Reservation Letter for County affordable housing Project funds in an amount not to exceed \$1,500,000, effective through April 30, 2025;
- b) Authorize the Director of the County’s Community Services Department (CSD) to sign a Project Reservation Letter (Attachment A) to Cabrillo Economic Development Corporation (CEDC) reflecting a reservation of \$1,500,000 in County affordable housing funds; and
- c) Determine that the Project is exempt from CEQA review as it is subject to development “by-right” in accordance with AB 2162, effective January 1, 2019 and includes supportive housing.

Summary Text:

Today’s Board Action authorizes a reservation of County affordable housing funds in the amount of \$1,500,000 to support future development by CEDC, subject to fulfillment of certain conditions and the future execution and approval by the Board of loan documents memorializing the terms and conditions of such funding. The project site is 1498 Burton Mesa Boulevard, in unincorporated north Santa Barbara County. Project funding will be one or a combination of federal HOME, State Permanent Local Housing

Allocation (PLHA), or County In-Lieu funds, which will be determined by the County when finalizing loan documents.

With this reservation, CEDC has acquired all funding necessary to proceed with construction of the project and this letter proves satisfactory to interested potential lenders of Santa Barbara County’s commitment of project financing. This County Reservation Letter is precedent to future Board consideration and approval of Project loan documents, related Project documentation and actions necessary to realize this funding. The Project is subject to current underwriting and financial due diligence among interested parties.

Background:

On November 15, 2023, CSD issued a Notice of Funding Availability (NOFA), for County community development and affordable housing funds. CEDC submitted a project application under the NOFA. County staff evaluated the proposal and presented it before the County’s Capital Loan Committee (CLC) at its March 11, 2024 meeting, during which the CLC recommended \$1,500,000 in County funding to the Project, subject to future Board agreement and approval of loan documents.

Brisa Encina will be an affordable, new construction, supportive housing development located in unincorporated north Santa Barbara County, near Lompoc. The development will include forty-nine (49) apartments comprised of two buildings and six duplexes. One two-story building will contain four studios and 12 one-bedroom units. The second building will contain 21 studios and common space. Six freestanding duplexes will provide 12 two-bedroom units, one of which will serve as a property manager’s residence. Twelve units will provide housing for formerly homeless veterans under the Veterans Administration Supportive Housing Program and receive Section 8 rental assistance provided through the Santa Barbara County Housing Authority (HASBARCO).

Project common space will include a conference room, communal kitchen, laundry room, two restrooms, two offices and outdoor children’s play areas. On-site supportive services will be provided. Fifty-six parking spaces are incorporated into the site design. Project landscaping will consist of native, drought-tolerant landscaping. The Project will be energy efficient and incorporate installation of solar panels on buildings’ south- and west-facing roofs. Approximately one-third of the property will remain as undeveloped natural area, with one area preserved as natural vegetation and another as a storm water run-off collection and retention system.

The Project total development cost is \$25,457,682. The funding sources are as follows:

Source	Amount
Banc of California Loan	\$2,957,356
State Multi-Family Housing Program Funds	\$8,462,999
State Veterans Homelessness and Housing Program Funds	\$5,380,652
State DSS Loan	\$5,447,550
Land Seller Loan	\$1,100,000
County Affordable Housing Funds	\$1,500,000
Central Coast Community Energy Program	\$141,500
Deferred Developer Fee	\$467,625
<i>Total Sources</i>	<i>\$25,457,682</i>

The development will also include a separate project: a childcare facility to be operated by CommUnify which will serve low-income residents both at Brisa Encina and in the broader community. The childcare facility was selected for Community Development Block Grant funding under the Fiscal Year 2024 Annual Action Plan, and a subrecipient agreement will be presented to the Board separately in late fall 2024.

Performance Measure:

County loan documents, subject to future Board consideration and approval, will designate loan terms and conditions, income limits and rent-restrictions for the County-restricted units through a County Loan Regulatory Agreement, pursuant to which HCD staff would monitor the seven County-restricted units for an affordability period required by the funding source(s) used, but for a minimum of twenty years. This project will add to the County’s Regional Housing Needs Assessment goals.

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>
General Fund			
State			
Federal			\$ 1,500,000.00
Fees			
Other:			
Total	\$ -	\$ -	\$ 1,500,000.00

The source of funding will be one or a combination of Federal HOME, PLHA or County In-Lieu funds.

Key Contract Risks:

Contracts are not being executed at this time. Staff will return to the Board to approve and execute loan documents when all funding is finalized and the Project is building-permit ready.

Staffing Impacts:

The requested actions fall within currently budgeted staff duties.

Special Instructions:

Please email a copy of the Minute Order to Carlos Jimenez, cjimenez@countyofsb.org.

Attachments:

- A. Brisa Encina, Reservation Letter

Authored by:

Carlos Jimenez, Senior Housing Program Specialist