



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: HCD  
Department No.: 055  
For Agenda Of: June 16, 2009  
Placement: Administrative  
Estimated Tme:  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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**TO:** Board of Supervisors

**FROM:** Department John McInnes, 568-3552  
Director(s)  
Contact Info: Carlos Jimenez, 568-3523

**SUBJECT: HOME Loan Commitment Agreements**

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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:

- A. Find that the development of a four-bedroom supportive housing project by the Surf Development Company is exempt from CEQA pursuant to CEQA Guideline 15332. (Attachment A, Notice of Exemption)
- B. Find that the making of a permanent financing loan for the existing Sumida Gardens Project is exempt from CEQA pursuant to CEQA Guideline 15301. (Attachment B, Notice of Exemption)
- C. Find that it is adequate and adopt the Mitigated Negative Declaration that was prepared by the City of Santa Maria for the Rancho Hermosa housing development consisting of 47 new affordable apartment units. (Attachment C, Mitigated Negative; Attachment D, Notice of Determination).
- D. Approve and authorize the Chair to execute three Loan Commitment Agreements which will evidence the commitment of County HOME Consortium entitlement funding to the following entities:

- a. The Surf Development Company in the amount of \$150,000 for the development of the Braddock House, a four-bedroom supportive housing project (Second District).(Attachment E)
- b. Santa Barbara Housing Assistance Corporation in the amount of \$477,071 for the Rancho Hermosa development that will provide 47 new affordable apartment units (Fifth District). (Attachment F)
- c. Sumida Family Limited Partnership in the amount of \$630,000 for permanent financing of Sumida Gardens, a 200-unit rental complex (Second District). (Attachment G)

**Summary Text:**

The projects identified above received preliminary reservations of federal HOME Investment Partnerships Program (“HOME”) funds with Board approval of Santa Barbara County’s Annual Action Plan submittal to HUD in May of 2007 and 2008. Under the HOME Program, funds must be committed in two (2) years, and expended in five (5) years. To this end, the County and the project sponsor must execute a legally binding agreement under which HOME Program assistance will be provided to the owner for an identifiable project. Failure to commit funds within the allowable two-year period may result in recapture of HOME funds by the U.S. Department of Housing and Urban Development (“HUD”). The Board’s authorization of execution of the subject Agreements will satisfy the two-year funds reservation requirement under the HOME Program regulations.

**Background:**

The County of Santa Barbara Housing and Community Development Department (“HCD”) is the lead administrative agency in the Santa Barbara County HOME Consortium, which receives HOME funds on an entitlement basis for the development of affordable housing. Each year County HCD prepares an annual update to the Consolidated Plan known as the Annual Action Plan. The Annual Action Plan is submitted to HUD every May, constituting the County’s application for federal funding. Prior to submission to HUD, the Action Plan and all projects identified therein are approved by the Board of Supervisors.

County HCD enters into Loan Commitment Agreements with project sponsors evidencing the commitment of HOME funds to locally-funded projects. Project commencement is reasonably expected to occur within twelve (12) months of the agreement date. Execution of the Agreements is an administrative action satisfying HOME program expenditure regulatory requirements.

**Performance Measure:**

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>
General Fund			
State			
Federal	\$ 1,257,071.00		
Fees			
Other:			
Total	\$ 1,257,071.00	\$ -	\$ -

**Narrative:**

Ten percent (10%) of all HOME Program funds received are retained by the County for administration of the HOME Program, including preparation and execution of the subject Loan Commitment Agreements.

**Staffing Impacts:**

NA

**Special Instructions:**

Clerk of the Board to post Notices of Exemption as set forth in Attachments A and B and the Notice of Determination as set forth in Attachment D. Execute three (3) original copies of each Loan Commitment Agreement and contact Brooke Welch at ext. 3521 to pick up two (2) original copies of each Agreement.

**Attachments:**

- A) Notice of Exemption, Braddock House
- B) Notice of Exemption, Sumida Gardens
- C) Mitigated Negative Declaration, Rancho Hermosa
- D) Notice of Determination, Rancho Hermosa
- E) Commitment Agreement, Braddock House
- F) Commitment Agreement, Sumida Gardens
- G) Commitment Agreement, Rancho Hermosa

**Authored by:** Brooke Welch, Sr. Housing Program Specialist

**cc:**