

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
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Santa Barbara, CA 93101
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Agenda Number:
Prepared on: 9/26/03
Department Name: General Services
Department No.: 063
Agenda Date: 12/9/03
Placement: Administrative
Estimate Time: N/A
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Ronald S. Cortez
Director, General Services

STAFF CONTACT: Bob Nisbet, General Services Facilities Division x1011

SUBJECT: Potential Uses for the Garden Street Parcel

Recommendation(s):

That the Board of Supervisors:

- A) Direct staff to proceed with the design of the Garden Street Parking Structure in such a manner that the easterly portion of the parcel (see attached map) can be subdivided at some future date and be available for one of the following options:
- 1) A County office building.
 - 2) A housing project.
 - 3) A mixed use project with housing, and some mix of either retail or County office space.
- B) Direct that the proceeds from the sale of the parcel be added to the parking structure project budget.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goal No. 1. An Efficient Government Able to Respond Effectively to the Needs of the Community.

Executive Summary and Discussion:

On 11/6/2001 the Board of Supervisors authorized the County Treasurer-Tax Collector to execute the issuance of non-taxable 2001 Certificates of Participation (COP) for a parking structure on the county-owned Garden Street parcel concurrent with seven other county projects. The issuance took place on December 1, 2001 with \$2.2 million specifically allocated to the parking garage. The options for the leftover portion of the land, and/or the available air space on top of the garage, were discussed by the Board at a meeting on October 1, 2002. The Board provided the following direction to staff at that meeting:

Subject: Potential Uses for Garden St. Parcel

Date: December 9, 2003

Page: 2

“... return to the Board as appropriate with recommendations and analysis related to a Mixed-Use option that would include parking, the potential for County owned office space that would allow the elimination of leased space, and for affordable housing units. Additionally, staff should include information for the Board related to the other options. Further directed staff to refer the matter to the Debt Advisory Committee for recommendations related to debt financing prior to the return to the Board.”

More specifically, staff was asked to analyze the feasibility of including housing on top of the parking structure and to analyze the feasibility of acting as the lead agency on such a housing project. The two issues are discussed below:

Housing on top of structure:

Staff recommends against including housing on top of the parking structure for the following reasons:

- 1) The cost of strengthening the parking structure to carry the load of housing is cost prohibitive given the current budget for the project (an approximate increase of \$500,000 on a \$2.9 million budget).
- 2) Although some private developers have indicated an interest in “taking over” the project in order to provide housing on top, none have offered a realistic analysis that indicates the project is financially feasible.
- 3) If a developer were to take over just the housing portion of the project, there would be an issue about subdividing the air space and mixing public and private funds on a publicly owned parcel of land. Although air rights subdivisions can be accomplished, they are more difficult than simple land divisions. Additionally, the developer would need to provide money to solve issue #1 above, up- front.
- 4) The ground under this parcel is contaminated and is in the process of being cleaned up. This clean up will take many years. It has been determined that the clean-up procedure and a parking structure can coexist. It is not at all clear that the clean up procedure and housing located above the contamination area could coexist. Furthermore siting housing over a contaminated parcel is a risk the County should not take.
- 5) The City of Santa Barbara considered housing on the top of Parking Lot #6 and decided against it for many of the same reasons discussed here.
- 6) The County may not receive State Housing Credits for these units since they would be located in the City. Apparently credit-sharing agreements for affordable housing units can be negotiated, but such an agreement would be subject to the City’s willingness to participate and the State’s approval.
- 7) The cost of providing affordable housing on top of a three level parking structure is more expensive than the cost of providing such housing on vacant County-owned land.
- 8) These housing units would require parking spaces in the structure thereby taking some of the parking that is intended to meet the current need for jurors and for County employees.

Subject: Potential Uses for Garden St. Parcel

Date: December 9, 2003

Page: 3

Lead Agency on a Housing Project?

Although staff recommends against providing housing on top of the parking structure, housing certainly could be provided on the leftover portion of the parcel adjacent to Garden Street. We believe this to be a superior approach for the following reasons:

- 1) As stated above, the County may not receive State Housing Credits for affordable housing provided in a city.
- 2) This portion of land can be easily subdivided from the remaining parcel unlike the example of providing housing in the “air space” of a parcel.
- 3) The private sector can provide housing more effectively than the public sector.
- 4) The City of Santa Barbara has indicated a willingness to purchase the leftover parcel and develop a housing project on the site.

Mandates and Service Levels:

There are no specific mandates related to the use of county-owned property.

Fiscal and Facilities Impacts:

The original budget for this project was \$3.2 million and was to be funded as follows:

COPs	\$2,200,000
Courthouse Construction Funds	\$ 142,000
Criminal Justice Facility Funds	\$ 58,000
General Fund	\$ 500,000
Vehicle Fund	\$ 300,000
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Total	\$3,200,000

However, the money from the Vehicle Fund is no longer available so the budget will be reduced to \$2.9 million when design work re-commences on this project unless other funds are made available.

The leftover parcel has been informally appraised at \$600,000. If the parcel is sold, it is recommended that proceeds be allocated to the parking structure to make up the loss discussed in the above paragraph and to supplement the budget so that additional spaces can be provided.

Special Instructions:

None.

Concurrence:

Ed Moses, Housing and Community Development Director

Shane Stark, County Counsel

Attachment: Parcel Map