



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

Submitted on:
(COB Stamp)

Department Name: Community Services
Department No.: 057
Agenda Date: May 6, 2025
Placement: Administrative Agenda
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s): Jesús Armas, Community Services Director (805) 568-2467
Contact Info: Joseph Dzvonik, Deputy Director, HCD (805) 568-3523
Lucille Boss, Affordable Housing Programs Manager (805) 568-3533
SUBJECT: **Certificate of Acceptance: Grant Deed for APN 005-700-008 - Inclusionary Housing Unit, Villas at Summerland: 2615 Caspia Lane, Summerland, CA 93067, District One**

DS
JL

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) Accept the certified copy of the Grant Deed to the real property conveyed for the residence situated at 2615 Caspia Lane, Summerland, and known as Assessor Parcel Number (APN) 005-700-008, by authorizing the Clerk of the Board to sign the Certificate of Acceptance attached thereto; and
- b) Authorize the Community Services Department (CSD) Director, upon County ownership, to issue a Request for Proposals (RFP) to identify a buyer, execute any and all escrow documents, and complete the due diligence required to draft the terms and conditions of the proposed resale at a below-market price; and
- c) Determine that the proposed actions are exempt from the California Environmental Quality Act (CEQA) guidelines, pursuant to Section 15378(b)(4), finding that the actions are creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

Summary Text:

On March 18, 2025, the Board of Supervisors executed a Real Property Purchase Contract and Escrow Instructions between the County of Santa Barbara and the Owner of an affordable housing property commonly referred to as 2615 Caspia Lane, in the unincorporated Summerland area of southern Santa Barbara County and known as Assessor Parcel Number 005-700-008, in the amount of \$160,800.

The subject Grant Deed, which has been executed by the owner, is the document required to close escrow. Upon the Board's execution of the Certificate of Acceptance of the Grant Deed, this Deed will be delivered to escrow and recorded, and this action will pass title to the County. The close of escrow is anticipated to be on or before May 28, 2025.

Background:

The initial buyer of the Property executed and recorded a "Resale Restrictive Covenant and Preemptive Right" (Covenant) on February 28, 2002. The Covenant contains resale restrictions, owner occupancy requirements, and allows the County to exercise an option to purchase the Property. The present owner's Covenant expires in February of 2032. In the event the County purchases the property to retain it in the affordable housing inventory via the County's inclusionary housing program, the subsequent sale of the property would be limited by the 2002 Covenant's resale price restrictions (\$160,800).

Discussion/Analysis:

After acquiring the Property, staff proposes to issue a Request for Proposals to identify prospective buyers, and sell the unit to an eligible transferee with an extended affordability term of 90 years under the criteria of the County's Inclusionary Housing Program.

Sale of the property presents an opportunity to establish an affordability term of 90 years to eligible transferees, preserving this deed-restricted, ownership unit. Regarding compliance with local plans and programs, on February 12, 2025, the Planning Commission determined the acquisition and disposal of this deed-restricted affordable housing unit at a below-market rate conforms with the County's Comprehensive Plan ensuring consistency with applicable policies and provisions of the Local Coastal Program (Attachment B). The Coastal Land Use Plan Policy 5.2 aims to develop rehabilitation programs for areas in need to protect existing low- and moderate-income housing opportunities. Furthermore, the acquisition and disposal of the unit with an extended affordability term is consistent with the Summerland Community Plan as it will preserve the property's existing affordability restrictions. And, finally, the acquisition and disposal of this unit with an extended affordable term conforms to the adopted County Housing Element Goal 4 and Policies 4.1-4.2 through the preservation of the affordable housing stock.

At the request of Supervisor Nelson and with the Board's concurrence, staff explored the feasibility of selling the property at a fair market value, in order to potentially realize and leverage more funds, to support future affordable housing projects. Referencing real estate listing services including Zillow and Redfin, staff estimates the fair market value for the property to be approximately \$1.2 million dollars. The total project cost for the purchase and rehabilitation of this unit is estimated to be approximately \$194,800.

While a market-rate transaction offers the possibility of netting approximately \$1 million (net of transaction costs), staff has determined that sale as a market-rate unit is precluded based on the Restrictive Covenant specific to this property and by an additional Restrictive Covenant recorded on all 10 units of this development restricting the sale of these units to households meeting the income criteria. The Covenant applicable to all 10 units states, in part: "This covenant shall be in effect for 30 years from the date of the first sale [i.e., 2002]."

In light of the resale restrictions described above, staff recommends the Board adopt the recommended actions and authorize the issuance of an RFP and resale of the property at a Very Low-Income rate (\$59,550 for a 4-person household).

Fiscal and Facilities Impacts:

The Funds to purchase and rehabilitate the residence is available from fund 0065 (the County’s Housing Trust Fund, where in-lieu fees are deposited).

Fiscal Analysis:

| Funding Source | FY 2024-25 | Total |
|----------------|------------|-----------|
| General Fund | | |
| State | | |
| Federal | | |
| Fees | | |
| In-lieu Fees | \$194,800 | \$194,800 |
| Total | | \$194,800 |

Special Instructions: After Board action, distribute as follows:

1. Certified Copy of Grant Deed with copy of Certificate of Acceptance will be retained with Clerk of the Board files
2. Certified Copy of Grant Deed with original Certificate of Acceptance and Minute Order delivered to Community Services Department Attn: Andrew Kish

Community Services Department will deliver a certified copy of the Grant Deed with an original Certificate of Acceptance to Escrow. The Clerk of the Board should retain a certified copy of the Grant Deed with a copy of the Certificate of Acceptance until the Grant Deed is recorded at close of escrow. Upon recordation of the Grant Deed, Community Services Department will return a copy of the Deed to the Clerk of the Board for its file and reference.

Attachments:

Attachment A – Certified Copy of Grant Deed

Attachment B – County Planning Commission Conformity Determination

Authored by:

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