



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: Treasurer-Tax Collector
Department No.: 065
For Agenda Of: 6/27/2023
Placement: Departmental
Estimated Time: 5 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Harry E. Hagen, CPA, CPFA, CPFO, CFIP, CGIP, ACPFIM
Director(s): Treasurer – Tax Collector
(805) 568 – 2490
Contact Info: LeAnne Hagerty, CPA, CPFO
Treasury Finance Chief
(805) 568 – 2498
SUBJECT: Housing Authority of the County of Santa Barbara Issuance of Tax-Exempt
Multifamily Housing Revenue Obligations for the Benefit of Patterson Point
Apartments

County Counsel Concurrence

As to form: Yes

Other Concurrence: Debt Advisory Committee

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions: That the Board of Supervisors:

- A) Hold a public hearing in compliance with the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) regarding the issuance by the Housing Authority of the County of Santa Barbara of tax-exempt multifamily housing revenue obligations, for the benefit of Patterson Point, L.P., and consider public comment; and
- B) Adopt a resolution of the Board of Supervisors of the County of Santa Barbara approving the issuance by the Housing Authority of the County of Santa Barbara of its multifamily housing revenue obligations for the benefit of Patterson Point, L.P. in an aggregate principal amount not to exceed \$9,500,000, to finance the acquisition and construction of a 24-unit multifamily rental housing facility, to be located in the unincorporated area of the County located at 80 North Patterson Avenue, Goleta, California; and
- C) Determine that the above actions involve government funding mechanisms and/or fiscal activities and are not a project under the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(4) of the CEQA Guidelines.

Summary Text: Patterson Point, L.P., a limited partnership (Borrower), has requested that the Housing Authority of the County of Santa Barbara (HACSB) adopt a plan of financing providing for the issuance of multifamily housing revenue notes or bonds (Obligations) in one or more series issued from time to time, including Obligations issued to refund such Obligations in one or more series from time to time, and at no time to exceed \$9,500,000 in outstanding aggregate principal amount, to finance the acquisition and construction of a 24-unit multifamily rental housing facility to be located in the unincorporated area of the County of Santa Barbara (County) at 80 North Patterson Avenue, Goleta, California, generally to be known as Patterson Point Apartments (Project).

This item was considered by the Santa Barbara County Debt Advisory Committee on May 30, 2023 and was approved for recommendation to the County Board of Supervisors.

Background:

Patterson Point, L.P. provided the following information:

The Housing Authority of the County of Santa Barbara proposes to issue \$9,500,000, of tax-exempt debt, with the Housing Authority of the County of Santa Barbara as the Issuer and Pacific Western Bank as a privately-placed bond buyer. The full amount of the bonds, \$9,500,000.00, will be issued and utilized to construct the 24-unit apartment development, and held for at least one year after sustaining occupancy, at which time the permanent loan balance is proposed to be fully repaid.

The development received all zoning and land use approvals on March 24, 2021 and zoning clearance, November 22, 2021. The project was approved under a “by right” or ministerial approval process (SB 35), which included a CEQA exemption. The Housing Authority conducted three widely publicized “Zoom” calls during the COVID pandemic to inform neighbors within 1000 feet of the development by mail and answer questions by Zoom. Traffic concerns and parking concerns were addressed through a parking permit program. Questions about management and supervision were addressed by explanation of the resident manager’s full-time duties, as well as two full-time supportive service positions. Questions about flood control, storm water run-off, and clarity were addressed by designs for Project Clean Water and the County Flood Control District. The project is near the 101 freeway, an offered condition of approval is the installation of very high-quality air filters for each apartment and the common spaces in the project. Finally, the project will provide 12 or more charging and storage boxes for bicycles (including electric), as well as 3 EV charging stations, and storage and charging for other personal mobility devices of residents.

The development holds a commitment for 23 Project-Based rental vouchers. The development holds commitments for \$2,325,000.00 of State No Place Like Home and \$4,400,000.00 of State Housing for Healthy California Funding from the State Department of Housing and Community Development. The development holds commitments for solar and energy efficiency incentives for approximately \$90,000.00. The development seeks an allocation of \$9,500,000.00 in private activity bond authority from the California Debt Limit Allocation Committee, and an allocation of \$4,992,613.00 of 4% low income housing tax credits from the California Tax Credit Allocation Committee.

The development will offer 11 units of studio housing to mentally disabled households at basic rents of \$733 per unit per month, including all utilities, and one additional studio at a higher income and rent level (60% AMI). The development will offer 11 units of studio apartment housing for participation under State

Housing for Healthy California Program for chronically homeless and high frequency medical system user clients at as low as 15% of area median income levels. The rent in all 23 units will be covered by the Section 8 Project Based Vouchers program, so that the tenants will only pay 30% of their actual income or as little as \$50 per month. The development includes space for a community center and on-site counseling offices.

The following are the estimated Project sources and uses:

Patterson Point

	Construction	Permanent
Sources		
Tax Exempt Loan	7,000,000	0
State HHC Loan	2,357,719	4,400,000
No Place Like Home	0	2,325,459
County HOME Loan	0	1,488,000
Tax credit Equity	2,196,530	4,393,060
Developer Equity	1,052,328	59
Total Sources	12,606,577	12,606,577
Uses		
Land	2,550,000	2,550,000
Soft Costs (Design, Permits, Res.)	3,862,503	3,862,503
Construction Costs	6,006,250	6,006,250
Financing	187,824	187,824
Total Uses	12,606,577	12,606,577

Fiscal and Facilities Impacts: The Obligations and the responsibility to pay principal of and interest thereon and any redemption premium with respect thereto will not constitute an indebtedness or an obligation of the HACSB, the County, the State of California or any political subdivision thereof, within the meaning of any constitutional or statutory debt limitation, or a charge against the general credit or taxing powers of any of them, but will be payable solely from certain revenues duly pledged therefor and generally representing amounts paid by the Borrower.

Special Instructions:

Please return one signed original resolution to the Treasurer Tax-Collector’s office, Attention: LeAnne Hagerty.

Attachments:

A Resolution of the Board of Supervisors of the County of Santa Barbara Approving the Issuance of Multifamily Housing Revenue Obligations for Patterson Point Apartments by the Housing Authority of the County of Santa Barbara.

Authored by: LeAnne Hagerty, CPA, CPFO, Treasury Finance Chief