



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: County Executive
Office
Department No.:
For Agenda Of: March 4, 2008
Placement: Administrative
Estimated Tme: NA
Continued Item: No
If Yes, date from:
Vote Required: NA

TO: Redevelopment Agency Board of Directors

FROM: Department Michael F. Brown , RDA Executive Director
Director(s)
Contact Info: Terri Maus-Nisich, Assistant County CEO (x 3415)
Jamie Goldstein, Deputy Director, RDA (x 8050)

SUBJECT: Reassignment of RDA loan to Housing Authority of the County of Santa Barbara and letter of future intent to provide long-term financing for Parkview Housing in Isla Vista

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Redevelopment Agency of the County of Santa Barbara (“Agency”) Board of Directors:

- A. Approve and authorize the Agency Executive Director to execute an Assignment and Assumption of Loan by and among the Agency, Housing Authority of the County of Santa Barbara (“HACSB”) and Parkview Isla Vista, L.P. (“Parkview”) (Attachment A).
- B. Approve and authorize the Agency Executive Director to execute a Subordination Agreement by and among the Agency, HACSB and Parkview (Attachment B).
- C. Approve and authorize the Board Chairman to execute a letter of intent to provide a long-term Agency loan the Parkview (Attachment C).

Summary Text:

This item is on the agenda to modify the terms of an existing three-year loan for affordable housing between the Redevelopment Agency and the Housing Authority of the County of Santa Barbara (“HACSB”) for the Parkview Affordable Housing Project in Isla Vista. These changes are necessary to allow HACSB to obtain Federal Tax Credit financing to rehabilitate the 20-unit affordable housing. Specifically these changes include: reassigning the existing three year Agency loan for the Parkview project to the limited liability partnership HACSB has established to receive the Federal Tax Credits; subordinating that same three year loan to \$3,600,000 in revenue bonds being issued by HACSB for the benefit of Parkview; authorizing a letter stating the Agency’s intent to provide a long-term Agency loan to Parkview based on the final project costs and a financial gap analysis.

Background:

On May 22, 2007, the Agency approved a three-year loan to HACSB in the amount of \$3,760,000 (“Bridge Loan”) using Isla Vista Project Area Redevelopment Agency Housing Set-Aside funds. The purpose of the Bridge Loan was for the acquisition of the Parkview Apartments, which consists of two 10 unit buildings located at 6682 and 6688 Picasso Road in Isla Vista. The Parkview Apartments are located adjacent to a neighborhood park, existing apartment buildings and are two blocks from downtown Isla Vista. HACSB has begun to rehabilitate the site, and intends to complete all renovations by the end of 2008. Following the rehabilitation of the units, HACSB will operate the Parkview Apartments as an affordable housing project.

At the time the Agency approved the Bridge Loan, it was known that HACSB was in the process of securing permanent financing using Federal Low Income Housing Tax Credits. Once HACSB secured such financing, it was anticipated the Bridge Loan would be repaid and a new long-term loan would be issued by the Agency. HACSB received an allocation of 4% Federal Low Income Housing Tax Credits in the amount of \$1,139,640. On February 4, 2008, HACSB entered into a letter of intent with a tax credit equity investor.

In addition, HACSB received an allocation for the issuance of tax exempt bonds from the California Debt Limit Allocation Committee for the benefit of Parkview Apartments. The allocation for these tax exempt bonds will expire on March 11, 2008, if the bonds are not issued by that date. Accordingly, there is a strict timeline that must be complied with in order to complete the permanent financing using the tax exempt bonds.

The letter of intent describes the Agency’s plan to provide the project with long-term financing to the project. This long-term financing package will replace the Bridge Loan which will be repaid upon its disbursement.

Impacts:

Budgeted: NA

Fiscal Analysis:

The reassignment of the existing Bridge Loan to HACSB does not have any fiscal impact on the Agency. With the repayment of the existing \$3,760,000 Bridge Loan, the Agency’s Housing Fund will have reserves necessary to establish a permanent long term loan for the Parkview Project. All of the monies to be loaned are from the Agency’s Housing Set Aside Fund and must be used for affordable housing activities within the Isla Vista Redevelopment Area. There is no County General Fund contribution to this project.

Staffing Impacts:

Legal Positions:

FTEs:

Special Instructions: Please forward a copy of the minute order to:

Bob Havlicek
Director of Finance
Housing Authority of the County of Santa Barbara
815 W Ocean Ave
Lompoc, Ca 93436-6526

Jamie Goldstein, Redevelopment Agency, Deputy Director

Attachments:

- A. Assignment and Assumption of Loan
- B. Subordination Agreement
- C. Intent to Provide Permanent Financial letter.

Authored by:

Jamie Goldstein

Attachment A

Assignment and Assumption of Loan

Attachment B
Subordination Agreement

Attachment C

Intent to Provide Permanent Financial letter