

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 3/9/04
Department Name: Housing and Comm. Dev.
Department No.: 055
Agenda Date: 3/23/04
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Ed Moses, Director
Housing and Community Development

STAFF CONTACT: Tim Wong
ext. 3523

SUBJECT: Ellwood Apartments CDBG Loan Documents

Recommendation(s):

That the Board of Supervisors:

- A. Find that the acquisition of the Ellwood Apartments Project site is exempt from the California Environmental Quality Act (CEQA).
- B. Approve the commitment of \$277,500 of State Community Development Block Grant (CDBG) funds for the acquisition of property and other soft costs, located at 360 Ellwood Beach Drive, Goleta, CA for the construction of the Ellwood Apartments.
- C. Authorize the Director of Housing and Community Development to execute a Loan Agreement and Regulatory Agreements, in substantially the form of the attachments to this Board letter, with Peoples' Self-Help Housing Corporation for the acquisition of this project.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goal No. 7. A Community that Fosters the Safety and Well-Being of Families and Children.

Executive Summary and Discussion:

The County applied and was awarded a \$300,000 Community Development Block Grant through a competitive statewide process. Peoples' Self-Help Housing Corporation (PSSHC) has requested \$277,500 in funds administered by Housing and Community Development (HCD) to pay for the site acquisition and other soft costs for the Ellwood Apartments. The project is located at 360 Ellwood Beach Drive in the City of Goleta. The CDBG funds were awarded prior to City incorporation thus this item is before your Board.

The proposed Ellwood Apartments is a eight unit affordable rental complex targeted for very low income households. This project was designed as a “satellite” development for the other two larger PSSHC projects in Storke Ranch and the Isla Vista Apartments. The residents of the Ellwood Apartments would be able to access services from the other PSSHC properties. Some of the services provided would include childcare and job training. In addition, property management for the Ellwood Apartments would be provided by the other two properties.

PSHHC received land use approval from the City of Goleta. They are currently going through the Coastal Development Permit process with the California Coastal Commission. The permit is expected to be heard in July. The environmental impacts of the development of the housing project have already been analyzed pursuant to the City of Goleta’s land use approval while the actual purchase of the property is exempt from CEQA.

The purchase price of the property is \$166,000 which is well below current market value.

The total development cost for the project is \$1,820,332. Other sources of financing include a \$680,375 bank loan, \$325,000 of County local funds, \$220,000 State HCD Joe Serna Jr. Farmworker Housing Grant and a \$50,000 Federal Home Loan Bank Affordable Housing Program Grant. PSHHC is requesting an additional \$110,000 of HOME funds as part of this year’s Notice of Funds Available (NOFA). Separate loan documents will be prepared for the County local and HOME funds.

The Affordable Housing Loan Committee recommended approval of the loans on March 15, 2003 subject to the following conditions:

- That the County funding be in the form of a 3% interest, 30-year term, residual receipts loan,
- Submit an updated proforma with best estimates for permanent financing and cash flow.
- That the terms of the Regulatory Agreement governing this project be consistent with and enforcing all CDBG requirements, including a minimum 30-year term of affordability.

These conditions of approval have all been incorporated into the loan agreement documents.

Please note that it is Departmental policy that County funds be in the form of amortized loans. However, the loan terms for this project were negotiated prior to the formation of the Housing and Community Development and the adoption of this Policy.

Mandates and Service Levels:

No changes to programs or service levels.

Fiscal and Facilities Impacts:

This project will provide much needed affordable rental units in the Goleta area. It is well known about the shortage of affordable housing on the South Coast

Special Instructions:

None

Concurrency:

None