



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:** Community Services  
**Department No.:** 057  
**For Agenda Of:** February 18, 2014  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:** N/A  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Herman Parker, Community Services Director (805) 568-2467  
Director(s):  
Contact Info: Lucy Pendl, Housing Program Specialist (805) 568-3533  
**SUBJECT: Request for Replacement of Property Manager for St. Vincent's Family Gardens Project; Second Supervisorial District.**

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**County Counsel Concurrence**

As to form: Yes

**Recommended Actions:**

**Auditor-Controller Concurrence**

As to form: N/A

That the Board of Supervisors:

- A. Consider and approve St. Vincent's request (Attachment A) for written consent for replacement of the Property Manager for the St. Vincent's Family Gardens Project, pursuant to Section 4.1 of the Regulatory Agreement between the County of Santa Barbara and Mercy Housing California XXIII, A California Limited Partnership (Attachment B);
- B. Authorize the Community Services Department Director to provide written consent and approval of the request (Attachment C); and
- C. Determine that consideration and approval of the request is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline section 15378(b)(5), finding that the activities are organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

**Summary Text:**

In 2004, the County approved a \$1,514,074 loan of federal HOME Investment Partnerships (HOME) Program funds and local in-lieu funds for the St. Vincent's Family Gardens project. The St. Vincent's project is a 75-unit rental housing development located at 4200 Calle Real in the City of Santa Barbara. St. Vincent's submitted a request to change the current Property Manager to the Duncan Group, a subsidiary of a local non-profit housing organization. Pursuant to the executed Regulatory Agreement, written consent from the County is required to effect such a change.

**Background:**

In 2004, the County provided a loan of federal HOME Investment Partnerships (HOME) Program funds and local in-lieu funds in the amount of \$1,514,074 for the 75-unit St. Vincent's Family Gardens project, located at 4200 Calle Real in the City of Santa Barbara. When St. Vincent's was approved to become the new General Partner for the project effective March 1, 2014, its associated property management company could no longer serve as property manager.

On February 5, 2014, the Vice President of Finance and Chief Financial Officer of St. Vincent's submitted a written request on behalf of the project owner to change the project Property Manager to the Duncan Group, a subsidiary of a local non-profit housing organization, effective March 1, 2014. Pursuant to Section 4.1 of the executed Regulatory Agreement, "[t]he Owner may only remove and/or replace the property manager with the prior written consent of the Lender which consent shall not be reasonably withheld."

County staff reviewed audited financial statements and other affordable housing projects managed by the Duncan Group. The requested change in Property Manager has also been reviewed and approved by the other lenders on the project (the California Housing and Finance Agency, the California Tax Credit Allocation Committee, and the City of Santa Barbara), as well as the Limited Partner, Merritt Capital.

**Fiscal and Facilities Impacts:**

There are no fiscal impacts to this action.

**Attachments:**

- Attachment A – Request for Replacement of Property Manager for St. Vincent's Family Gardens Project
- Attachment B – St. Vincent's Regulatory Agreement and Declaration of Restrictive Covenants
- Attachment C – Approval of Replacement of Property Manager for St. Vincent's Family Gardens Project