



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: CEO
Department No.: 990
For Agenda Of: April 15, 2008
Placement: Departmental
Estimated Tme: 30 Minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
Redevelopment Agency Board of Directors

FROM: Department Michael F Brown, County Executive Officer
Director:
Contact Info: Terri Maus-Nisich, Assistant County Executive Officer (x 3412)
Ronn Carlentine, Real Property Manager (x 3078)
Jamie Goldstein, Deputy Director Redevelopment Agency (x 8050)

SUBJECT: Joint Hearing for Real Property Acquisition of 970 Embarcadero Del Mar, Isla Vista

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Find that the acquisition by the Redevelopment Agency (“Agency”) of property located at 970 Embarcadero Del Mar, in Isla Vista (“Property”), owned by Santa Barbara Neighborhood Clinics (SBNC) was evaluated in the Isla Vista Master Plan EIR, and pursuant to CEQA Guidelines Sections 15180 and 15162, no additional environmental review is required;
- b) Adopt the Resolution making findings required by Health & Safety Code §33445 and §33679 to use Redevelopment Agency funds to purchase the Property (**Attachment 1**);
- c) Conduct a hearing as required by Health & Safety Code §33679 for purchase of the Property;
- d) Adopt the Resolution approving the summary of costs and findings of the California Health and Safety Code Section 33433 Report for the lease of a portion of the building on the Property, approximately 7,357 square feet, to SBNC and approving the lease of the Property back to the SBNC for a 10 year term (**Attachment 4**);
- e) Approve and execute the attached original and duplicate original First Amendment to the CDBG Grant Agreement to allow the Clinic to sell the Property to the Agency without triggering repayment of a \$40,000 CDBG grant that was used to improve the Property in 1989 (**Attachment 6**);

That the Board of Directors of the Redevelopment Agency:

- f) Find that the acquisition by the Agency of the Property was evaluated in the Isla Vista Master Plan EIR, and pursuant to CEQA Guidelines Sections 15180 and 15162, no additional environmental review is required;
- g) Adopt the Resolution making findings required by Health & Safety Code §33445 and §33679 for the acquisition of the Property (**Attachment 7**);
- h) Adopt the Resolution of Intent to Purchase the Property from SBNC (**Attachment 8**);
- i) Execute the Real Property Sale Contract and Escrow Instructions between the Agency and SBNC to acquire the Property in the amount of \$2,600,000, and authorize the Agency Executive Director, or designee, to initial various provisions therein on behalf of the Agency (**Attachment 9**);
- j) Authorize the Executive Director to extend the escrow period up to 60 additional days at his sole discretion;
- k) Authorize the Executive Director to execute a 10 year Lease Agreement, with the Agency as Lessor, and SBNC as Lessee, upon the successful close of escrow (**Attachment 10**);
- l) Approve the Agency's General Fund deposit of \$250,000 into an escrow account to be repaid from future loan proceeds.

Summary Text:

This item is on the agenda to consider the acquisition by the Agency of property located at Property from Santa Barbara Neighborhood Clinics (SBNC), a willing seller, for the market rate price of \$2,600,000, with a 10 year lease agreement.

This action implements the recently adopted Isla Vista Master Plan policies directing the Agency to establish partnerships with property owners and businesses within the Embarcadero Loop to help them relocate to sites outside the loop in the long term.

Background:

The Property, including the approximately 9,914 square foot professional office/medical building, at 970 Embarcadero Del Mar (APN: 075-163-014), is located within the Embarcadero Loop in downtown Isla Vista. The site is surrounded on three sides by public park land. After the proposed 10 year lease period, the site may potentially be used for parking to facilitate redevelopment projects and/or the expansion of open space.

The attached Resolution of Intent to Purchase Real Property (**Attachment 8**) describes the Property to be purchased, the price to be paid, the property owner (seller), and designates May 20, 2008, at 9:00 am as the date and time the Agency will meet to consummate the purchase by approving and executing a Certificate of Acceptance. The notice of the intention to purchase the Property will be published pursuant to Section 6063 of the Government Code. The close of escrow is anticipated to be on or before June 16, 2008.

In the appraisal dated June 7, 2007, (**Attachment 11**) Hammock, Arnold, Smith and Company determined fair market value for the Property to be \$2,600,000 (**Attachment 11**). Using that value, Agency staff worked with Santa Barbara Neighborhood Clinics (SBNC) to negotiate the purchase of the site with a lease agreement for 7,357 square feet of the building. The purpose of the lease is to maintain the continuity of SBNC's service in Isla Vista while Agency staff and SBNC work together to locate a new site for the Clinic. In addition, the lease payments (\$151,086.00 per year, subject to the annual

adjustment of 3%) will help to off-set the fiscal impacts of the acquisition. The lease rate is also consistent with the fair market value of the leasehold estate as determined by the appraisal.

An Environmental Impact Report was prepared and certified pursuant to the requirements of the California Environmental Quality Act (CEQA) for the Isla Vista Master Plan, approved on August 21, 2007, which contemplated public acquisition of the Property. Pursuant to CEQA Sections 15180 and 15162, no additional environmental review is required unless subsequent changes are proposed in the project, physical circumstances have changed on the subject property, or new information of substantial importance has become available.

There are no substantial changes proposed in relation to the Subject Property that will require major revisions to the Master Plan EIR. The Master Plan contemplated that the Subject Property would remain in existence and that it would be “encouraged to form strategic partnerships that would allow [it] to relocate...in order to free up additional land for park expansion.” (Master Plan page 3-8) The actions before you are consistent with that direction. The Subject Property will be continued in its existing use for at least the 10 year period of its current lease term commencing upon the transfer of title to the Subject Property. If the lease is not extended upon the termination of the 10 year lease period, it may be used for park expansion or another use consistent with the IVMP. Except for what is set forth in the IVMP, there are no current plans regarding re-use of the Subject Property. If the Subject Property is eventually proposed for a use other than what is set forth in the IVMP, further environmental analysis may be required at that time.

No substantial changes have occurred with respect to the circumstances under which the project will be undertaken which require major revisions to the Master Plan EIR. The Master Plan EIR was certified in August 21, 2007. Since that time, there have been no major changes in Isla Vista that would require major revisions to the Master Plan EIR.

No new information has come to light which was not known and could not have been known which indicates that: 1) there are one or more new environmental impacts that was not identified in the Master Plan EIR, 2) that an identified environmental impact will be substantially more severe than shown in the Master Plan EIR, 3) that mitigation measures or alternatives found infeasible in the Master Plan EIR would in fact be feasible or 4) that mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant impacts of the project. In the eight months since the Master Plan EIR was certified, no new information has been developed or discovered that meets any of these criteria.

Since none of the criterion discussed above necessitating new environmental review exist, the Agency staff has determined the Master Plan EIR as approved by the Board of Supervisors on August 21, 2007, is adequate for this project and that no further environmental review is necessary.

The Agency, with the consent of the Board of Supervisors, is allowed to pay all or part of the cost of any publicly owned building provided that certain determinations are made pursuant to Health and Safety Code Section 33445. The Agency and Board of Supervisors must adopt resolutions and make certain findings in order to authorize the use of redevelopment funds for that purpose. The findings must demonstrate how the project will benefit the project area and declare that there are no other reasonable means of financing the project. By adopting these resolutions, the Agency and Board of Supervisors must also determine that the project will assist in eliminating blight within the Isla Vista Project Area and that the project conforms to the Redevelopment Plan and the Agency’s Implementation Plan. In addition, the hearing must be held in accordance with Health and Safety Code Section 33679. This hearing and the Summary Reports satisfy the requirements of Health and Safety Code Sections 33445 and 33679 (**Attachment 2 and 3**).

In addition, pursuant to Health and Safety Code Section 33433 the Agency has prepared a report for the lease of the Property back to SBNC (**Attachment 6**). The report describes the terms of the lease and explains how it will assist in the elimination of blight in the Isla Vista Project Area as required by that code section.

The Property is currently subject to a Community Development Block Grant (“CDBG”) agreement that was entered into by the County and the prior owner of the Clinic. Under that agreement, the County provided a \$40,000 grant of CDBG funds to assist in the construction of the clinic in exchange for the commitment that the clinic would remain on the site for 40 years or repay the grant with interest. The proposed amendment allows SBNC to transfer title of the Property to the County without triggering that repayment obligation. However, SBNC is required to remain at the clinic for the duration of the 10 year lease period, unless they receive approval by the Agency to relocate.

Fiscal Analysis:

The acquisition will be funded entirely by the Agency and will have no impact on the County General Fund. The Agency’s adopted FY 07/08 Budget describes a proposed debt issuance to fund this and other redevelopment initiatives. That debt issuance has been recommended for approval by the County’s Debt Advisory Committee, and, subsequently, by the Board of Supervisors on February 5, 2008. It is expected those debt proceeds will be available in May 2008, which will be used to finance this acquisition.

The terms of the Real Property Sale Contract include a provision making the close of escrow contingent on the availability of funds. With a 60 day escrow period, the Agency will have ample time to issue debt prior to the scheduled end of escrow. In the event funding is delayed, the Executive Director is authorized to extend escrow an additional 60 days.

Special Instructions:

Please acknowledge Board of Supervisors Chair signature on acknowledgement form attached to the First Amendment to Agreement for CDBG Funds (**Attachment 6**).

After Board action, please distribute as follows:

ITEM	RECIPIENT
Original and Duplicate Original Documents and Minute Order	Real Estate Services, Attn: Don Grady
Copies of all Documents	Clerk of the Board Files

Attachments:

- Attachment 1. County Resolution making findings required by Health & Safety Code §33445 and §33679
- Attachment 2. Report Pursuant to Health & Safety Code §33445
- Attachment 3. Report Pursuant to Health & Safety Code §33679
- Attachment 4. County Resolution making findings required by Health and Safety Code Section §33433
- Attachment 5. Report Pursuant to Health & Safety Code §33433
- Attachment 6. First Amendment To Agreement For CDBG Funds
- Attachment 7. Agency Resolution for Health & Safety Code §33445 and §33679
- Attachment 8. Resolution of Intent to Purchase property at 970 Embarcadero Del Mar
- Attachment 9. Real Property Sale Contract and Escrow Instructions
- Attachment 10. Lease Agreement

Attachment 11. June 7, 2007 Summary Letter for Appraisal of 970 Embarcadero Del Mar

Authored by:

Carlentine/Goldstein

cc:

Mary McMaster, County Counsel

Kevin Ready, County Counsel

Mark Paul, Auditor Controller

Attachment 1
County Resolution making findings required by Health & Safety Code
§33445 and §33679

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

IN THE MATTER OF MAKING FINDINGS)
REQUIRED BY HEALTH AND SAFETY)
CODE §33445 AND §33679)
FOR THE REDEVELOPMENT)
AGENCY PURCHASE OF 970)
EMBARCADERO DEL MAR IN ISLA VISTA)
_____)

RESOLUTION NO. _____

WHEREAS, pursuant to California Community Redevelopment Law, Health and Safety Code §33445, the Redevelopment Agency of Santa Barbara County (“Agency”) is authorized to pay part or all of the acquisition of land that will benefit the Isla Vista Project Area (“Project Area”) upon making the findings pursuant to Health and Safety Code §33445; and

WHEREAS, the Agency is also required to comply with Health and Safety Code §33679; and

WHEREAS, as set forth in the Summary Report Pursuant to Health and Safety Code §33445, on the County Redevelopment Purchase of 970 Embarcadero Del Mar from Santa Barbara Neighborhood Clinics (“33445 Report”) the Agency purchase of 970 Embarcadero Del Mar (“Property”) in the Project Area primarily benefits the Project Area by ensuring the continuation of medical care to Isla Vista residents; and

WHEREAS, as set forth in the 33445 Report, there is no reasonable alternative funding available to acquire the Property; and

WHEREAS, the County of Santa Barbara intends to loan the Agency funds necessary for the acquisition of the Property using proceeds from the issuance of Certificates of Participation (“County Loan”); and

WHEREAS, the Agency intends to use tax increment revenue to repay the County Loan over 20 years; and

WHEREAS, as set forth in the 33445 Report, the Agency purchase of 970 Embarcadero Del Mar will assist in the elimination of blight by ensuring continued access to health care for Isla Vista residents and allowing for the eventual redevelopment of the Property by the Agency; and

WHEREAS, as set forth in the 33445 Report, the Agency purchase of the Property is consistent with the Isla Vista Project Area Five Year Implementation Plan (2007/2011); and

WHEREAS, a hearing was properly noticed and held according to Health and Safety Code §33679; and

WHEREAS, as required by Health and Safety Code §33679, the estimates of the amount of such taxes proposed to be used to pay for such land and construction of any publicly owned building, including interest payments is set forth in the Summary Report Pursuant to Health and Safety Code §33679 on the

County of Santa Barbara Redevelopment Agency Purchase of 970 Embarcadero Del Mar (“Property”) from Santa Barbara Neighborhood Clinics (“33679 Report”); and

WHEREAS, as required by Health and Safety Code §33679, the redevelopment purpose of the acquisition is to continue to provide affordable public health services to the Isla Vista community, while facilitating the eventual redevelopment of the Property consistent with the Isla Vista Master Plan.

NOW, THEREFORE BE IT FOUND AND RESOLVED by the County of Santa Barbara as follows:

1. The Board of Supervisors hereby finds and determines:
 - a. The acquisition of the Property by the Agency will be of benefit to the Project Area.
 - b. There are no other reasonable means of financing the Agency’s acquisition of the Property.
 - c. The payment of funds for the Agency purchase of the Property will assist in the elimination of one or more blighting conditions inside the Project Area.
 - d. The Acquisition of the Property by the Agency is consistent with the Redevelopment Plan and the Agency’s Implementation Plan, updated in April 2006 for the 2007/2011 cycle.
 - e. This hearing was noticed and held according to Health and Safety Code 33679.

APPROVED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara, State of California, the 15th day of April, 2008, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

SALUD CARBAJAL
Chair, Board of Supervisors

ATTEST
MICHAEL F. BROWN
CLERK OF THE BOARD

By: _____

APPROVED AS TO FORM:

DANIEL J. WALLACE
County Counsel

By: _____
Deputy

APPROVED AS TO FORM:

ROBERT GEIS
Auditor-Controller

By: _____

Attachment 2
Report Pursuant to Health & Safety Code §33445

**SUMMARY REPORT PURSUANT TO SECTION 33445
OF THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW
ON THE COUNTY OF REDEVELOPMENT AGENCY PURCHASE OF
970 EMBARCADERO DEL MAR FROM
SANTA BARBARA NEIGHBORHOOD CLINICS**

The California Health and Safety Code, Section 33445, requires that if a redevelopment agency wishes to pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned either within or without the project area, the legislative body of the community must determine all of the following:

1. That the buildings, facilities, structures, or other improvements are of benefit to the project area or the immediate neighborhood in which the project is located, regardless of whether the improvement is within another project area, or in the case of a project area in which substantially all of the land is publicly owned that the improvement is of benefit to an adjacent project area of the Agency (**see Section 1**).
2. That no other reasonable means of financing the buildings, facilities, structures, or other improvements, are available to the community (**see Section 2**).
3. That the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements will assist in the elimination of one or more blighting conditions inside the project area or provide housing for low or moderate income persons, and is consistent with the implementation plan adopted pursuant to CRL Section 33490 (**see Sections 3**).

Section 33445 applies to the County of Santa Barbara Redevelopment Agency (“Agency”) purchase of 970 Embarcadero Del Mar (“Property”) from the Santa Barbara Neighborhood Clinics (“SBNC”), and the following report includes all information required by California Health and Safety Code.

1. Benefit to the Vista Project Area.

This transaction came about because of SBNC’s desire to sell the Property. If the Agency did not purchase it, financial considerations might have led SBNC to close down the clinic or to relocate it out of Isla Vista. Such a move would have had a detrimental impact on residents of Isla Vista who depend upon the clinic for their basic medical needs. The Agency purchase of the Property primarily benefits the Project Area by ensuring the continuation of affordable public health services to the Isla Vista community. In addition, if SBNC finds an alternative location in Isla Vista as is contemplated in its proposed lease with the Agency, then the Agency will be able to redevelop the Property site consistent with the Isla Vista Master Plan.

2. Financing.

There is no available funding to acquire the Property. The County is facing a significant County General Fund deficit. There are not dedicated sources of funds that could be used for this acquisition and County staff has not been able to identify any grant funds that would be available for this purchase.

3. Elimination of Blight and Consistency with the Implementation Plan.

Agency purchase of 970 Embarcadero Del Mar will assist in the elimination of blight in the present through maintaining the current use, and in the future through development of the site compatible with the surrounding uses. The property is currently occupied by the SBNC. The lease of this property for continued use by SBNC will maintain a vital community service within downtown Isla Vista. After the 10 year lease period, the site will be developed in a manner consistent with the Isla Vista Master Plan.

The acquisition of property within the downtown area is identified as a specific Downtown Project in the adopted FY 2007 – 2011 Five Year Implementation Plan. This action is consistent with that identification.

Attachment 3
Report Pursuant to Health & Safety Code §33679

**SUMMARY REPORT PURSUANT TO SECTION 33679
OF THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW
ON THE COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY PURCHASE OF 970
EMBARCADERO DEL MAR FROM
SANTA BARBARA NEIGHBORHOOD CLINICS**

California Health and Safety Code, Section 33679, requires that before a redevelopment agency commits to use the portion of taxes to be allocated and paid to an agency pursuant to subdivision (b) of Section 33670 for the purpose of paying all or part of the value of the land for, and the cost of the installation and construction of, any publicly owned building, other than parking facilities, the legislative body shall hold a public hearing.

Notice of the time and place of the public hearing shall be published in a newspaper of general circulation in the community for at least two successive weeks prior to the public hearing. There shall be available for public inspection and copying, at a cost not to exceed the cost of duplication, a summary which includes all of the following:

- (a) Estimates of the amount of such taxes proposed to be used to pay for such land and construction of any publicly owned building, including interest payments.
- (b) Sets forth the facts supporting the determinations required to be made by the legislative body pursuant to Section 33445.
- (c) Sets forth the redevelopment purpose for which such taxes are being used to pay for the land and construction of such publicly owned building.

The summary shall be made available to the public for inspection and copying no later than the time of the first publication of the notice of the public hearing.

Section 33679 applies to the County of Santa Barbara Redevelopment Agency ("Agency") purchase of 970 Embarcadero Del Mar from the Santa Barbara Neighborhood Clinics ("SBNC"), and the following report includes all information required by California Health and Safety Code.

1. Noticing.

The public hearing was noticed according to Section 33679.

2. Tax Increment Estimates.

Estimates of the Amount of Redevelopment Agency Tax Increment Proposed for the Acquisition of 970 Embarcadero Del Mar

	Payment	Interest	Principle
Year 1	\$ (217,566.26)	\$ (143,000.00)	\$ (74,566.26)
Year 2	\$ (217,566.26)	\$ (138,898.86)	\$ (78,667.40)
Year 3	\$ (217,566.26)	\$ (134,572.15)	\$ (82,994.11)
Year 4	\$ (217,566.26)	\$ (130,007.47)	\$ (87,558.79)
Year 5	\$ (217,566.26)	\$ (125,191.74)	\$ (92,374.52)
Year 6	\$ (217,566.26)	\$ (120,111.14)	\$ (97,455.12)
Year 7	\$ (217,566.26)	\$ (114,751.11)	\$ (102,815.15)
Year 8	\$ (217,566.26)	\$ (109,096.28)	\$ (108,469.98)
Year 9	\$ (217,566.26)	\$ (103,130.43)	\$ (114,435.83)
Year 10	\$ (217,566.26)	\$ (96,836.46)	\$ (120,729.80)
Year 11	\$ (217,566.26)	\$ (90,196.32)	\$ (127,369.94)
Year 12	\$ (217,566.26)	\$ (83,190.97)	\$ (134,375.29)
Year 13	\$ (217,566.26)	\$ (75,800.33)	\$ (141,765.93)
Year 14	\$ (217,566.26)	\$ (68,003.20)	\$ (149,563.05)
Year 15	\$ (217,566.26)	\$ (59,777.24)	\$ (157,789.02)
Year 16	\$ (217,566.26)	\$ (51,098.84)	\$ (166,467.42)
Year 17	\$ (217,566.26)	\$ (41,943.13)	\$ (175,623.13)
Year 18	\$ (217,566.26)	\$ (32,283.86)	\$ (185,282.40)
Year 19	\$ (217,566.26)	\$ (22,093.33)	\$ (195,472.93)
Year 20	\$ (217,566.26)	\$ (11,342.32)	\$ (206,223.94)
Total	\$ (4,351,325.16)	\$ (1,751,325.16)	\$ (2,600,000.00)

3. Section 33445 Requirements.

The facts supporting the determinations required by Health and Safety Code Section 33445 are set forth in the report attached hereto as Exhibit A.

4. Redevelopment Purpose.

The redevelopment purpose of the acquisition is to continue to provide affordable public health services to the Isla Vista community, while facilitating the eventual redevelopment of the site consistent with the Isla Vista Master Plan.

5. Public Availability of Summary

A summary of the information required by Health and Safety Code 33679 was available for public inspection and copying at www.ivrda.org at least two weeks prior to the public hearing.

EXHIBITS A: SUMMARY REPORT PURSUANT TO SECTION 33445

EXHIBIT A

SUMMARY REPORT PURSUANT TO SECTION 33445 OF THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW ON THE COUNTY OF REDEVELOPMENT AGENCY PURCHASE OF 970 EMBARCADERO DEL MAR FROM SANTA BARBARA NEIGHBORHOOD CLINICS

The California Health and Safety Code, Section 33445, requires that if a redevelopment agency wishes to pay all or a part of the value of the land for and the cost of the installation and construction of any building, facility, structure, or other improvement that is publicly owned either within or without the project area, the legislative body of the community must determine all of the following:

4. That the buildings, facilities, structures, or other improvements are of benefit to the project area or the immediate neighborhood in which the project is located, regardless of whether the improvement is within another project area, or in the case of a project area in which substantially all of the land is publicly owned that the improvement is of benefit to an adjacent project area of the Agency (**see Section 1**).
5. That no other reasonable means of financing the buildings, facilities, structures, or other improvements, are available to the community (**see Section 2**).
6. That the payment of funds for the acquisition of land or the cost of buildings, facilities, structures, or other improvements will assist in the elimination of one or more blighting conditions inside the project area or provide housing for low or moderate income persons, and is consistent with the implementation plan adopted pursuant to CRL Section 33490 (**see Sections 3**).

Section 33445 applies to the County of Santa Barbara Redevelopment Agency (“Agency”) purchase of 970 Embarcadero Del Mar (“Property”) from the Santa Barbara Neighborhood Clinics (“SBNC”), and the following report includes all information required by California Health and Safety Code.

1. Benefit to the Vista Project Area.

This transaction came about because of SBNC’s desire to sell the Property. If the Agency did not purchase it, financial considerations might have led SBNC to close down the clinic or to relocate it out of Isla Vista. Such a move would have had a detrimental impact on residents of Isla Vista who depend upon the clinic for their basic medical needs. The Agency purchase of the Property primarily benefits the Project Area by ensuring the continuation of affordable public health services to the Isla Vista community. In addition, if SBNC finds an alternative location in Isla Vista as is contemplated in its proposed lease with the Agency, then the Agency will be able to redevelop the Property site consistent with the Isla Vista Master Plan.

2. Financing.

There is no available funding to acquire the Property. The County is facing a significant County General Fund deficit. There are not dedicated sources of funds that could be used for this acquisition and County staff has not been able to identify any grant funds that would be available for this purchase.

3. Elimination of Blight and Consistency with the Implementation Plan.

Agency purchase of 970 Embarcadero Del Mar will assist in the elimination of blight in the present through maintaining the current use, and in the future through development of the site compatible with the surrounding uses. The property is currently occupied by the SBNC. The lease of this property for continued use by SBNC will maintain a vital community service within downtown Isla Vista. After the 10 year lease period, the site will be developed in a manner consistent with the Isla Vista Master Plan.

The acquisition of property within the downtown area is identified as a specific Downtown Project in the adopted FY 2007 – 2011 Five Year Implementation Plan. This action is consistent with that identification.

Attachment 4

County Resolution making findings required by Health and Safety Code Section §33433

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

IN THE MATTER OF MAKING CERTAIN)
FINDINGS AND APPROVING THE)
LEASE AGREEMENT FOR 970)
EMBARCADERO DEL MAR BY AND)
BETWEEN SANTA BARBARA COUNTY)
REDEVELOPMENT AGENCY AND)
SANTA BARBARA NEIGHBORHOOD)
CLINICS REQUIRED BY HEALTH AND)
SAFETY CODE §33433)
_____)

RESOLUTION NO. _____

WHEREAS, the Santa Barbara County Redevelopment Agency (“Agency”) is in the process of acquiring a fee interest in the real property located at 970 Embarcadero Del Mar (the “Property”) in the Isla Vista Redevelopment Project Area from Santa Barbara Neighborhood Clinics (“SBNC”); and

WHEREAS, the Agency and SBNC desire to enter into a lease whereby SBNC will lease the Property back from the Agency; and

WHEREAS, the terms of a lease agreement has been reached by the Agency and SBNC (“Lease Agreement”); and

WHEREAS, pursuant to California Health and Safety Code §33433, prior to entering into the Lease Agreement, the Agency has prepared and made available for public inspection a summary report in accordance with Health and Safety Code Section §33433 (“33433 Report”); and

WHEREAS the Agency and Board of Supervisors have held a duly noticed joint public hearing on April 15, 2008 to confirm the terms of the proposed lease of the Property and to consider approval of the Lease Agreement pursuant to Health and Safety Code Section 33433; and

WHEREAS, by the Board Letter accompanying this Resolution, and attachments thereto including the 33433 Report, the Board of Supervisors have been provided with the information upon which the findings and approvals set forth in this Resolution are based; and

NOW, THEREFORE BE IT FOUND AND RESOLVED by the County of Santa Barbara as follows:

1. The recitals set forth above are true and correct.
2. The Board of Supervisors hereby accepts the Board Letter including the attachments thereto and the 33433 Report as the basis for the findings and approvals set forth in this Resolution.

3. The purchase and lease back of the Property by the Agency will assist in the elimination of blight by providing for the continuation of medication services to the Isla Vista community while providing for the eventual redevelopment of the Property consistent with the Isla Vista Master Plan.
4. As set forth in the 33433 Report, the lease of the Property to SBNC is for a fair market rental rate.
5. The Lease Agreement is consistent with the provisions and goals of the Agency's Five Year Implementation Plan.
5. The Board of Supervisors hereby approves the Lease Agreement.

APPROVED AND ADOPTED by the Board of Supervisors of the County of Santa Barbara,
State of California, the 15th day of April, 2008, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

SALUD CARBAJAL
Chair, Board of Supervisors

ATTEST
MICHAEL F. BROWN
CLERK OF THE BOARD

By: _____

APPROVED AS TO FORM:

DANIEL J. WALLACE
County Counsel

By: _____
Deputy

APPROVED AS TO FORM:

ROBERT GEIS
Auditor-Controller

Attachment 5
Report Pursuant to Health & Safety Code §33433

**SUMMARY REPORT PURSUANT TO SECTION 33433
OF THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW
ON A LEASE AGREEMENT BY AND BETWEEN
THE COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY
AND SANTA BARBARA NEIGHBORHOOD CLINICS (SBNC).**

The California Health and Safety Code, Section 33433, requires that if a redevelopment agency wishes to sell or lease property to which it holds title and if that property was acquired in whole or in part with property tax increment funds, the agency must first secure approval of the proposed sale or lease agreement from its local legislative body after a public hearing. A copy of the proposed sale or lease agreement and a summary report that describes and contains specific financing elements of the proposed transaction shall be available for public inspection prior to the public hearing. The following report includes all information required by California Health and Safety Code.

1. Summary of Proposed Agreement. A description of the premises to be leased and the major responsibilities of the Agency and Tenant.

The Agreement includes a lease of the property at 970 Embarcadero Del Mar (APN: 075-163-017), located within the Embarcadero Loop in downtown Isla Vista. The building to be leased is approximately 9,414 gross square feet and was originally developed for use as a medical clinic and office space and is currently occupied by the Santa Barbara Neighborhood Clinics (SBNC). SBNC will be the Tenant on the site, and will be responsible for providing affordable health care services to the Isla Vista community. In addition, SBNC will be responsible for any taxes, assessments, insurance, possessory interest taxes, repairs, replacement, and maintenance related to the interior of the Premises, plus public area maintenance.

2. Cost of the Agreement to the Agency. The cost of the agreement to the redevelopment agency, including land acquisition costs, clearance costs, relocation costs, the costs of any improvements to be provided by the agency, plus the expected interest on any loans or bonds to finance the agreement.

There is no cost to the Agency for the market rate lease of this property under this agreement. The tenant will be responsible for all costs associated with maintenance and operation of the leased space.

3. Estimated Value of the Interest to be Conveyed. Summarizes the estimated value of the interest to be conveyed to the Tenant.

The consideration being paid to the Agency is not less than the fair market lease value for the Premises. This fair market lease value was determined independently in the appraisal of 970 Embarcadero Del Mar dated June 7, 2007. There is no subsidy or other value being conveyed to the Tenant.

4. Consideration Received and Reasons Therefore. The estimated value of the lease payments to be paid by the Tenant to the Agency and a comparison of the lease payments and the fair market value at the highest and best use consistent the redevelopment plan for the interests conveyed.

Per the terms of the Agreement, the agency will lease the Premises to SBNC in return for monthly fair market value lease payments over the life of the lease term.

Revenue to Agency

The term of the lease is ten years. During the terms of the lease the Agency will receive annual rent of \$104,088. The rent for the Lease shall be adjusted annually pursuant to the corresponding increase in the Consumer Price Index (CPI).

Over the ten-year term, the net present value of the lease is projected to be \$803,740. This is the amount of revenue that the Agency can expect to receive over the life of the lease term (ten years). The agreement includes terms in which the lease can be terminated early based on the consent of both SBNC and the Agency.

The Premises are located centrally in downtown Isla Vista. In the near term, the location allows a valued community service to remain visible and accessible to Isla Vista residents. Continuing to provide public health services is the highest and best use consistent with the goals of the Agency and the County Land Use Development Code.

5. Elimination of Blight. An explanation of why the sale of the site will assist in the elimination of blight, as required by Section 33433.

The property is currently occupied by the SBNC. The lease of this property for continued use by SBNC will maintain a vital community service within downtown Isla Vista.

6. Conformance with the Five-Year Implementation Plan. An explanation of how the Agreement is in conformance with the Agency's Five-Year Implementation Plan.

The acquisition of property within the downtown area is identified as a specific Downtown Project in the adopted FY 2007 – 2011 Five Year Implementation Plan.

Attachment 6
First Amendment to Agreement for CDBG Funds

NO FEE DOCUMENT

**Recording requested by and
when recorded, mail to:**

Santa Barbara County Redevelopment Agency
1105 Santa Barbara Street 4th Floor
Santa Barbara County Courthouse, East Wing
Santa Barbara 93101

NO FEE DOCUMENT PURSUANT TO
GOVERNMENT CODE SECTION 6103

FIRST AMENDMENT TO AGREEMENT
FOR CDBG FUNDS

This First Amendment to Agreement (“Amendment”) is made by and between the County of Santa Barbara, a political subdivision of the State of California (“COUNTY”), and Santa Barbara Neighborhood Clinics, a California non-profit corporation (“SBNC”), successor in interest to Isla Vista Health Projects Inc., a California non-profit corporation (“IVHP”), and amends that certain agreement (“Agreement”) dated November 7, 1989, Instrument No. 89-76429, by and between IVHP, and COUNTY. This Amendment is made and entered into by IVHP and County as of April __, 2008.

WHEREAS, under the Agreement the COUNTY provided to SBNC Forty Thousand Dollars (\$40,000) of Community Development Block Grant (“CDBG”) funds under the Housing and Community Development Act of 1974; and

WHEREAS, the purpose of the grant was to assist in the construction of a medical clinic benefiting primarily low and very low income county residents to be located at 970 Embarcadero del Mar as more specifically described in Exhibit A attached hereto (the “Property”); and

WHEREAS, the Agreement required that the Property be used for the provision of community health care for forty years from the date of occupancy of the medical clinic; and

WHEREAS, IVHP now wishes to enter into a sale and lease arrangement with the Redevelopment Agency of the County of Santa Barbara (“Agency”) whereby SBNC would sell the Property to the Agency and lease a portion of it back from the Agency for at least 10 years; and

WHEREAS, the COUNTY would receive substantial benefit from a sale of the property to the Agency because it would provide funds to IVHR to continue to operate the medical clinic on the Property and would facilitate the eventual relocation of the medical clinic to a different location in Isla Vista and the redevelopment of the Property to a use more compatible with the long-term vision of its location as set forth in the Isla Vista Master Plan adopted by the County Board of Supervisors on August 23, 2007; and

WHEREAS, Section 4.4 of the Agreement requires COUNTY consent to transfer of the Property from IVHP and COUNTY is willing to grant such consent to transfer of the Property to the Agency; and

WHEREAS, the parties desire that this Amendment shall only become operative if title to the Property is transferred from IVHP to the Agency.

Now, therefore, for good and valuable consideration, the parties agree as follows:

1. The above recitals are true and correct.

2. The COUNTY hereby consents to the transfer of the Property to the Agency.

3. The text of Section 4.3 of the Agreement is hereby deleted in its entirety and the following text shall be inserted in its place:

“4.3 Term of Benefit Requirements. This Agreement shall expire on the date title to the Property is transferred from IVHP to the Redevelopment Agency. Notwithstanding the above, for a period of ten years after expiration of this Agreement, IVHP must continue to operate a medical clinic on the Project site or an alternative site which has been approved in writing by COUNTY, and failure to do so will subject IVHP to the Grant Repayment Requirement in Section 5.1 of this Agreement.”

4. The text of Section 5.1 of the Agreement is hereby deleted and the following shall be inserted in its place:

“5.1 Repayment Conditions. In the event that IVHP fails to continue to operate a medical clinic for a ten year period commencing upon transfer of the Project site to the Agency, then the entire Grant amount provided to IVHP pursuant to Section 1 above shall become due and payable and shall be repaid to the COUNTY by IVHP or its successors with interest at a rate equal to the Federal Home Loan Bank Board Eleventh District effective monthly weight cost of funds as of the date of demand for repayment, plus three (3) percentage points, compounded monthly from the date of the warrant by which the Grant was paid to IVHP.”

5. This Amendment shall only become operative upon transfer of title to the Property from IVHP to the Agency prior to December 31, 2008. If the Property is not transferred to the Agency during that time period, this Amendment shall become null and void and the Agreement shall continue to exist and bind the parties without modification.

6. Except as amended by this Amendment, the Agreement shall continue unmodified and in full force and effect.

In witness whereof, the parties have executed this Amendment as of the date first written above.

Santa Barbara Neighborhood Clinics, INC
a California non-profit corporation

By: _____

Date: _____

Its: _____

By: _____

Date: _____

Its: _____

COUNTY OF SANTA BARBARA.
a political subdivision of the State of California

By: _____
Salud Carbajal
Chairman, Board of Supervisors

Date: _____

APPROVED AS TO FORM:

DANIEL J. WALLACE
COUNTY COUNSEL

By: _____
Mary L McMaster
Senior Deputy County Counsel

APPROVED AS TO FORM:

BOB GEIS
AUDITOR CONTROLLER

By: _____
Mark Paul
Senior Financial Analyst

Expenditure Accounting Information
Fund: _____ Dept: _____
Line Item: _____ Program: _____

Attachment 7
Agency Resolution for Health & Safety Code §33445 and §33679

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY,
STATE OF CALIFORNIA**

IN THE MATTER OF MAKING FINDINGS)
REQUIRED BY HEALTH AND SAFETY)
CODE §33445 AND §33679)
FOR THE REDEVELOPMENT) RESOLUTION NO. _____
AGENCY PURCHASE OF 970)
EMBARCADERO DEL MAR IN ISLA VISTA)
_____)

WHEREAS, pursuant to California Community Redevelopment Law, Health and Safety Code §33445, the Redevelopment Agency of Santa Barbara County (“Agency”) is authorized to pay part or all of the acquisition of land that will benefit the Isla Vista Project Area (“Project Area”) upon making the findings pursuant to Health and Safety Code §33445; and

WHEREAS, the Agency is also required to comply with Health and Safety Code §33679; and

WHEREAS, as set forth in the Summary Report Pursuant to Health and Safety Code §33445, on the County Redevelopment Purchase of 970 Embarcadero Del Mar from Santa Barbara Neighborhood Clinics (“33445 Report”) the Agency purchase of 970 Embarcadero Del Mar (“Property”) in the Project Area primarily benefits the Project Area by ensuring the continuation of medical care to Isla Vista residents; and

WHEREAS, as set forth in the 33445 Report, there is no reasonable alternative funding available to acquire the Property; and

WHEREAS, the County of Santa Barbara intends to loan the Agency funds necessary for the acquisition of the Property using proceeds from the issuance of Certificates of Participation (“County Loan”); and

WHEREAS, the Agency intends to use tax increment revenue to repay the County Loan over 20 years; and

WHEREAS, as set forth in the 33445 Report, the Agency purchase of 970 Embarcadero Del Mar will assist in the elimination of blight by ensuring continued access to health care for Isla Vista residents and allowing for the eventual redevelopment of the Property by the Agency; and

WHEREAS, as set forth in the 33445 Report, the Agency purchase of the Property is consistent with the Isla Vista Project Area Five Year Implementation Plan (2007/2011); and

WHEREAS, a hearing was properly noticed and held according to Health and Safety Code §33679; and

WHEREAS, as required by Health and Safety Code §33679, the estimates of the amount of such taxes proposed to be used to pay for such land and construction of any publicly owned building, including

interest payments is set forth in the Summary Report Pursuant to Health and Safety Code §33679 on the County of Santa Barbara Redevelopment Agency Purchase of 970 Embarcadero Del Mar (“Property”) from Santa Barbara Neighborhood Clinics (“33679 Report”); and

WHEREAS, as required by Health and Safety Code §33679, the redevelopment purpose of the acquisition is to continue to provide affordable public health services to the Isla Vista community, while facilitating the eventual redevelopment of the Property consistent with the Isla Vista Master Plan.

NOW, THEREFORE BE IT FOUND AND RESOLVED by the County of Santa Barbara as follows:

1. The Redevelopment Agency Board of Directors hereby finds and determines:
 - a. The acquisition of the Property by the Agency will be of benefit to the Project Area.
 - b. There are no other reasonable means of financing the Agency’s acquisition of the Property.
 - c. The payment of funds for the Agency purchase of the Property will assist in the elimination of one or more blighting conditions inside the Project Area.
 - d. The Acquisition of the Property by the Agency is consistent with the Redevelopment Plan and the Agency’s Implementation Plan, updated in April 2006 for the 2007/2011 cycle.
 - e. This hearing was noticed and held according to Health and Safety Code 33679.

APPROVED AND ADOPTED by the Redevelopment Agency Board of Directors of the County of Santa Barbara, State of California, the 15th day of April, 2008, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

SALUD CARBAJAL
Chair, Board of Directors

ATTEST
MICHAEL F. BROWN
Executive director

By: _____

APPROVED AS TO FORM:

DANIEL J. WALLACE
Agency Counsel

By: _____
Deputy

APPROVED AS TO FORM:

ROBERT GEIS
Agency Treasurer

By: _____

Attachment 8
Resolution of Intent to Purchase property at 970 Embarcadero Del Mar

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE COUNTY OF SANTA BARBARA REDEVELOPMENT AGENCY, STATE OF
CALIFORNIA**

IN THE MATTER OF PURCHASING FEE)
OWNERSHIP OF COUNTY ASSESSOR) RESOLUTION NO. _____
PARCEL NO. 075-163-014:)
NOTICE AND RESOLUTION OF INTENT)
TO PURCHASE REAL PROPERTY)
_____)

WHEREAS, Santa Barbara Neighborhood Clinics, a California non-profit corporation, (hereinafter the "OWNER") is the fee owner of that certain property in the unincorporated area of the County of Santa Barbara, and more particularly described as Santa Barbara County Assessor's Parcel No. 075-163-014, including an approximately 9,914 square foot professional office building (hereinafter the "Property"); and

WHEREAS, OWNER desires to sell the Property to the Santa Barbara County Redevelopment Agency (hereinafter "COUNTY"); and

WHEREAS, COUNTY has identified a need to acquire certain properties in the downtown Isla Vista area for the purpose of revitalizing the downtown area; and

WHEREAS, the COUNTY has determined that acquisition of the Property and building located at 970 Embarcadero Del Mar, in Isla Vista will assist COUNTY in implementing its Isla Vista Master Plan, recently approved by its Board of Directors.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to Government Code Section 25350 the Board of Directors of the Santa Barbara County Redevelopment Agency, does hereby find, determine and order as follows:

1. The above recitals are true and correct.
2. The Santa Barbara County Redevelopment Agency Board of Directors does hereby declare its intention to accept the grant deed for fee simple interest in the Property, in the unincorporated area of the County of Santa Barbara, more particularly described as Santa Barbara County Assessor's Parcel No. 075-163-014.
3. It is in the public interest to proceed with the purchase of the Property.
4. That the entity selling the Property is:
Santa Barbara Neighborhood Clinics, a California non-profit corporation.
5. That the purchase price to be paid by the COUNTY for the Property is: \$2,600,000.00.
6. That notice of the intention of the Board of Directors to accept the grant deed to the Property be given by publishing a notice once a week, for three (3) weeks prior to the Board's meeting to

consummate said acceptance, in the Santa Barbara News Press, a newspaper of general circulation, which is printed and published in the County of Santa Barbara, State of California.

7. That the Santa Barbara County Redevelopment Agency Board of Directors will meet in the meeting room of said Board at 105 East Anapamu Street, Fourth Floor Hearing Room, in the City of Santa Barbara, County of Santa Barbara, State of California, on May 20, 2008, to consummate the purchase by accepting the grant deed to the Property.

APPROVED AND ADOPTED by the Redevelopment Agency Board of Directors of the County of Santa Barbara, State of California, the 15th day of April, 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

SANTA BARBARA COUNTY
REDEVELOPMENT AGENCY

ATTEST:
MICHAEL F. BROWN
EXECUTIVE DIRECTOR

CHAIR, BOARD OF DIRECTORS

By: _____
Deputy

APPROVED AS TO FORM:
DANIEL J. WALLACE
AGENCY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
ROBERT W. GEIS, CPA
TREASURER

By: _____
Deputy

By: _____

Attachment 9
Real Property Sale Contract and Escrow Instructions

Attachment 10
Lease Agreement

Attachment 11

June 7, 2007 Summary Letter for Appraisal of 970 Embarcadero Del Mar