



**Community  
Services  
Department**  
*Connecting People to Opportunities*

George Chapjian, Director, Community Services  
Sarah York Rubin, Executive Director, Office of Arts & Culture  
Ryder Bailey, CPA, Chief Financial Officer, Community Services  
Dinah Lockhart, Deputy Director, Housing & Community Development  
Jeff Lindgren, Superintendent, Park Division  
Ashley Watkins, Co-Division Chief, Sustainability Division



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**CAPITAL LOAN COMMITTEE**

February 13, 2020

706 Laguna Street, Santa Barbara, CA,  
2:00 pm to 4:00 pm

**MINUTES**

I. Call to Order

Chair Skip Szymanski called the meeting to order at 2:00 p.m.

II. Roll Call

*Committee Members-*

*Voting –*

Present: Jennifer McGovern, Clyde Freeman, Dale Fathe-Aazam, Skip Szymanski, Ed Price

Absent: *LeAnne Hagerty*

*Non-Voting Advisory –*

Present: Ken Trigueiro

Absent: Detlev Peikert, *John Polanskey*

There were five voting members present; therefore, quorum was met.

*Staff:*

Div. HCD: Dinah Lockhart, Laurie Baker, Ted Teyber, Carlos Jimenez, Sarah Brasel, Nancy Valdovinos

Dept. Behavioral Wellness: Natalia Rossi

*Applicants: Jim Bizelle, (Cabrillo Economic Development Corp; Cara Meche (City of Buellton); Jessica Wisham (Habitat for Humanity); Darcy Brady, Larry Reese (County Housing Authority); Tessa Madden Storms (PATH); Kevin Wilson, Maury Ruano (Peoples' Self-Help Housing); Nancy Tillie, Amy Taylor, Thalya Zapata (SB Neighborhood Clinic);, Sylvia Barnard, Hector Giron, (Good Samaritan Shelter); , Jill Van Wie (County Parks Div); Kathy Odell, Marsha Bailey (Women's Economic Ventures).*

PUBLIC COMMENT PERIOD – Chair Szymanski opened the floor for public comments on non-agenda items. There were no public comments and Chair Szymanski closed the public comment period.

III. Committee Matters

1. Approval of minutes: A motion was made by Clyde Freeman, and seconded by Dale Fathe-Aazam, to approve the Minutes of the May 14, 2019 meeting. The motion passed unanimously, with Ed Price abstaining because he was not present at the May meeting.

2. Committee Chair administrative matters:

- i. Chair Szymanski noted that Dale Fathe-Aazam had emailed Ted Teyber with questions on the proposed projects to which Ted responded to Dale directly and the Committee will go through those questions during Committee discussion on the items.

- ii. Chair Szymanski noted that Dale Fathe-Aazam joined the Habitat for Humanity Board of Directors and will recuse himself from voting on the Habitat project being presented today.

IV. HCD Administrative Report

1. Dinah Lockhart announced the appointment of LeAnne Hagerty from the County Treasurer-Tax Collector's office, who replaces former member Jennifer Christensen.
2. Dinah introduced new HCD staff, Carlos Jimenez, Sr. Housing Program Specialist and Sarah Brasel, Housing Program Specialist II
3. Other HCD/County updates.  
Dinah introduced Marsha Bailey, CEO of Women Economic Venture's, and her successor, Kathy Odell. Ms. Bailey thanked the Committee and County staff for the many years of support to the organization.

V. Staff Report

1. Carlo Jimenez gave a presentation on the proposed capital and micro-enterprise projects being recommended for funding from Community Development Block Grant funds.
  - Committee Discussion. Chair Szymanski asked attendees to introduce themselves and state which organization they represent. The Committee then discussed the projects and asked questions of the applicants.
    - Dale Fathe-Aazam asked why Domestic Violence Solutions is selling the Lompoc property. Sylvia Barnard explained that DVS was not getting enough referrals and, with a modification in the use of the site and continued collaboration with DVS, she believes that the site will be feasible and will avoid a loss of this valuable community service. She noted that 80% of the homeless population her organization serves, state that they have experienced domestic violence.
    - Dale Fathe-Aazam commented that the \$65,000 being recommended for the SB Neighborhood Clinic may not be enough. Nancy Tillie responded that the clinic will be able to cover any shortfall. Clyde Freeman asked if the project entailed a full replacement and advised that it may take time to get through the City's approval process.
    - Ed Price asked Good Samaritan Shelter to expand on the proposed culinary training program. Sylvia Barnard provided additional information and spoke of similar models in other cities that have been successful. She is working with an experienced consultant to get the program going. She noted that Good Samaritan's shelters provide 500 beds per night and, since it is supposed to be for 90 days only, with the lack of job training programs and a 1.5% vacancy rate, people tend to stay longer. She will raise private funds for a food truck to start a "Good Samwich" operation. The food truck will go to events and farmers' markets.
    - Chair Szymanski remarked that he is pleased that all the proposed projects will be able to receive funding.
  - Chair Szymanski asked the Committee to vote on the projects as a block, with the exception of the Habitat project, which will be voted on separately.
  - **Action** Jennifer McGovern made a motion to approve the CDBG projects as recommended in the Staff Report items 1-6 and 8-9, with the exception of item #7

Habitat for Humanity’s application to be the subject of a separate motion. Clyde Freeman seconded the motion. The motion passed unanimously.

- **Action** Clyde Freeman made a motion to approve Habitat for Humanity’s project as recommended in the Staff Report item 7. Ed Price seconded the motion. The motion passed unanimously with one abstention from Dale Fathe-Aazam due to a conflict of interest.
2. Ted Teyber gave a presentation on the proposed housing projects being recommended for funding utilizing County administered funds<sup>1</sup>.

**Committee Discussion**

- Jennifer McGovern noted the exponential construction cost increases over the years displayed by all three projects. She has been watching costs and they appear to be 425K/unit. Dale Fathe-Aazam agreed that costs had gone up, but that they are consistent with his own experience due to local factors such as AUD zoning effecting an increase in land prices, and the Thomas Fire / Montecito Debris Flow, causing a shortage of contractors. Dale recently observed a 25% increase over 9 months. Others agreed noting that contractors are swamped and bidding higher, and tariffs, noting that wood comes from Canada and steel from China. Clyde Freeman noted changes in the Uniform Building Code may also add to cost.
- Ken Trigueiro also noted the approximate 20% cost increase associated with State Prevailing Wages.
- Buellton Senior Housing: Ken Trigueiro asked CEDC if the Entitlements approved in 2014 will expire. Jim Bizelle of CEDC stated that it had been approved for a 1-year extension in October of 2019, and that they can get another one 1-year extension thereafter. Dale Fathe-Aazam asked if all the sources are committed. Mr. Bizelle responded that the MHP and LIHTC applications will be submitted in the near future. Chair Szymanski commented that, while the per-unit costs are high, the County investment is \$18,283 per unit, which is very reasonable. He also noted that the County’s investment is necessary to get the other funding sources committed and is being awarded as a reservation until all funding sources are committed. Ted Teyber confirmed noting that the reservation will expire after 12 months, after which, staff may return to the Committee for an extension. Clyde Freeman asked PSHHC about the “private loan” source in the Staff Report. The applicant clarified that that was a private lending institution hard loan, as opposed to county or state soft loans. Ted informed the Committee of the City of Buellton’s support of the project and that a city representative was prepared to speak in favor of the project. Chair Szymanski acknowledged Cara Meche and Ms. Meche stated that the senior project is the last component of the Village Plan. There currently exists 155 market-rate townhome units and a commercial center, with the senior housing and community center being the last developments to complete the Plan. The City is dedicated to seeing the projects built and supports the County funding for the senior housing component.
- IV Apartments. Jennifer McGovern noted that the IV Apartments developer fee was quite high. The applicant pointed out that because they already own the property and will be selling it to a future tax credit limited partner, that the almost \$9M acquisition line item accounted for the deferred developer fee, GP capital, and seller note going back into the project. It was also noted that there are relocation costs associated with the rehab. Kevin Wilson said that 3 – 4 tenants will be relocated at a time. There was a comment

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<sup>1</sup> Federal HOME Investment Partnerships (HOME); County Inclusionary Housing in-lieu fees (In-Lieu); State No Place Like Home (NPLH); Low and Moderate Income Housing Asset Fund (LMIHAF).

about the IV apartments being in an area where most of the housing has been converted to student housing so preservation of this family and farmworker housing is important.

- Cypress and 7<sup>th</sup>. Larry Deese of the County Housing Authority responded to questions about the project. He noted that the site was under a bankruptcy and is small but they were able to squeeze in 15 units and 15 parking spaces. They will be larger units at 706 SF with one parking space per unit. The population will be special needs and all units will have project-based section 8. Responding to the high costs, Mr. Deese noted that on some of their other projects, contractors have come from Bakersfield. Chair Szymanski noted that the City Housing Authority just finished a 16-unit project with 7 parking spaces at a cost of \$500K/unit. He noted that the County subsidy is a reasonable \$130K/unit and is needed to get LIHTC and No Place Like Home funds. He acknowledged Natalia Rossi of County Behavior Wellness and thanked her for her support with NPLH funds to the project.
- Chair Szymanski opened the floor for public comment on agenda items. Seeing none, he closed the public comment period. He then asked for motions on each project separately.
- **Action:** Dale Fathe-Aazam made a motion to approve the \$895,941 of HOME for CEDC's Buellton Senior project. Jennifer McGovern seconded the motion. The motion passed unanimously.
- **Action:** Clyde Freeman made a motion to approve the \$1,000,000 of LMIHF for PSHHC's IV Apartments project. Dale Fathe-Aazam seconded the motion. The motion passed unanimously.
- **Action:** Clyde Freeman made a motion to approve the \$250,000 of HOME and \$1,750,000 of NPLH funds for the Housing Authority's Cypress & 7<sup>th</sup> project. Jennifer McGovern seconded the motion. The motion passed unanimously.
- Ed Price commented that it would be helpful to have the projects' financial information presented in a standardized way to ease review and to be able to compare projects' source and uses. Others agreed and offered suggestions.
- Clyde Freeman asked that project sources and uses be included within the staff report.
- Chair Szymanski commented that, in the past, the Committee was provided with a list of all proposed projects and asked that it be included in the future. Laurie Baker said that a full list of proposed projects will be included at the next Committee meeting, which will be scheduled sometime in the spring for the next round of projects.

VI. Old Business

There was no old business

VII. New Business

Chair Szymanski directed staff to have a proposed project review template to the Committee within 60 days. Laurie Baker responded that HCD staff will work on a template and circulate it to the Committee for comments. Chair Szymanski reminded the Committee to respond only to the sender and not to all to avoid violations of the Brown Act.

VIII. Adjourn

Meeting was adjourned at 3:35 p.m.