



**CAPITAL LOAN COMMITTEE**

May 14, 2019

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

**Present:**

*Committee Members-*

*Voting - Jennifer McGovern, Clyde Freeman, Dale Fathe-Aazam, Skip Szymansk, Craig Zimmerman*

*Non-Voting Advisory – Detlev Peikert*

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

*Staff:*

Div. HCD: Dinah Lockhart, Laurie Baker, Ted Teyber, Roc Lowry

Dept. Behavioral Wellness: Natalia Rossi

*Applicants:*

Edwin Weaver

PUBLIC COMMENT PERIOD – No public comment on non-agenda items.

- III. Committee Matters
  - 1. A motion was made by Clyde Freeman, and seconded by Jennifer McGovern, to approve the Minutes of the March 28, 2019 meeting, subject to one clarification on p.3 that “term” pertained to the “affordability restriction term”. The motion passed unanimously, with Craig Zimmerman abstaining because he was not present at the March meeting.
  - 2. There were no Committee Chair administrative matters.
- IV. Staff Report  
Committee Chair may allow public comment on agenda items following reports from staff and invited speakers.
  - 1. Fighting Back Santa Maria Valley (FBSMV) – Ted Teyber summarized staff’s report with a PowerPoint presentation on FBSMV’s application for State Homeless Emergency Aid Program (HEAP) funds to acquire the single-family residence at 424 E. Park Ave., Santa Maria CA to house homeless youth.
    - a. Committee Discussion

Jennifer McGovern asked the square footage of the home. Ted Teyber replied 1,400 sq.ft.

Jennifer McGovern asked if the appraisal supports the purchase price. Ted Teyber said the appraisal was for \$354,000 and the purchase price was \$350,000.

Chair Szymanski invited the applicant to speak. Edwin Weaver introduced his staff, and stated that the applicant's organization has 25 employees and a \$1.6 million budget. With respect to the project, Edwin Weaver detailed the location of the proposed acquisition, specifically, one-block from Alan Hancock College, near the public library and transit center. He mentioned youth tend to congregate at the library and at a vacant bank building near Miller St. which is consistent with the population to be served, location, proximity to amenities

Dale Aazam stated that the operating budget was not clear on the HEAP in the operating budget. Ted Teyber explained that HEAP for operating costs were approved by a separate process outside of the Capital Loan Committee's review for two-years, and the property acquisition expense was part of a larger \$900k HEAP award to FBSMV.

Clyde Freeman asked if FBSMV was working on more than one project. Edwin Weaver confirmed that they were working with City on Safe Place project which works with run-away youth and directs them to resources.

**Action:** Dale Fathe-Aazam made a motion to approve the \$481,500 of HEAP funds for the project. Clyde Freeman seconded the motion. The motion passed unanimously.

2. West Cox Apartments – Ted Teyber summarized staff's report with a PowerPoint presentation on the Santa Barbara County Housing Authority's application for State HEAP and non-competitive pool of No Place Like Home (NPLH) funds for the West Cox Apartments project in Santa Maria. The project is before the CLC again as the Housing Authority now anticipates applying for 9% low-income housing tax credits, where it was previously reviewed utilizing a 4% tax credit.

- a. Committee Discussion

Craig Zimmerman asked if the project consisted of 30 units under both 4% and 9% tax credit funding scenarios. Ted Teyber confirmed that the unit count and layouts were identical.

Craig Zimmerman inquired as to the discrepancy in funding amounts on the Sources and Uses between the different tax credit financing applications. Ted Teyber advised that the 9% tax credit required Section 8 reserves of \$500K. Chair Skip Szymanski confirmed that he had spoken with a financial consultant and confirmed the requirement of reserves in a 9% with Section 8; while none were required in 4%, due to the increased equity investment in a 9% (less cash in on a 4%).

Skip and Clyde reviewed the 4% proforma to confirm that the costs to issue bonds was included.

Dale Aazam recalled that the Project was last reviewed by the Santa Maria Planning Commission on 4/3/19 and asked if the project got the planning commission approvals. Ted Teyber confirmed that the Planning Commission approved the project, but two neighbors appealed the parking requirement waiver, which appeal will go to City Council at their May 21<sup>st</sup> council meeting next week.

**Action:** Jennifer McGovern made a motion to approve the \$1,350,000 of HEAP and \$1,500,000 of NPLH funds for the project. Clyde Freeman seconded the motion. The motion passed unanimously.

- V. Old Business - None
- VI. New Business - None
  
- VII. Adjourn

Meeting was adjourned at 2:25 p.m.