



County of Santa Barbara

Community Services Department, Housing & Community Development Division

Public Hearing to Consider (1) HOME Loan for Property Acquisition and Rehabilitation and (2) Draft FY 2014-15 Action Plan Amendment

Board of Supervisors
May 17, 2016



Recommended Actions

- A. Approve the sale of the Property by Life Steps Foundation;
- B. Consider a Right of First Refusal to purchase the Property at fair market value and determine County will not exercise its right to purchase;
- C. Approve Good Samaritan (“Good Sam”) as buyer of the Property;
- D. Consider public comments on the draft FY 2014-15 Action Plan Substantial Amendment (“Amendment”) received during the 30 day public review period, from April 17, 2016 to May 17, 2016;
- E. Approve the Amendment for submission to HUD, with inclusion of HOME loan to Good Sam;



Recommended Actions Continued:

- F. Execute HOME Loan Documents with Good Sam for \$475,000 of which \$445,000 will be for acquisition, and \$30,000 to rehabilitate property;
- G. Execute a new Regulatory Agreement to restrict 5 of the 6 bedrooms for tenants with annual incomes not to exceed 50% of area median income and 1 bedroom for a tenant with an annual income not to exceed 60% AMI for fifteen and one-half (15.5) years;
- H. Execute an Assumption and Assignment Agreement of the Grant Agreement with Good Sam with modifications to restrict tenant income to 60% of area median income or below and to remove the occupancy limitation to persons with developmental disabilities; and
- I. Determine recommended actions are not the approval of a project subject to CEQA.



Background:

- 1994 – County provided \$45,000 grant to Life Steps Foundation to renovate property at 220 S. First Street in Orcutt for use as a group home.
- 1994 Grant Agreement required:
 - Property must be used for developmentally disabled persons at or below 80% of area median income
 - Property may not be sold without prior written permission from County. County must review organizational documents of future buyer, and Property be maintained as ‘low income housing’ for 30 years (until 2024)
 - County has a ‘first right of refusal’ for 90 days to purchase Property at fair market value.



Property



Currently zoned Residential-14 units per acre/Light Commercial.

- 6-bedroom, 3 bathroom house in Orcutt
- Was previously operated as group home for adults with developmental disabilities
- Life Steps no longer plans to use home as originally intended
- Sales proceeds will go toward costs to construct adult care center in Santa Maria

Good Samaritan Project

- Acquisition Cost: \$445,000
- Rehabilitation: \$54,000 (\$30,000 from HOME)
 - Bathroom repairs, water heater, window retrofit, safety improvements
- Proposed Use:
 - Clean and sober living for formerly homeless veterans
 - All program participants will be screened, and either employed, in school, or participating in programs
 - On site live-in manager



Board Actions for Property Transfer

- First Right of Refusal
 - Included in 1994 Grant Agreement
 - May be exercised by County within 90 days of notice by Life Steps for County to purchase Property at Fair Market Value
 - Staff recommending acquisition by Good Sam to maintain as affordable housing for special needs population (formerly homeless veterans)
- Execution of Assignment and Assumption Agreement
 - Removal of Property restriction to developmentally disabled residents
 - Good Sam required to manage Property as affordable housing through end of original 30 year affordability period
 - Residents must be at or below 50% of area median income



Board Actions for Financing

- County HOME Loan
 - \$475,000 at 0% interest, payments deferred, loan forgiven in 15 years (2031)
- County HOME Regulatory Agreement
 - Five of the six bedrooms will be restricted to residents at 50% of area median income (AMI)
 - Manager Unit restricted to 60% of AMI
 - Rents will be restricted to the maximum allowed by HUD
 - County will monitor the property for 15 1/2 years
- Use of HOME funds preserves expiring funds from recapture before July 31, 2016.



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