



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: December 4, 2012  
Placement: Administrative  
Estimated Time: N/A  
Continued Item: No  
If Yes, date from:  
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: Dinah Lockhart, HCD Deputy Director (805) 568-3523  
**SUBJECT:** Assumption Agreement for Bridgehouse Shelter

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- A. Approve and authorize the Chair of the Board of Supervisors to execute the Assumption of the Regulatory Agreement, Promissory Note and Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Permanent Financing) ("Assumption Agreement") for the Bridgehouse Shelter (Attachment A); and
- B. Determine that the approval and execution of the Assumption Agreement is exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061 (b)(3), because of the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and there is no possibility that the approval and execution of the Assumption Agreement may have a significant effect on the environment; and direct staff to file the attached Notice of Exemption (Attachment B).

**Summary Text:**

Staff recommends the Board approve an Assumption Agreement for the Bridgehouse Shelter. The County assumed ownership of the shelter on June 26, 2012. The Assumption Agreement signifies the County's agreement to perform and fulfill the requirements contained in loan documents between the State of California Housing and Community Development Department (HCD) and the Lompoc Housing & Community Development Corporation (LHCDC), which is required as a condition of HCD's consent to LHCDC's transfer of ownership of the Bridgehouse property to County.

**Background:**

**Shelter Ownership**

In 2003, LHCDC, formerly known as Lompoc Housing Assistance Corporation as previous owner of the Bridgehouse Shelter, entered into a promissory note, which was secured by a deed of trust, and a regulatory agreement (collectively, the “Loan Documents”) for a \$274,900 loan with HCD (Attachment C). The Loan Documents require HCD’s consent to LHCDC’s transfer of the property to County and to the assignment of the Loan Documents to County. The Loan Documents also require County to assume and agree to perform and fulfill all the terms, covenants, conditions, and obligations required to be performed and fulfilled by LHCDC under the Loan Documents. One of these requirements is that the Bridgehouse Property be operated as a homeless shelter until March 11, 2013, at which point the Loan Documents will terminate.

On February 21, 2012, the Board authorized the acceptance of a deed-in-lieu of foreclosure from LHCDC for the Bridgehouse Shelter. On April 17, 2012, LHCDC executed a Deed In Lieu of Foreclosure granting to the County ownership of the Bridgehouse Shelter, which County accepted and recorded on June 26, 2012.

**Shelter Operations**

On March 1, 2012, Good Samaritan Shelter began operating the Bridgehouse Shelter. County and Good Samaritan Shelter executed an agreement for Good Samaritan to continue shelter operations at the Bridgehouse Shelter until December 31, 2012. A new agreement will be executed before December 31, 2012, which will continue Bridgehouse operations through June 30, 2013. FY 2012-13 funding for these agreements with Good Samaritan is as follows: \$8,830 in County Human Services funds; \$45,000 in County General funds; \$25,000 in County CDBG public service funds; and \$25,000 in federal Emergency Solutions Grant funds, for a total of \$103,830. Good Samaritan has also contributed its own funds to the shelter, has applied for funding from other sources, and anticipates notification of funding decisions by these other sources.

**Fiscal Analysis:**

There is no immediate cost associated with the Board’s approval of the Assumption Agreement. However, in executing this Assumption Agreement the County will be assuming a Promissory Note to HCD, which does not require payment as long as the terms of the Assumption Agreement and the Loan Documents are met. Longer term cost impacts may be associated with the County’s continued ownership of the Bridgehouse Shelter and providing County funding for shelter operations. The current total annual cost of operating the Bridgehouse Shelter is estimated at \$171,000 based on monthly expenditure reports provided by Good Samaritan Shelter to date.

**Attachments:**

Attachment A - Assumption of the Regulatory Agreement, Promissory Note and Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Permanent Financing)

Attachment B - CEQA Notice of Exemption

Attachment C - Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Permanent Financing); Promissory Note Secured by Deed of Trust; and Regulatory Agreement