

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
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Agenda Number:
Prepared on: 5/15/03
Department Name: Housing and Comm.
Development
Department No.: 990
Agenda Date: 5/27/03
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Ed Moses, Director
Housing and Community Development

STAFF Tim Wong
CONTACT: Housing Specialist, Ext. 3523

SUBJECT: Casa Con Tres Rehabilitation Loan Documents

Recommendation(s):

That the Board of Supervisors:

- A. Find that the Casa Con Tres Apartment Project is exempt from the California Environmental Quality Act (CEQA) as the operation and repair of an existing facility pursuant to CEQA Guideline Section 15301,
- B. Approve the commitment of \$125,000 in Community Development Block Grant (CDBG) Program Income funding for the rehabilitation of Casa Con Tres by Lompoc Housing Assistance Corporation (LHAC), a County designated Community Housing Development Organization (CHDO), and
- C. Authorize the County Administrator to execute a Loan Agreement and a Regulatory Agreement with LHAC for the rehabilitation of this project, in substantially the form of the attachments to this Board letter.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goal No. 7. A Community that Fosters the Safety and Well-Being of Families and Children.

Executive Summary and Discussion:

LHAC has requested \$125,000 from County CDBG Program Income funds to substantially rehabilitate the 12 – unit Casa Con Tres (Apartments). The Casa Con Tres project is located in the City of Lompoc, located at 434 and 438 N. “L” St., in one the most blighted neighborhoods of the City. Although the project is located in the City, State CDBG administrators have agreed that the County CDBG funds could be used on

the project as long as residents of the Bridgehouse Transitional Housing facility in the unincorporated County be given priority to rent units in this project. The funds will be used to repair deferred maintenance items such as new flooring, plumbing, finish carpentry, kitchens, lighting, bathroom fixtures, windows, doors, etc. Exterior improvements will include stairs, railings, roofing and drainage repairs.

In 1999, the County and the City of Lompoc funded the acquisition of the site. The 12 units are currently in two deteriorated apartment buildings, principally occupied by low income families. Six of the units have been vacated since the acquisition. Therefore substantial rehabilitation can be done on the structures without relocation issues. There was a history of drug and other crime problems associated with this apartment complex prior to the acquisition by LHAC. The applicant worked with the local police to address these issues.

At this time, federal NEPA requirements for Casa Con Tres Apartments rehabilitation project have been met, and other state and federal overlay requirements which are involved with rehabilitation projects, including state prevailing wage, Housing Quality Standards, and lead – based paint abatement, have been or can be accommodated prior to close of escrow on the County loan. Casa Con Tres Apartments is exempt from the California Environmental Quality Act (CEQA) as the operation and repair of an existing facility.

The County of Santa Barbara Deed of Trust will take 4th position on the property behind the existing County and City loans. The project is at a stage of readiness appropriate for the County to move forward with its CDBG funding commitment. The funding for the loan was recommended for approval by the Loan Committee on March 13, 2003, subject to the following conditions, which have either been met or are incorporated into the attached loan agreement and related documents.

- That the County funding be in the form of a 3% interest, 30-year term loan,
- That the City of Lompoc provides housing rehabilitation funds for the project in the amount of \$182,000,
- That the County loan be in fourth position, subordinate only to the existing loans used for the acquisition and preliminary rehabilitation of the buildings,
- An updated Appraisal confirming their estimated after rehab value of the property of at least \$835,000 be submitted prior to Board of Supervisor Loan approval,
- That the structural conditions be evaluated and determined to either meet Housing Quality Standards, or be shown as programmed for rehabilitation activity funded by the Lompoc HOME contribution, prior to close of escrow, and
- That the terms of the Regulatory Agreement governing this project be consistent with and enforcing all HOME requirements, including a minimum 30-year term of affordability.

Because these units are to be rehabilitated and not new construction or acquisition, these units are not subject to the County's Regional Housing Needs Assessment (RHNA) numbers.

Mandates and Service Levels:

There are no changes to the service levels.

Fiscal and Facilities Impacts:

This project will increase the supply of affordable housing in the County and insure its long term affordability. County administrative activities related to project development are eligible for reimbursement by the CDBG program income guidelines.

Special Instructions:

None

Concurrence:

Auditor-Controller
Risk Management