



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: Housing and Community  
Development  
Department No.: 055  
For Agenda Of: 5/20/08  
Placement: Administrative  
Estimated Tme: n/a  
Continued Item: No  
If Yes, date from:  
Vote Required: 4/5

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**TO:** Board of Supervisors  
**FROM:** HCD Director John Torell, ext. 3520  
Housing Finance Pat Gabel, ext. 3522  
Manager  
**SUBJECT:** Good Samaritan Shelters, Recovery Way Home Loan Agreement, 4<sup>th</sup> Supervisorial  
District

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- A. Approve the commitment of \$75,000 in HOME funds for acquisition and financing costs associated with the Recovery Way Home transitional housing project.
- B. Approve and Authorize the Chair of the Board of Supervisors to execute a Loan Agreement in the total amount of \$75,000 [Attachment A], and Regulatory Agreement [Attachment B], for acquisition of the project.
- C. Approve the attached budget revision [Attachment C], to account for the disbursement of \$75,000 to the Recovery Way Home escrow account.
- D. Authorize the Director of Housing and Community to execute additional Subordination Agreements for this loan that are consistent with the Loan Agreement.

**Summary:**

At its March 13, 2008 meeting, Santa Barbara County's HOME Consortium Affordable Housing Loan Committee recommended the commitment of \$75,000 in federal HOME funds to Good Samaritan Shelters, Inc., for acquisition of real property located at 608 West Ocean Avenue in the City of

Lompoc. Good Samaritan Shelters will provide a sixteen- (16) bed transitional housing facility on the site as well as supportive services and case management for persons facing drug- and/or alcohol addictions. The Recovery Way Home project will also provide perinatal treatment for expectant mothers addressing addiction(s) as well. The project received a funding reservation under the County HOME Consortium's 2007-08 Notice of Funding Availability, and was included in the 2007-08 Annual Action Plan submitted to the federal Department of Housing and Urban Development. Today's board action realizes this funding.

**Background:**

Good Samaritan Shelters, Inc., is currently in escrow to acquire improved property at 608 West Ocean Avenue in the City of Lompoc, upon which it has placed a four- (4) bedroom modular home, that it is purchasing for its Recovery Way Home Program. The project will provide a sixteen- (16) bed transitional housing facility as well as supportive services, case management, and other programming to assist program participants in their recovery from addiction to drugs and/or alcohol, and in moving on to permanent housing once they have completed the treatment program. As there is a dearth of transitional housing and treatment programs of this nature in the context of an identified growing need in Santa Barbara County—particularly for women and women with children—this project provides a much- needed resource.

The project is considered a “turn-key” acquisition, as the current property owner--Trinity Investment Ventures, has conducted rehabilitation work on existing buildings on the site for use as a child care center and thrift store. It has also completed site preparation activities for placement of the four-bedroom modular home and moderate rehabilitation work required to configure the home for suitability for use as a transitional housing facility. As this work has been completed (the groundbreaking having taken place in March, 2008), Good Samaritan Shelters is now moving forward with the escrow process and purchase of the project site. Today's board action would allow the county to move forward with its HOME financial commitment in the amount of \$75,000 to assist with the acquisition.

The total project costs amount to \$2 million dollars. In addition to the county funding, other resources include a \$250,000 commitment in the form of Community Development Block Grant (CDBG), funds from the City of Lompoc, a \$1 million dollar grant from the State of California and a \$150,000 grant provided through the Santa Barbara Foundation. An additional grant request in the amount of \$525,000 to the Weingart Foundation is outstanding, with notification of award pending. As noted, the affordable housing loan committee has vetted the project and recommended commitment of the funding based on the financial analysis and review. The county loan will be in second position to the City of Lompoc's CDBG loan, subject to future subordination once executed.

Under HOME program regulations, acquisition of property is defined as a Categorically Excluded activity in terms of National Environmental Policy Act (NEPA), statute. Staff has completed the required environmental review documentation in this regard and the original copy is on file in the departmental Environmental Review Record.

**Performance Measure:**

Safe and Healthy Families: Housing for all Segments of the Population.

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
Federal HOME Funds			\$75,000
Total	\$ -	\$ -	\$ 75,000.00

**Staffing Impacts:**

**Legal Positions:**  
n/a

**FTEs:**  
n/a

**Special Instructions:**

Execute three (3) original copies of the Loan Agreement and two (2) original copies of the Regulatory Agreement and contact Miriam Gallardo at ext. 3529 to pick up two (2) copies of the Loan Agreement and one (1) copy of the Regulatory Agreement.

**Attachments:**

- Attachment A: Recovery Way Home Loan Agreement
- Attachment B: Recovery Way Home Regulatory Agreement
- Attachment C: Budget Revision

**Authored by:** Carlos Jimenez, Senior Housing Program Specialist