

City of Lompoc

Affordable Housing Program Analysis Report



November 20, 2012

Prepared by:

UFI URBAN FUTURES | Incorporated

Affordable Housing
Program Analysis Report
Prepared for the
City of Lompoc

Submitted By:

UFI URBAN FUTURES | Incorporated

Urban Futures, Inc.
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November 20, 2012
(Amended June 26, 2013)
(Amended August 30, 2013)

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Mayor and City Council
City of Lompoc
100 Civic Center Plaza
Lompoc, California 93438-8001

Re: Affordable Housing Program Analysis

Honorable Mayor and City Council Members:

Urban Futures, Inc. is pleased to forward the final Affordable Housing Program Analysis report with respect to 18 sites in the City of Lompoc. The report is divided into two chapters. The first chapter is the analysis of the Housing Project Compliance Review. The second chapter is the Housing Project Financial Summary Analysis.

The report is responsive to each of the items included within the project's scope of work. It also includes appropriate recommendations that are intended to provide the City of Lompoc with an efficient way of ensuring compliance with respect to its affordability covenants.

It was a pleasure working with City staff in the preparation of the Affordable Housing Program Analysis. It is our hope that the report will aid the City on a going forward basis.

If you have any questions, please contact us at (714) 283-9334.

Sincerely,
URBAN FUTURES INCORPORATED



STEVEN H. DUKETT
Managing Principal



RAETTE L. FRAZEUR
Housing Compliance Manager

SHD:RLF:naf

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Introduction



The City of Lompoc engaged Urban Futures, Inc. (“UFI”) to perform an Affordable Housing Program Analysis consistent with the following scope of work:

1. A complete list of properties and assets developed and owned within the City by the non-profit organization;
2. Whether the affordable housing properties developed by the non-profit are compliant with the applicable affordable housing regulations governing the specific source of funding used at any time during in the project’s development. If properties are out of compliance, then specify areas of noncompliance and when the noncompliance occurred. The Consultant should clarify the definition of “Compliance” as it relates to the specific source of funding provided to the affordable housing properties, including such elements as compliance with tenant income reporting, compliance with rental limits, compliance with property maintenance, etc.;
3. Whether the affordable housing properties are compliant with property maintenance requirements as required by regulations and covenants associated with the funding used in the development of the project and if specific properties are out of compliance, specify when the noncompliance occurred;
4. A compilation of all site visits made to each property by the City, County, and redevelopment agency;
5. Based on file documentation, whether residents have been displaced due to habitability issues or foreclosure after June, 2011;
6. Identify the specific covenants on each property (i.e. federal, State, County, City, Lompoc Redevelopment Agency (LRDA));
7. When each covenant was recorded on each property;
8. The term length of each covenant requirement; City of Lompoc
9. The termination date of the covenant;
10. All Federal, State, redevelopment, and local loans ever provided to the non-profit organization, the time sequence when loans were provided to a property, and if subsequent loans made to the property paid off earlier loans. Include an itemization of all loans that have been paid off, refinanced, forgiven or deferred. List the agency which originated the loan or grant, any terms and conditions associated with the receipt of this funding. This information is to be made in a very comprehensive and easy to understand format so that persons not familiar with affordable housing development can follow the sequence of various funding sources;
11. The source of any payoff funds;
12. The itemization of all loans made to the T Street and College Park Apartments. Loan information on these two (2) properties is to be included on the chart provided to Council on December 6 and included in the overall request for additional loan information;
13. Whether HUD will accept the LRDA’s covenants and compliance with LRDA covenants on affordable housing properties as meeting the federal requirements for afford ability compliance;
14. A listing of all properties which have been refinanced;
15. Whether public funds were used in the refinance;

16. Of the properties refinanced, was equity taken out by the non-profit organization, and if so, the amount of equity taken out, and if known, the ultimate use of the equity (i.e. were funds used to pay off another loan; were funds used to acquire another property?);
17. Provide an assessment to the City on whether the refinance was allowable under regulations governing the use of loan funds;
18. Recommended actions the City can take to prevent the potential repayment to HUD of federal funds expended on the Lompoc Theater acquisition;
19. The potential amount of loan funds that will be lost in foreclosure actions by private lenders; and
20. The potential amount of federal funds that may be required to be repaid to HUD due to noncompliance.

This report is responsive to each of the items included within the scope of work. For your information, the Housing Project Compliance Review, which is the first chapter of this report, responds to scope of work categories 2 through 9. The Housing Project Financial Summary Analysis, which is the second chapter of this report, is responsive to scope of work categories 10 through 20. An attachment to this report provides the data identified in scope of work category 1. Further, although the original Contract for Consultant Services called for the evaluation of 14 housing program files/sites, the scope of work was expanded by City staff to 18 housing program files/sites.

In order to conduct the scope of work, UFI obtained copies of the City's affordable housing program files including, but not limited to loan documents, covenants and other regulatory agreements pertinent to this assignment. These data were initially provided electronically whereby City staff scanned the contents of each of the loan files in bulk and uploaded them to the City's File Transfer Protocol ("FTP") site. UFI was able to access these data from the FTP site. Unfortunately, this process proved to be inefficient due to the huge amount of data contained in each scan file and because it was incomplete. Consequently, UFI's efforts to sort through and organize the information and determine what was missing took several months. Concurrently, during June 2012, UFI conducted drive-by site visits for each of the properties and met with City staff to help them identify the missing information needed for the analysis. Subsequently, City staff compiled, scanned and e-mailed additional documentation to UFI. During September and October 2012, UFI followed-up by conducting data retrieval visits to City Hall to identify and collect the balance of the missing documentation from City files. The delays experienced in obtaining, sorting and filing data were the cause of the time extension needed to complete this assignment.

This report is divided into two chapters. The first chapter is the analysis of the Housing Project Compliance Review. The second chapter is the Housing Project Financial Summary Analysis. The following summarizes the findings of each chapter:

SUMMARY OF HOUSING PROJECT COMPLIANCE REVIEW

Based on the available record, UFI has prepared detailed housing compliance spreadsheets for each of the housing sites (included within the chapter). Review of the available record has revealed that consistent monitoring efforts were made by the LRDA to gather documentation for compliance certification of tenant rent and income for the properties indicated. Per the LRDA Regulatory Agreements, annual reporting is required to



confirm that rent and income limits are met for each tenant occupying affordable units for the period January 1st through December 31st and is due at the end of the each period. The due date was later changed to March 31st allowing LHCDC more time to submit their reports. There was little to no documentation with regards to the City's Community Development Division's ("CDD") monitoring efforts relating to CDBG covenants and HOME covenants not inclusive of the Santa Barbara HOME Consortium. The HOME properties included in the Santa Barbara County HOME Consortium appear to be monitored consistently; however, little documentation was found in the files prior to 2003. There appears to be many attempts throughout the years by both the LRDA and County to work with LHCDC through the monitoring process; however, their efforts were not always successful. Although there were periods where properties were in compliance, the majority of the periods were non-compliant or there was no response from LHCDC to requests for reports or response to findings. Annual reports for CDBG and HOME were due on an annual basis from LHCDC, but were not submitted per County documentation.

Site monitoring was performed bi-annually by the County for those properties included in the County HOME Consortium. This practice was followed until 2008 at which time the County began monitoring annually due to lack of response by LHCDC to previous years' findings and concerns. At the conclusion of each site visit, the County performed an exit interview with LHCDC. The County provided a written report with their findings/concerns indicating items that had been corrected as a result of the exit interview. The LRDA staff visited sites during the rehabilitation process, tracked progress and inspected completed units. In 2005, the Agency began making quarterly "drive-by" maintenance inspections in response to increased public concern and due to the decline of several properties. These efforts were documented in the LRDA files via quarterly tracking sheets, letters were sent and follow-up was performed noting corrections made to the properties.

Overall, the available record reflects appropriate and consistent efforts on the part of LRDA staff to perform the necessary compliance monitoring. The same cannot be documented with respect to CDD staff efforts. However and in each instance, the available record does not indicate the reasons why the LHCDC decided not to comply.

SUMMARY HOUSING PROJECT FINANCIAL SUMMARY ANALYSIS

Based on the record available prior to the date of this report, UFI has prepared 18 summary sheets (included within the chapter) for all loans of record made for the 18 LHCDC-owned (or formerly owned) properties. Of the 18 sites for which data were reviewed: 14 are existing housing sites; three are vacant lots of which two are vacant housing lots and one is a vacant commercial site; and, one is an improved commercial site (i.e., the Lompoc Theater). Of the 18 sites reviewed, six are owned by private owners other than the LHCDC, three are owned by the City or Successor Agency (or the Successor Housing Agency) and nine may have either completed the foreclosure process or are going through that process now. It appears that at the conclusion of this process, the LHCDC will not own any of the 18 sites.

For the 14 improved housing sites, 13 have valid housing affordability covenants and in one case (i.e., 709 & 713 N. "E" Street) the covenants were extinguished by way of a foreclosure. Of the 13 existing housing sites with valid housing affordability covenants, one is owned by the City (Mark's House). In addition, the City also owns two vacant sites for which recent preliminary title reports show that affordability covenants are still matters



of record (i.e., 518 N. "T" Street and 114 S. "K" Street). Of the 12 housing sites with valid covenants that are not owned by the City, with the exception of one site (i.e., 201 & 207 E. College Avenue), the loans that generated the covenants were refinanced, repaid, extinguished or subject to extinguishment by way of foreclosure. Notwithstanding this, the affordability covenants remain in place as the primary loans were subordinate to the covenants. On a collective basis, the City or Successor Agency still controls 170 valid housing affordability covenants. It is important to note that for those sites where there is not a City loan of record (due to foreclosure), enforcement of the covenant on a going forward basis will be based solely on the covenant, not on a threat of default under the note or deed of trust that would no longer be in force.

It is also important to note that several of the sites were provided layered City-related financing. In some instances these loans were either repaid or refinanced. As a part of its overall review, UFI examined the approval record for several of the sites that received such layered financing. In all such cases, UFI found appropriate documentation and staff reports that were submitted to the City Council and/or LRDA Board that explained the purpose of such financing or refinancing and provided options to the appropriate governing board. The record reviewed reflects that the affected governing board selected one of the suggested options. Therefore, all such loans examined by UFI appeared to be in proper order, adequately justified and professionally presented.

With respect to overall financing, the available record indicated that the LHDCDC financed the acquisition, rehabilitation and/or development of the 18 sites with approximately \$29.6 million-worth of layered financing from a variety of sources. The City's portion of the total financing, inclusive of LRDA, HOME, CDBG, CHFA & LAHTF, represented approximately \$6 million. Based on the record available prior to November 2012, approximately \$2 million-worth of City related financing has been repaid, approximately \$0.6 million-worth of City related financing has been converted to real estate owned through the foreclosure or deed in-lieu process, approximately \$0.75 million-worth of City related financing has been extinguished by foreclosure and approximately \$1 million-worth of City related financing is subject to extinguishment as such loans are junior to financial liens that are, according to the record available prior to November 2012, in default (i.e., LHDCDC appears to be in default on the first loan of record in each case for some time), and approximately \$1.7 million-worth of loans were still in place. To the extent that any City-related financing has been extinguished by foreclosure and given the foregoing, the record available prior to November 2012, suggests one of the many factors contributing to such extinguishments were causalities of the recent deterioration of the housing market.

RECOMMENDATIONS

On a going forward basis, UFI recommends that the City develop a monitoring matrix to identify the various and most restrictive terms for each property. The matrix could be used as a tool to help layer the requirements which would enable the monitoring to be combined. This will simplify the process as a whole for the projects as well as the agencies. We would also recommend training for all individuals responsible for the reporting to ensure that they are adequately informed of the requirements, procedures and due dates. With the amount of reporting involved, we highly recommend developing an electronic filing system to help with the data collection and file retention.

Moreover, we believe that it would be in the best interests of the City of Lompoc in the long-run to contract for its



Introduction

housing compliance monitoring. There are multiple firms providing this service in California at reasonable rates. Lompoc could obtain proposals for such services through issuance of a request for proposals. Use of professionals familiar with these types of services will provide the City of Lompoc with a higher level of confidence that the affordability compliance requirements of its covenants are achieved and thus avoid future problems.



LISTING OF LHDCDC-OWNED PROPERTIES WITHOUT PUBLIC FINANCING

In addition to the 18 properties analyzed in this report, the available record indicated that the LHDCDC also owns (or used to own) four additional sites within the City of Lompoc (i.e., 604 North Q Street, 903 West College Avenue, 113-117 South H Street and 123 & 126 North H Street). These properties do not include any public financing and therefore do not involve any public agency affordability covenants. Other than providing a complete list of properties and assets developed and owned within the City by the non-profit organization (as provided within this report), the scope of work does not require any analysis of these additional sites by UFI.

REPORT LIMITATIONS AND INDEPENDENT ANALYSIS

The sole purpose of this report is to assist the Client, the City of Lompoc, in evaluating its affordable housing program portfolio, as described herein. This report may not be used for any other purpose by any party. UFI's engagement to prepare this report was not contingent upon developing or reporting predetermined results. The statements of fact contained herein and the substance of this report are based on public records, data provided by City staff or as otherwise noted herein. This report reflects UFI's, unbiased professional analyses, opinions and conclusions. If any of the underlying assumptions related to this report change after the date of the final report, then UFI reserves the professional privilege to modify the contents and/or conclusions of this report. In that regard, based on additional data and clarification of data provided to UFI by the City, this report was amended on June 14, 2013.

Compliance Review

OVERVIEW

Urban Futures, Inc. (“UFI”) has conducted a review of the City’s Affordable Housing files with respect to the monitoring of covenants and regulatory agreements between Lompoc Housing Community Development Corporation (“LHCDC”) and the City of Lompoc. The process included gathering documentation from City files specifically relating to the monitoring efforts by the Lompoc Redevelopment Agency (LRDA), Community Development Division (CDD) and the Santa Barbara County HOME Consortium (County). The review is based on documentation that was available from the City and consists of 18 properties involving a total of 40 loans including LRDA, CDBG, HOME and Housing Trust Fund covenants. UFI has prepared a housing compliance spreadsheet for each of the housing sites that references each property by loan number and funding source, addressing the terms specific to each covenant and providing a breakdown of the annual compliance status.

Review of the available record has revealed that consistent monitoring efforts were made by the LRDA to gather documentation for compliance certification of tenant rent and income for the properties indicated. Per the LRDA Regulatory Agreements, annual reporting is required to confirm that rent and income limits are met for each tenant occupying affordable units for the period January 1st through December 31st and is due at the end of the each period. The due date was later changed to March 31st allowing LHCDC more time to submit their reports. There was little to no documentation with regards to the City’s Community Development Division’s (“CDD”) monitoring efforts relating to CDBG covenants and HOME covenants not inclusive of the Santa Barbara County HOME Consortium (HOME Consortium). The HOME properties included in the HOME Consortium appear to be monitored consistently; however, little documentation was found in the files prior to 2003. With regards to CDBG, the City entered into a three year (2007-2009) “Cooperation Agreement” with the County on May 2, 2006 for CDBG which was renewed on June 17, 2009 for an additional three years (2010-2012). This Agreement indicates that the County is responsible for monitoring the CDBG projects “not paid for solely with City CDBG funds”. There was no documentation found in the files from the County with respect to the CDBG monitoring. There was little to no documentation with regards to the City’s Community Development Division’s (“CDD”) monitoring efforts relating to CDBG covenants and HOME covenants not inclusive of the Santa Barbara County HOME Consortium. The HOME properties included in the Santa Barbara County HOME Consortium appear to be monitored consistently; however, little documentation was found in the files prior to 2003. There appears to be many attempts throughout the years by both the LRDA and County to work with LHCDC through the monitoring process; however, their efforts were not always successful. Although there were periods where properties were in compliance, the majority of the periods were non-compliant or there was no response from LHCDC to requests for reports or response to findings. Annual reports for CDBG and HOME were due on an annual basis from LHCDC, but were not submitted per County documentation.

Site monitoring was performed bi-annually by the County for those properties included in the County HOME Consortium. This practice was followed until 2008 at which time the County began monitoring annually due to lack of response by LHCDC to previous years’ findings and concerns. At the conclusion of each site visit, the



Compliance Review

County performed an exit interview with LHCDC. The County provided a written report with their findings/concerns indicating items that had been corrected as a result of the exit interview. The LRDA Regulatory Agreements state that “LHAC shall maintain the improvements on the Property in compliance with all applicable housing quality standards and local code requirements, and shall keep the Property free from any unreasonable accumulation of debris or waste materials. In the event LHAC fails to maintain the Property as provided in this paragraph, the Agency shall have the right, but not the obligation, to enter the Property and the Improvements, correct any violation, and hold LHAC responsible for the cost thereof, and such cost, until paid, shall constitute a lien on the Property”. The LRDA staff visited sites during the rehabilitation process, tracked progress and inspected completed units. In 2005, the Agency began making quarterly “drive-by” maintenance inspections in response to increased public concern and due to the decline of several properties. These efforts were documented in the LRDA files via quarterly tracking sheets, letters were sent and follow-up was performed noting corrections made to the properties.

During September of 2011, LRDA staff visited each of the LRDA sites, including the Voelker property (CDBG/HOME), to confirm that occupants had not been displaced due to habitability issues and/or foreclosure. The Agency obtained unit occupancy information and documented vacancy levels due to the lack of annual reports submitted by LHCDC. Each of the properties with affordability covenants has been consistently non-responsive or non-compliant for the years 2008 – 2011. Per the Agreements, annual reporting is required to continue through each of the covenant term dates in order to assure compliance.

Overall, the available record reflects appropriate and consistent efforts on the part of LRDA staff to perform the necessary compliance monitoring. The same cannot be documented with respect to CDD staff efforts. However and in each instance, the available record does not indicate the reasons why the LHCDC decided not to comply.

Monitoring Requirements

Reporting is required to ensure compliance with the terms of the affordable housing covenants. Each covenant identifies the specific terms with regards to affordability as it relates to income and rent limits, the number of restricted units, the number of years the property is to remain affordable and the frequency and due date for reporting. The reports may include documentation showing household income qualifications, rent rates, lease terms and any required forms such as tenant certifications or surveys.

The covenants also indicate requirements for property maintenance which are based on local code requirements and housing quality standards (HQS) established by Housing and Urban Development (HUD). HQS defines “standard housing” and establishes the minimum criteria necessary for the health and safety of program participants. HOME covenants require property site inspections the required frequency of the inspections is based on the total number of units in the building.

Covenant Monitoring Compliance Status

Documentation relating to the monitoring and compliance was reviewed for each of the covenants. These findings are outlined later in this report showing the final determinations for the reporting periods for each covenant. The “compliance status” is noted by one of the following notations:



Compliance Review

Compliant – Documentation found in files indicating a compliant finding by City staff for specified reporting period.
Non-Compliant – Documentation found in files indicating a non-compliant finding by City staff for specified reporting period.

No Documentation – UFI found no documentation in the files pertaining to the specified reporting period.

No Response – UFI found no documentation showing that LHCDL had responded to requests for information.

With reference to the “Site Visits” noted in the report, the comments shown are verbatim per the “Quarterly Drive-By Property Inspections” spreadsheets provided by City staff.

RECOMMENDATIONS

On a going forward basis, UFI recommends that the City develop a monitoring matrix to identify the various and most restrictive terms for each property. The matrix could be used as a tool to help layer the requirements which would enable the monitoring to be combined. This will simplify the process as a whole for the projects as well as the agencies. We would also recommend training for all individuals responsible for the reporting to ensure that they are adequately informed of the requirements, procedures and due dates. With the amount of reporting involved, we highly recommend developing an electronic filing system to help with the data collection and file retention.

Moreover, we believe that it would be in the best interests of the City of Lompoc in the long-run to contract for its housing compliance monitoring. There are multiple firms providing this service in California at reasonable rates. Lompoc could obtain proposals for such services through issuance of a request for proposals. Use of professionals familiar with these types of services will provide the City of Lompoc with a higher level of confidence that the affordability compliance requirements of its covenants are achieved and thus avoid future problems.



Compliance Review

The following list is not intended to be a comprehensive list of loans associated with the LHCDC properties but is meant to serve as a summarized reference of the loans related to covenants being monitored for each of the properties.

LIST OF LOANS BY PROPERTY:

1. South K Cottages – 120-120 ½ South K Street
59182 - RDA
59184 - RDA
2. Mark's House – 203 North N Street
59483 – CDBG –City (monitored by County as part of SBC HOME Consortium)
59486 – HOME – State (monitored by County as part of SBC HOME Consortium)
County – HOME (monitored by County as part of SBC HOME Consortium)
3. Portabello Apartments – 305-309 North K Street
59702 – RDA
County – HOME – (monitored by County as part of SBC HOME Consortium)
4. K Street Apartments – 328-330 North K Street
59704 - RDA
County – HOME - City (monitored by County as part of SBC HOME Consortium)
59808 - CDBG
5. Chestnut Apartments – 401-405 West Chestnut
59701 - RDA
6. Casa Con Tres Apartments – 434-438 North L Street
59708 - RDA
59176 – HOME – County (monitored by County as part of SBC HOME Consortium)
7. Voelker Apartments – 500-504 North T Street
59804 - CDBG
8. Jay Apartments – 501-513 North S Street & 508 North T Street
59707 - RDA
59805 - CDBG
9. North "B" Street Apartments – 503, 507 & 507 ½ North B Street / 613 E. Maple
59596119 - CDBG
911695 - CDBG
10. T Street Parcel/Vacant Lot – 518 North T Street
59751 - RDA
59754 - RDA



Compliance Review

- 59806 - CDBG
59822 – Housing Trust Fund
11. T & College Apartments – 521-537 North T Street
59705 – RDA/CHFA
59706 – RDA/CHFA HELP
59121 – HOME – City (monitored by County through 2009 as part of SBC HOME Consortium)
59143 – HOME – City State (monitored by County through 2009 as part of SBC HOME Consortium)
12. Southern Court Apartments – 709-713 North E Street
59703 - RDA
59144 – HOME – City (monitored by County through 2009 as part of SBC HOME Consortium)
13. Courtyard South Apartments – 717-721 North E Street
59801 – CDBG (monitored by County as part of SBC HOME Consortium)
59175 – HOME – City (monitored by County as part of SBC HOME Consortium through 2009)
59142 – HOME – City State (monitored by County as part of SBC HOME Consortium through 2009)
14. Courtyard Apartments – 725-733 North E Street
61697 - RDA
County – HOME – City (monitored by County as part of SBC HOME Consortium)
62497 - RDA
15. Casa Del Desarrollo/Vacant Lot – 114 South K Street
59753 - RDA
16. G & College Apartments – 201 & 207 E College Avenue
59145 – HOME – City State (monitored by County as part of SBC HOME Consortium)
County – HOME – City (monitored by County as part of SBC HOME Consortium)
17. Old Town Lompoc Plaza – 107 E Ocean Avenue (Vacant Land)
59185 - RDA
18. Theatre – 112 & 122 North H Street (Commercial Loan)
59192 - RDA
71073 - CDBG



Compliance Review

COVENANT MONITORING BY PROPERTY:

Compliance Status Definitions:

No Documentation – UFI found no documentation in the files pertaining to the specified reporting period.

No Response – UFI found no documentation showing that LHCDL had responded to requests for information.

Compliant – Documentation in files indicating compliance for the specified reporting period.

Non-Compliant – Documentation in files indicating non-compliance for the specified reporting period.

Site Visits:

Comments relating to the site visits are verbatim per the “Quarterly Drive-By Property Inspections” spreadsheets provided by City staff.

(1)-South K Cottages – 120-120 ½ South K Street

Loan Number	59182	59184
Loan Amount	\$21,025	\$12,572
Covenant Source	RDA	RDA
Covenant Start Date	1999-11-29	1999-11-29
Covenant End Date	2029-11-20	2029-11-20
Covenant Term/Total Years	30	30
Reporting Frequency	Annual	Annual
Reporting Due Date	March 31 st	March 31 st
Total Buildings/Sites	2	2
Total Restricted Units	2	2
Affordable Income Limits	Very-Low / 50% AMI	Very-Low / 50% AMI
Affordable Rent Limits	30% of 50% AMI	30% of 50% AMI

Compliance Status

RDA

1999 - 2001	No Documentation
2002	No Response
2003	Compliant
2004	No Response
2005	Compliant
2006	No Response to Findings
2007	Compliant
2008	Non-Compliant
2009	Non-Compliant
2010	Non-Compliant
2011	No Response



Compliance Review

<u>Site Visits</u>	<u>Comments</u>
10/24/2008	Building and grounds in good condition
2/4/2009	Building and grounds in good condition (follow-up letter 2/12/09)
4/9/2009	Building and grounds in good condition (follow-up letter 4/21/09)
7/9/2009	Acceptable condition (follow-up letter 7/10/09)
11/13/2009	Acceptable condition (follow-up letter 11/23/09)
1/7/2010	Building and grounds in good condition (follow-up letter 1/27/10)
7/1/2010	Some fascia chipping
10/22/2010	Chipping paint on fascia, white picket fence, garage trim; broken fence board (follow-up letter 12/14/10)
1/7/2011	Chipping paint on fascia, white picket fence and garage trim (follow-up letter 2/23/11 and 3/2/11)
5/2/2011	Chipping paint on fascia, white picket fence/ garage trim, moisture stains on eaves (follow-up letter 8/22/11)
7/15/2011	Chipping paint on fascia, some wood damage on two other areas, tree brush overgrowth onto buildings (follow-up letter 8/22/11)
10/14/2011	Chipping paint on fascia, white picket fence and garage trim, moisture stains on eaves, eave boards are warping, one fence board on the back fence is rotted on bottom (follow-up letter 12/22/11)



Compliance Review

(2) Mark's House – 203 North N Street

Loan Number	59483	59486	COUNTY
Loan Amount	\$20,000	\$65,000	\$112,587
Covenant Source	CDBG – City	HOME – City State	HOME - County
Covenant Start Date	Date of Initial Occupancy	Date of Initial Occupancy	Date of Initial Occupancy
Covenant End Date	30 Years from Date of Initial Occupancy	30 Years from Date of Initial Occupancy	30 Years from Date of Initial Occupancy
Covenant Term/Total Years	30	30	30
Reporting Frequency	Annual	Annual	Annual
Reporting Due Date	August 30th	August 30th	August 30th
Total Buildings/Sites	1	1	1
Total Restricted Units	5 – 6	5 - 6	5 - 6
Affordable Income Limits	Very-Low / 50% AMI	Very-Low / 50% AMI	Very-Low / 50% AMI
Affordable Rent Limits	30% of 50% AMI	30% of 50% AMI	30% of 50% AMI

<u>Compliance Status</u>	<u>HOME Annual Report</u>	<u>HOME Program</u>	<u>Property Standards</u>
1997 - 2004	No Documentation	No Documentation	No Documentation
2005	No Documentation	Inadequate Documentation	Meeting & Exceeding
2006	No Documentation	Not Required	Not Required
2007	Not Submitted	In Compliance	Maintaining Minimum
2008	Not Submitted	Within Limits	Concerns
2009	No Documentation	No Final Documentation from County found in File	No Final Documentation from County found in File
2010	No Documentation	No Documentation	No Documentation
2011	No Documentation	No Documentation	No Documentation

Note: No specific documentation relating to CDBG compliance reporting

<u>Site Visits</u>	<u>Comments</u>
3/31/2005	Acceptable
6/30/2005	Acceptable
9/30/2005	Acceptable
12/31/05	Acceptable
6/30/2006	Acceptable
12/31/2006	Very nice
6/30/2007	Mark's house is very nicely kept, grounds clean board on the back fence is rotted on bottom



Compliance Review

(3) Portabello Apartments – 305-309 North K Street

Loan Number	39100-59702	County HOME	(no additional information)
Loan Amount	\$156,000.00		\$150,000.00
Covenant Source	RDA		
Covenant Start Date	2000-11-15		
Covenant End Date	2030-11-15		
Covenant Term/Total Years	30		
Reporting Frequency	Annual		
Reporting Due Date	March 31 st		
Total Buildings/Sites	2		
Total Restricted Units	13		
Affordable Income Limits	Very-Low / 50% AMI		
Affordable Rent Limits	30% of 50% AMI		

<u>Compliance Status</u>	<u>RDA</u>	<u>HOME Annual Report</u>	<u>HOME Program</u>	<u>Property Standards</u>
2000 -2002	Rehab/No Report Required	No Documentation	No Documentation	No Documentation
2003	Compliant	No Documentation	No Final Documentation from County in File	No Final Documentation from County in File
2004	Compliant	No Documentation	Not Required	Not Required
2005	Compliant	No Documentation	Inadequate Documentation	Above Minimum
2006	Vacant/No Report Required	No Documentation	Not Required	Not Required
2007	No Report Required	No Documentation	No Final Documentation from County in File	No Final Documentation from County in File
2008	Non-Compliant	Not Submitted	Within Limits	Concerns
2009	Non-Compliant	No Documentation	No Final Documentation From County in File	No Final Documentation from County in File
2010	Non-Compliant	No Documentation	No Documentation	No Documentation
2011	No Response	No Documentation	No Documentation	No Documentation

<u>Site Visits</u>	<u>Comments</u>
3/31/2005	Graffiti on west side of building/no rehab progress
6/30/2005	Graffiti removed from building/no rehab progress
9/30/2005	Stairs have been removed
12/31/2005	No work in process
6/30/2006	Rehabilitation placed on hold – no progress
12/31/2006	Construction in progress
6/30/2007	Rehabilitation process in place, coming along nicely
10/16/2008	Building & grounds in good condition, back parking lot needs to be resurfaced, could use landscaping
2/4/2009	Building and grounds in good condition (follow-up letter 2/12/09)



Compliance Review

4/9/2009	Building and grounds in good condition (follow-up letter 4/21/09)
7/9/2009	Acceptable condition (follow-up letter 7/10/09)
11/13/2009	Acceptable condition (follow-up letter 11/23/09)
1/7/2010	Building and grounds in good condition (follow-up letter 1/27/10)
7/1/2010	Acceptable condition
10/22/2010	Graffiti on mailboxes (follow-up letter 12/14/10)
1/7/2011	Graffiti on mailboxes, discarded furniture on side of building/alley (follow-up letter 2/23/11 and 3/2/11)
5/2/2011	Graffiti on mailboxes, discarded furniture and fire extinguishers on side of building, discarded furniture/mattress in alley (follow-up letter 8/22/11)
7/15/2011	Commend – back alley and side has been cleaned up and furniture has been removed, dryer vent needs cover flap, broken window, fire extinguisher box open and rusted with some graffiti and fire extinguisher removed areas, tree brush overgrowth onto buildings (follow-up letter 8/22/11)
10/14/2011	Discarded furniture/trash in parking area and on north side of property, landscaping growth on building, some mailboxes were unsecure and had graffiti (follow-up letter 12/22/11)



Compliance Review

(4) K Street Apartments – 328-330 North K Street

Loan Number	59704	59808	COUNTY
Loan Amount	\$75,000	\$218,366	\$443,365
Covenant Source	RDA	CDBG	HOME - County
Covenant Start Date	2001-07-31	2005-04-5	2003-12-18
Covenant End Date	2031-07-31	2035-04-05	30 Years from CofO
Covenant Term/Total Years	30	30	30
Reporting Frequency	Annual	Annual	Annual
Reporting Due Date	March 31st	April 1st	March 31st
Total Buildings/Sites	1	1	1
Total Restricted Units	3	3	3
Affordable Income Limits	Very-Low / 50% AMI	Very-Low / 50% AMI	Very-Low / 50% AMI
Affordable Rent Limits	30% of 50% AMI	30% of 50% AMI	30% of 50% AMI

Note: According to City staff, the County HOME loan included \$198,366 of City HOME and was amended on 5-6-05 to add an additional \$155,234 of City HOME indebtedness, bringing the new amended total to \$598,599. However, this additional indebtedness was not reflected in the preliminary title report.

<u>Compliance Status</u>	<u>RDA</u>	<u>HOME Annual Report</u>	<u>HOME Program</u>	<u>Property Standards</u>
2001 -2003	No Documentation	No Documentation	No Documentation	No Documentation
2004	No Response	No Documentation	No Documentation	No Documentation
2005	No Response	No Response	No Documentation	No Documentation
2006	Non-Compliant	No Response	No Documentation	No Documentation
2007	Non-Compliant	Not Submitted	In Compliance	Minimum Standards
2008	Non-Compliant	Not Submitted	Within Limits	Concerns
2009	Non-Compliant	No Response	No Final Documentation from County in File	No Final Documentation from County in File
2010	Non-Compliant	No Documentation	No Documentation	No Documentation
2011	No Response	No Documentation	No Documentation	No Documentation

Note: No compliance status findings found in files for CDBG reporting

<u>Site Visits</u>	<u>Comments</u>
3/31/2005	Construction in progress, fenced off
6/30/2005	Construction in process, fenced off, near completion
9/30/2005	Complete, ribbon cutting ceremony 10/13/05
12/31/2005	Acceptable, construction complete, units still vacant
6/30/2006	Acceptable, construction complete, units still vacant
12/31/2006	Very nice
6/30/2007	Nice and clean, one unit looks like it may be vacant
10/16/2008	Building and grounds in good condition



Compliance Review

2/4/2009	Building and grounds in good condition (follow-up letter 2/12/09)
4/9/2009	Building and grounds in good condition (follow-up letter 4/21/09)
7/9/2009	Overall good condition, minor amounts of graffiti on electrical box (follow-up letter 7/10/09)
11/13/2009	Graffiti was found on sidewalk directly in front of the property and on electrical boxes at the back of the property, childcare facility has a broken fence as well as a broken window pane, both are located at the back eastside of the facility (follow-up letter 11/23/09)
1/7/2010	Graffiti on front sidewalk and back electrical boxes, broken fence and window in back of daycare facility (follow-up letter 1/27/10)
7/1/2010	Broken fence, people in childcare facility, graffiti
10/22/2010	Missing fence board, graffiti on building, parking lot cement post and electrical/cable cover boxes (follow-up letter 12/14/10)
1/7/2011	Missing fence boards on both front and back fencing of childcare office, graffiti on back of buildings, parking lot, cement electrical/cable cover boxes (follow-up letter 2/23/11 and 3/2/11)
5/2/2011	Missing fence boards front and back fencing of childcare office, overgrown brush throughout property and landscape maintenance is needed, graffiti on mailboxes, cement at entryway, back of buildings, carport cement and electrical/cable box covers, discarded mattresses in back of property by carport (follow-up letter 8/22/11)
7/15/2011	Missing fence boards on front fencing of childcare office has been replaced since May visit, overgrown brush throughout property and landscape maintenance is still needed, graffiti on mailboxes has been covered, some graffiti still evident on cement at entryway, back of buildings, carport cement, posts and electrical/cable box covers, trash in carport area, needs to be swept up and discarded (follow-up letter 8/22/11)
10/14/2011	Landscaping needs maintenance, graffiti on parking lot cement, siding on back of building, and metal utility box, missing one fence board on side of childcare facility back fence and one board on side of carport in back of property (follow-up letter 12/22/11)



Compliance Review

(5) Chestnut Apartments – 401-405 West Chestnut

Loan Number	59701
Loan Amount	\$22,000
Covenant Source	RDA
Covenant Start Date	2000-03-31
Covenant End Date	2030-03-31
Covenant Term/Total Years	30
Reporting Frequency	Annual
Reporting Due Date	March 31 st
Total Buildings/Sites	
Total Restricted Units	3
Affordable Income Limits	Very-Low / 50% AMI
Affordable Rent Limits	30% of 50% AMI

Compliance Status RDA

2000 -2002	No Response
2003	Compliant
2004	Compliant
2005	Compliant
2006	Compliant
2007	Non-Compliant
2008	Non-Compliant
2009	Non-Compliant
2010	Non-Compliant
2011	No Response

Site Visits Comments

3/31/2005	Acceptable
6/30/2005	Acceptable
9/30/2005	Acceptable
12/31/2005	Acceptable
6/30/2006	Acceptable
12/31/2006	Acceptable, broken screen
6/30/2007	Front nice, trash in back, paint on fascia peeling
10/24/2008	Building and grounds in good condition
2/4/2009	Building and grounds in good condition, paint chipping on fascia (follow-up letter 2/12/09)
4/9/2009	Paint severely chipping on fascia (follow-up letter 4/21/09)
7/9/2009	Acceptable condition (follow-up letter 7/10/09)
11/13/2009	Acceptable condition (follow-up letter 11/23/09)
1/7/2010	Paint is chipping on fascia and lower portion of buildings (follow-up letter 1/27/10)



Compliance Review

7/1/2010	Paint on all wood members and all fascia is peeling, some wood rot/damage, cement entry walkway removed, boarded/broken window
10/22/2010	All fascia and siding is chipping, wood dry-rot noted, cement entry walkway and step removed, boarded/broken window (follow-up letter 12/14/10)
1/7/2011	All fascia, siding and underside of eaves are chipping/peeling, wood dry-rot and moisture, staining/damage noted, excess items stored against property, cement entry walkway and step removed, boarded/broken window on unit 401 (follow-up letter 2/23/11 and 3/2/11)
5/2/2011	All fascia, siding and underside of eaves are excessively chipping/peeling, wood dry-rot and moisture staining/damage noted, roof deterioration noted, overgrown brush, excess items stored against property, cement entry walkway and step removed and boarded/broken window on unit 401
7/15/2011	All fascia, siding and underside of eaves are excessively chipping/peeling, wood dry-rot and moisture staining/damage noted, piece of wood fascia missing with nails exposed, roof deterioration noted, excess items stored against property, yard debris on window framing, cement entry walkway and step removed and boarded/broken window on unit 401
10/14/2011	All fascia, siding and underside of eaves are excessively chipping/peeling, wood dry-rot and moisture staining/damage noted, piece of wood fascia missing with nails exposed, roof deterioration noted, excess items stored against property, yard debris on window framing, cement entry walkway and step removed and boarded/broken window on unit 401 (follow-up letter 12/22/11)



Compliance Review

(6) Casa Con Tres Apartments – 434-438 North L Street

Loan Number	59708	59176
Loan Amount	\$157,300	\$201,335
Covenant Source	RDA	HOME - County
Covenant Start Date	2003-07-10	1999-11-23
Covenant End Date	2058-07-10	30 Years from CofO
Covenant Term/Total Years	55	30
Reporting Frequency	Annual	Annual
Reporting Due Date	March 31 st	March 1 st
Total Buildings/Sites	2	2
Total Restricted Units	12	11
Affordable Income Limits	Very-Low / 50% AMI	Very-Low / 50% AMI
Affordable Rent Limits	30% of 50% AMI	30% of 50% AMI

Note: A County CDBG loan is referenced on page 51 under the Financial Summary Analysis section of this report was identified in a PTR. However, there were no loan documents or regulatory agreements found relating to a CDBG loan. In the County HOME funding, there is \$46,335 in City HOME funds.

<u>Compliance Status</u>	<u>RDA</u>	<u>HOME Annual Report</u>	<u>HOME Program</u>	<u>Property Standards</u>
1999 -2002	N/A	No Response	No Documentation	No Documentation
2003	No Response to Findings	No Documentation	No Final Documentation from County in File	No Final Documentation from County in File
2004	Compliant	No Documentation	Not Required	Not Required
2005	Non-Compliant	No Documentation	Inadequate Documentation	Above Minimum
2006	Non-Compliant	No Documentation	Not Required	Not Required
2007	Non-Compliant	Not Submitted	In Compliance	Minimum Standards
2008	Non-Compliant	Not Submitted	Within Limits	Requires Re-Inspection
2009	Non-Compliant	No Documentation	No Final Documentation From County in File	No Final Documentation from County in File
2010	Non-Compliant	No Documentation	No Documentation	No Documentation
2011	No Response	No Documentation	No Documentation	No Documentation

<u>Site Visits</u>	<u>Comments</u>
3/31/2005	Rehabilitation in process, one building is completely fenced off
6/30/2005	Building exteriors great, no landscaping, very good
9/30/2005	Very good
12/31/2005	Very good
6/30/2006	Very good
12/31/2006	Acceptable, some broken screen/trash/graffiti
6/30/2007	Buildings fair, but trash in area, broken window & fence (needs attention)
10/16/2008	Building satisfactory, landscape needs work



Compliance Review

2/4/2009	Building and grounds in good condition (follow-up letter 2/12/09)
4/9/2009	Building and grounds in good condition (follow-up letter 4/21/09)
7/9/2009	Acceptable condition (follow-up letter 7/10/09)
11/13/2009	Acceptable condition (follow-up letter 11/23/09)
1/7/2010	Buildings and grounds in good condition (follow-up letter 1/27/10)
7/1/2010	Needs landscaping, graffiti on front of building
10/22/2010	Trash, discarded mattresses and furniture were found in parking lot area, cement stair cracking/breaking, graffiti from 7/1/10 inspection removed (follow-up letter 12/14/10)
1/7/2011	Cement stair cracking/breaking, stucco breaking at ground level, stairway coating chipping and peeled off, wood post sticking up from ground, large graffiti imprint still noticeable on back wall of building even after paint coverage attempt, graffiti on access door, trash and discarded furniture have been removed from parking lot (follow-up letter 2/23/11 and 3/2/11)
5/2/2011	Cement stair cracking/breaking, stucco breaking at ground level, stairway coating chipping and peeled off, wood post sticking up from ground, large graffiti imprint still noticeable on back wall of building even after paint coverage attempt, graffiti on access door and surrounding stucco walls on east facing wall at back of property, two abandoned vehicles, wood planks and trash in parking lot, unsecured "No Parking" sign in walkway, bags of discarded trash and personal items on south side of property, peeling paint noted on eave, pipe sticking out of vent hole and missing vent/crawlspace screens on north side of property, large blue graffiti on north wall of property (follow-up letter 8/22/11)
7/15/2011	Cement stair cracking/breaking, stucco breaking at ground level, stairway coating chipping and peeled off, wood post sticking up from ground, large graffiti imprint still noticeable on back wall of building even after paint coverage attempt, graffiti on access door and surrounding stucco walls on east facing wall at back of property, two abandoned vehicles, wood planks and trash in parking lot, unsecured "No Parking" sign in walkway, and personal items on south side of property, peeling paint noted on eave, pipe sticking out of vent hole and missing vent/crawlspace screens on north side of property, large blue graffiti on north wall of property (follow-up letter 8/22/11)
10/14/2011	Cement stair cracking/breaking, stucco breaking at ground level, stairway coating chipping and peeled off, wood post sticking up from ground, large graffiti imprint still noticeable on back wall of building even after paint coverage attempt, graffiti on access door and surrounding stucco walls on east facing side of property and metal utility box, one abandoned vehicle, and trash in parking lot, unsecured "No Parking" sign in walkway, discarded mattress/trash/shopping cart/wood items on south side of property and in, parking lot, peeling paint noted on eave, missing vent/crawlspace screens and crunched gutter on north side of property (follow-up letter 12/22/11)



Compliance Review

(7) Voelker Apartments – 500-504 North T Street

Loan Number	59804
Loan Amount	\$150,000
Covenant Source	CDBG
Covenant Start Date	2002-03-22
Covenant End Date	2032-03-22
Covenant Term/Total Years	30
Reporting Frequency	Annual
Reporting Due Date	March 1 st
Total Buildings/Sites	1
Total Restricted Units	8
Affordable Income Limits	Very-Low / 50% AMI
Affordable Rent Limits	30% of 50% AMI

Compliance Status

Note: No compliance status findings found in files for CDBG reporting

<u>Site Visits</u>	<u>Comments</u>
3/31/2005	Acceptable
6/30/2005	Acceptable
9/30/2005	Acceptable
12/31/05	Acceptable
6/30/2006	Acceptable
12/31/2006	Fair but has some broken screens & trash
6/30/2007	Lots of trash in alley, hanging wires, building dirty (really needs attention)



Compliance Review

(8) Jay Apartments – 501-513 North S Street & 508 North T Street

Loan Number	59707	59805
Loan Amount	\$181,050	\$243,950
Covenant Source	RDA	CDBG
Covenant Start Date	2002-03-22	2002-03-22
Covenant End Date	2032-03-22	2032-03-22
Covenant Term/Total Years	30	30
Reporting Frequency	Annual	Annual
Reporting Due Date	March 31 st	March 1 st
Total Buildings/Sites	5	5
Total Restricted Units	26	26
Affordable Income Limits	Very-Low / 50% AMI	Very-Low / 50% AMI
Affordable Rent Limits	30% of 50% AMI	30% of 50% AMI

Compliance Status

RDA

2002	No Response
2003	Non-Compliant
2004	Compliant
2005	Compliant
2006	Compliant
2007	Non-Compliant
2008	Non-Compliant
2009	Non-Compliant
2010	Non-Compliant
2011	No Response

Note: No specific documentation relating to CDBG compliance reporting

Site Visits

Comments

3/31/2005	Acceptable
6/30/2005	Acceptable
9/30/2005	Acceptable
12/31/2005	Acceptable
6/30/2006	Acceptable
12/31/2006	509-some broken screens-fence missing board
6/30/2007	Trash, broken boards in fence, fascia paint peeling
10/16/2008	501 & 505 have severe fascia chipping, all other buildings satisfactory
2/4/2009	Building 508 has broken fence, torn screens, laundry door broken, graffiti (follow-up letter 2/12/09)
4/9/2009	508-three fences broken, screens tattered, exposed wiring next to laundry room, laundry wall and fascia needs painting; 509-fence broken; 501 & 505-fascia starting to peel (follow-up letter 4/21/09)



Compliance Review

- 7/9/2009 508-broken fencing, torn screens, graffiti on laundry room wall, exposed wiring on light fixture at front of building; graffiti on S street laundry room door and wall (follow-up letter 7/10/09)
- 11/13/2009 508-broken fencing, torn screens, exposed wiring on light fixture at front of building; 513-graffiti on laundry room wall, severely chipped paint on fascia; multiple unsecured wires hanging from buildings in the side pass-throughs (follow-up letter 11/23/09)
- 1/7/2010 508-broken fencing and torn screens; 513-graffiti on laundry room wall, fascia paint severely chipping (follow-up letter 1/27/10)
- 7/1/2010 Fascia chipping, eaves need paint, some dry-rot, no water heater strap, stair deterioration
- 10/22/2010 Chipping fascia paint and dry-rot, unpainted/exposed eaves, graffiti, broken fencing, stairway deterioration, rain gutter separation, discarded personal items in back of building, broken laundry room door in building 513 with graffiti, water heater strap unattached, graffiti/handprints on back fence; tenant in 509-D complained of bug infestation (follow-up letter 12/14/10)
- 1/7/2011 Chipping paint and dry-rot on fascia and molding paint, unpainted/exposed eaves, graffiti throughout property on fences and laundry rooms, broken/missing fencing, stairway deterioration, rain gutter separation, discarded furniture/trash in alley, water heaters are unstrapped, broken fencing at entryway of one unit presents safety hazard, unsecured/open mailboxes and mail, broken/bagged window, roofing on buildings 501 & 505 is extremely deteriorated and patched throughout (follow-up letter 2/23/11 and 3/2/11)
- 5/2/2011 Extreme chipping paint and dry-rot of fascia and molding paint, unpainted/exposed eaves that are growing fungus and so badly rotted underneath that there is exposed daylight through them, graffiti throughout property on fences, stucco and laundry rooms, broken/missing fencing with one board laying with nail facing up, stairway is rusted and severely corroded/deteriorated, cement stairs are cracking, rain gutter separation, discarded furniture/trash in alley, discarded personal items on side of building and water heaters are unstrapped, broken fencing at entryway of one unit presents safety hazard, unsecured/open mailboxes and mail, broken/boarded window; 501 & 505 roofing is extremely deteriorated and patched throughout, abandoned vehicle in parking lot is gutted with fish tank inside and gas pipe/tank exposed; 508 has a black bag over electrical on north side of building and hanging/exposed wiring, graffiti on laundry door and window, toilet with standing water was at entryway at west side of building, broken/torn screen with large hole (follow-up letter 8/22/11)
- 7/15/2011 Extreme chipping paint and dry-rot of fascia and molding paint, unpainted/exposed eaves that are growing fungus and so badly rotted underneath that there is exposed daylight through them, graffiti throughout property on fences, stucco and laundry rooms, broken/missing fencing with one board laying with nail facing up, stairway is rusted and severely corroded/deteriorated, cement stairs are cracking, rain gutter separation, discarded furniture/trash in alley, discarded personal items on side of building and water heaters are unstrapped, broken fencing at entryway of one unit presents safety hazard, unsecured/open mailboxes and mail, broken/boarded window; 501 & 505 roofing is extremely deteriorated and patched throughout, 508 has a black bag over electrical on north side of building and hanging/exposed wiring, graffiti on laundry door and window, toilet with standing water was at entryway at west side of building, broken/torn screen with large hole, extreme mold & water damage 2nd floor eaves and at bathroom window on 2nd floor and wall, roof sagging (follow-up letter 8/22/11)



Compliance Review

10/14/2011 Extreme chipping paint and dry-rot of fascia and molding paint, unpainted/exposed eaves that are growing fungus and so badly rotted underneath that there is exposed daylight through them, graffiti throughout property on fences, stucco and laundry rooms, broken/missing fencing with one board laying with nail facing up, stairway is rusted and severely corroded/deteriorated with one step missing, cement stairs are cracking and have exposed deteriorated wood presenting sever hazard, rain gutter separation, discarded furniture/trash in alley, landscaping needs maintenance, discarded personal items on side of building and water heaters are unstrapped, 2nd floor has missing cement with exposed wood with rusted metal and nails, unsecured/open mailboxes and mail, broken/boarded window; 501 & 505 roofing is extremely deteriorated and patched throughout, 508 has a black bag over electrical on north side of building and hanging/exposed wiring, also has metal framing of fixture hanging, missing bulbs from light fixtures, graffiti on laundry door and window, west side of building has a broken/torn screen with large hole, extreme mold & water damage 2nd floor eaves, bathroom window and wall of building 513, roof sagging (follow-up letter 12/22/11)



Compliance Review

(9) North "B" Street Apartments – 503, 507 & 507 ½ North B Street / 613 E. Maple

Loan Number	59596119	911695
Loan Amount	\$199,407	\$115,000
Covenant Source	CDBG	CDBG
Covenant Start Date	2006-08-31	2005-01-06
Covenant End Date	2041-09-27	2035-01-06
Covenant Term/Total Years	35	30
Reporting Frequency	Annual	Annual
Reporting Due Date	March 31 st	March 31 st
Total Buildings/Sites	4	4
Total Restricted Units	4	4
Affordable Income Limits	Very-Low / 50% AMI	Very-Low / 50% AMI
Affordable Rent Limits	30% of 50% AMI	30% of 50% AMI

Note: The Regulatory Agreement for loan number 911695 was established several years after the loan was recorded. Regulatory Agreement was entered into as of November 24, 2004 and recorded January 6, 2005. Per City staff documentation, the 8-31-06 City CDBG funding refinanced loan number 911695.

Compliance Status

Note: No compliance status findings found in files for CDBG reporting

<u>Site Visits</u>	<u>Comments</u>
3/31/2005	Acceptable
6/30/2005	Acceptable
9/30/2005	Acceptable
12/31/2005	Acceptable
6/30/2006	Acceptable
12/31/2006	Good
6/30/2007	Some peeling paint, trash in area, some fencing down



Compliance Review

(10) T Street Parcel/Vacant Lot – 518 North T Street

Loan Number	59751	59754	59806	59822
Loan Amount	\$105,000	\$135,000	\$140,000	\$560,000
Covenant Source	RDA	RDA	CDBG	Housing Trust Fund
Covenant Start Date	2004-03-05	2006-03-06		2009-10-30
Covenant End Date	2049-03-05	2051-03-06		2064-10-30
Covenant Term/Total Years	45	45		55
Total Buildings/Sites	5	5	5	5
Total Restricted Units	5	5	5	5

Compliance Status

Vacant/No Certification Required for RDA

Notes: No specific documentation relating to CDBG compliance reporting; 2011 notice from HUD regarding reporting; No Regulatory Agreement found for CDBG loan. City staff have indicated only \$280,975 of the \$560,000 was disbursed to repay loans 59751 and 59754.

Site Visits

Comments

6/30/2006	No comments
12/31/2006	No construction started
6/30/2007	Vacant, no activity, some trash in alleyway
10/16/2008	Vacant lot
2/4/2009	Vacant lot, indicated to LHCD staff that mowing may be necessary soon (follow-up letter 4/21/09)
4/9/2009	Vacant lot, grounds in good condition (furniture needs to be picked up)
7/9/2009	Acceptable condition (follow-up letter 7/10/09)
11/13/2009	Acceptable condition (follow-up letter 11/23/09)
1/7/2010	Vacant lot, grounds in good condition (follow-up letter 1/27/10)
7/1/2010	May require mowing trash removal in the next 30-60 days, graffiti on fence
10/22/2010	Acceptable condition, findings fixed (follow-up letter 12/14/10)
1/7/2011	May need mowing in next 30-60 days, furniture discards back of lot (follow-up letter 2/23/11 and 3/2/11)
5/2/2011	Very overgrown brush approximately 4-5 ft. tall in front of lot, approx. 3 ft. tall throughout, needs mowing, trash found throughout lot and discarded furniture/mattresses found back of lot (follow-up letter 8/22/11)
7/15/2011	Commend – lot mowed and furniture removed, trash/debris still scattered throughout lot (follow-up letter 8/22/11)
10/14/2011	Lot has scattered trash throughout and discarded furniture/household items towards back of lot and leaning on side of fence (follow-up letter 12/22/11)

Compliance Review

(11) T & College Apartments – 521-537 North T Street

Loan Number	59705	59706	59121	59143
Loan Amount	\$227,000	\$297,825	\$227,000	\$53,000
Covenant Source	RDA/CHFA	RDA/CHFA HELP	HOME - City	HOME – City State
Covenant Start Date	2001-10-10	2001-10-10	2002-04-02	2001-10-10
Covenant End Date	2031-10-10	2031-10-10	2032-04-02	2031-10-10
Covenant Term/Total Years	30	30	30	30
Reporting Frequency	Annual	Annual	Annual	Annual
Reporting Due Date	March 31 st	March 31 st	March 1st	March 1st
Affordable Income Limits	Very-Low / 50% AMI	Very-Low / 50%AMI	Very-Low / 50% AMI	Very-Low / 50% AMI
Affordable Rent Limits	30% of 50% AMI	30% of 50% AMI	30% of 50% AMI	30% of 50% AMI
Total Buildings/Sites	5	5	5	5
Total Restricted Units	35	35	11	11

<u>Compliance Status</u>	<u>RDA</u>	<u>HOME Annual Report</u>	<u>HOME Program</u>	<u>Property Standards</u>
2001-2002	No Response	No Documentation	No Documentation	No Documentation
2003	Compliant	Compliant	No Final Documentation from County in File	No Final Documentation from County in File
2004	Compliant	No Documentation	Not Required	Not Required
2005	Compliant	No Documentation	No Final Documentation	No Final Documentation
2006	Compliant	No Documentation	Not Required	Not Required
2007	Compliant	Not Submitted	In Compliance	Minimum Standards
2008	Non-Compliant	Not Submitted	Within Limits	Concerns
2009	Non-Compliant	No Documentation	No Final Documentation From County in File	No Final Documentation from County in File
2010	Non-Compliant	No Documentation	No Documentation	No Documentation
2011	No Response	No Documentation	No Documentation	No Documentation

Notes: Project no longer monitored by HOME Consortium after 2009

<u>Site Visits</u>	<u>Comments</u>
3/31/2005	Acceptable
6/30/2005	Acceptable
9/30/2005	Acceptable, contractor on-site, work in progress
12/31/2005	Acceptable
6/30/2006	Acceptable
12/31/2006	Acceptable, alley clean
6/30/2007	Buildings fair, excessive trash between complexes



Compliance Review

10/16/2008	Building satisfactory, landscape needs work
2/4/2009	Building and grounds in good condition, Apt. C porch light has exposed wiring (follow-up letter 2/12/09)
4/9/2009	Hanging wires blocking laundry door, exposed doorbell wiring on 529-C (follow-up letter 4/21/09)
7/9/2009	Acceptable condition (follow-up letter 7/10/09)
11/13/2009	The doorbell located at 529-C continues to have exposed wiring, broken window was located at back of property was covered with cardboard temporarily but needs to be replaced (follow-up letter 11/23/09)
1/7/2010	Wiring is still exposed on the doorbell at unit 529-C (follow-up letter 1/27/10)
7/1/2010	Broken windows (4 windows boarded in the alley of T & College building); landscape needs attention
10/22/2010	Two broken (1 boarded/1 taped) windows, paint damage/wear on post, graffiti on post and wood/door damage on outside cover box; personal items stored under stairway; eave wood warped; fascia joint deteriorating; 4 broken windows from 7/1/10 inspection were fixed (follow-up letter 12/14/10)
12/14/10	Memo to File indicating that a complaint was made over the general condition of the property, specifically citing the trash and broken windows
1/7/2011	Two broken (1 boarded/1 taped) windows, paint damage/wear on stairway, fascia joint deteriorating, eave wood warped, screens missing from access holes, lighting fixtures missing bulbs and one wrapped with foreign object, graffiti on fencing and on front wood members of building (follow-up letter 2/23/11 and 3/2/11)
5/2/2011	Two broken (1 boarded/1 taped) windows, paint damage/wear and rust on stairways, fascia joints deteriorating, eave wood warped, screens missing from access holes, lighting fixtures missing bulbs and one wrapped with foreign object, graffiti on fencing and on front wood members of building, fire extinguisher box unsecure, dead brush and overgrown brush need to be removed, electrical wood cover box unsecure and door hanging by one hinge presents safety hazard, missing vent screens throughout, discarded fencing/objects in bushes, fire wood and miscellaneous personal items stored under stairway in common area, missing wood support from door threshold of unit A, torn/missing window screens noted throughout, no hot water available for laundry (follow-up letter 8/22/11)
7/15/2011	Broken window, paint damage/wear and rust on stairways, fascia joints deteriorating, eave wood warped, screens missing from access holes, lighting fixtures missing bulbs and one wrapped with foreign object, graffiti on fencing and front wood members of building, fire extinguisher box unsecure, dead brush and overgrown brush need to be trimmed and removed, electrical wood cover box unsecure and door hanging by one hinge presents safety hazard, missing vent screens throughout with trash discarded in vents, discarded fencing/wood/objects in bushes and fallen screen in yard, miscellaneous personal items stored under stairway in common area, long brown bag stored at entryway of front unit, trash on laundry room floors, hanging/exposed wiring noticed in several areas, black plastic bag covering electrical, moisture stains in eaves, entry door fascia to one unit has extensive dry-rot and is breaking apart, interior doors with exposed nails found on outside wall, missing wood support from door threshold of unit A, torn/missing window screens noted throughout, no hot water available for laundry, unit A at 533 N T missing threshold board, hand railing broken on stairway to 2 nd floor apartments, making it a hazard to hold onto (follow-up letter 8/22/11)



Compliance Review

10/14/2011 One taped broken window and one broken window with glass pieces exposed, paint damage/wear and rust on stairways, fascia joints deteriorating, eave wood warped, screens missing from access holes, lighting fixtures missing bulbs and one wrapped with foreign object, graffiti on mailboxes and wood members of stairway, fire extinguisher box unsecure and missing fire extinguisher, dead and overgrown brush need to be trimmed and removed, missing/ broken vent screens throughout with trash discarded in vents, discarded fencing/wood/objects in bushes, miscellaneous personal items stored in front of building, long brown bag stored at entryway of front unit, trash on laundry room floors, hanging/exposed wiring noticed in several areas, black plastic bag covering electrical, moisture stains in eaves, entry door fascia stucco to one unit is broken and missing, missing wood support from door threshold of unit A, torn/missing window screens noted, no water available for laundry, unit A at 533 N T missing threshold board, hand railing post broken on stairway to 2nd floor apartments presents safety hazard, moisture staining noticeable in eaves, personal items found on electric meters, boards at entryway of laundry room present tripping hazard, dry-rot throughout laundry room doorway fascia, shopping card discarded on property, strong sewage/chemical (bug spray?) odor throughout property (follow-up letter 12/22/11)



Compliance Review

(12) Southern Court Apartments – 709-713 North E Street

Loan Number	59703	59144
Loan Amount	\$132,825	\$75,000
Covenant Source	RDA	HOME - City
Covenant Start Date	2001-02-28	2001-02-28
Covenant End Date	2031-02-28	2031-02-28
Covenant Term/Total Years	30	30
Reporting Frequency	Annual	Annual
Reporting Due Date	March 31 st	March 1 st
Total Buildings/Sites	2	2
Total Restricted Units	12	10
Affordable Income Limits	Very-Low / 50% AMI	Very-Low / 50% AMI
Affordable Rent Limits	30% of 50% AMI	30% of 50% AMI

<u>Compliance Status</u>	<u>RDA</u>	<u>HOME Annual Report</u>	<u>HOME Program</u>	<u>Property Standards</u>
2001	No Compliance Status	No Documentation	No Documentation	No Documentation
2002	No Response	No Documentation	No Documentation	No Documentation
2003	Compliant	Compliant	No Final Documentation from County in File	No Final Documentation from County in File
2004	Compliant	No Documentation	Not Required	Not Required
2005	Compliant	No Documentation	Inadequate Documentation	Minimum Standards
2006	Non-Compliant	No Documentation	Not Required	Not Required
2007	Compliant	Not Submitted	In Compliance	Minimum Standards
2008	Non-Compliant	Not Submitted	Within Limits	Concerns
2009	Non-Compliant	No Documentation	No Final Documentation From County in File	No Final Documentation from County in File
2010	Non-Compliant	No Documentation	No Documentation	No Documentation
2011	No Response	No Documentation	No Documentation	No Documentation

Notes: Project no longer monitored by HOME Consortium after 2009

<u>Site Visits</u>	<u>Comments</u>
3/31/2005	Acceptable
6/30/2005	Acceptable
9/30/2005	Acceptable
12/31/2005	Acceptable
6/30/2006	Acceptable
12/31/2006	Acceptable
6/30/2007	Trash in alley, some broken fences, building fair
10/24/2008	Building and grounds in good condition



Compliance Review

2/4/2009	Building and grounds in good condition, building 713 has broken back gate, 3 rd step beginning to deteriorate (follow-up letter 2/12/09)
4/9/2009	Building and grounds in good condition, fence still broken at the back of 713 (follow-up letter 4/21/09)
7/9/2009	Acceptable condition (follow-up letter 7/10/09)
11/13/2009	The fence continues to be broken at the back of building 713, there are multiple wires hanging from buildings in the side pass-throughs (follow-up letter 11/23/09)
1/7/2010	Fence is still broken (minor) at back of building 713 (follow-up letter 1/27/10)
7/1/2010	Graffiti on side brick fence in front
10/22/2010	Graffiti on front and inside brick and fences, broken glass fire extinguisher box with graffiti, mold under eaves, chipping paint on wood on side of building (follow-up letter 12/14/10)
1/7/2011	Graffiti on both front and back of brick fencing, back walls of buildings, and also on office door, dry-rot on molding at office door, chipping paint on wood and wood cabinet on side of building and on front facing fence at front of building, wood cabinet unsecured and open on side of building (follow-up letter 2/23/11 and 3/2/11)
5/2/2011	Graffiti on back window, still showing through on front brick fence after coverage and back west wall of building, dry-rot on molding at office door, broken window with hole in back of building, extreme moisture staining in eaves, chipping paint on wood cabinet on side of building and on front facing fence at front of building, wood cabinet unsecure and open on south side of building, exposed water piping with wood covering removed on south side of building (follow-up letter 8/22/11)
7/15/2011	Dry-rot fencing, posts, iron door screen and stairways, shipping/peeling paint on fascia and on front window border, wood-rot/damage at fascia joints, moisture damage/staining in eaves, exposed wiring at front lighting fixture and hanging wiring on eaves, extreme rusting of stairways with one post broken and sharp/jagged metal exposed, wood fencing broken and loose, bird nests under eaves, stucco breaking/corroding at ground level (follow-up letter 8/22/11)
10/14/2011	Dry-rot on molding at office door, fire extinguisher box glass broken, has graffiti, broken window with hole in back of building, extreme moisture staining in eaves, stairway railing paint chipping/peeling, chipping paint on wood cabinet on side of building on front facing fence at front of building, wood cabinet unsecured and open on south side of building with large holes in stucco exposed, hanging wiring on building with large holes in stucco exposed, hanging wiring on building and TV dish has hanging/exposed wiring, exposed water piping with wood covering removed on south side of building, landscape overgrowth on building needs to be trimmed, wood post with exposed nails in center of side yard for no apparent reason which present a hazard, two torn window screens in south side windows, mattress/furniture discarded in parking lot, side fence on south side of building is excessively broken and has sharp jagged wood members exposed presenting hazard (follow-up letter 12/22/11)



Compliance Review

(13) Courtyard South Apartments – 717-721 North E Street

Loan Number	59801	59175	59142
Loan Amount	\$30,000	\$30,000	\$50,000
Covenant Source	CDBG	HOME - City	HOME – City State
Covenant Start Date		1999-12-14	1999-12-14
Covenant End Date		2029-12-14	2029-12-14
Covenant Term/Total Years		30	30
Reporting Frequency		Annual	Annual
Reporting Due Date		March 31st	March 31st
Total Buildings/Sites		2	2
Total Restricted Units		2	2
Affordable Income Limits		Very-Low / 50% AMI	Very-Low / 50% AMI
Affordable Rent Limits		30% of 50% AMI	30% of 50% AMI

<u>Compliance Status</u>	<u>HOME Annual Report</u>	<u>HOME Program</u>	<u>Property Standards</u>
1999 - 2002	No Documentation	No Documentation	No Documentation
2003	No Response	No Final Documentation from County found in File	No Final Documentation from County found in file
2004	No Documentation	Not Required	Not Required
2005	No Documentation	Inadequate Documentation	Meets Minimum Standards
2006	No Documentation	Not Required	Not Required
2007	Not Submitted	In Compliance	Maintaining Minimum Standards
2008	Not Submitted	Within Limits	Requires Re-Inspection
2009	No Documentation	No Final Documentation from County found in File	No Final Documentation from County found in File
2010	No Documentation	No Documentation	No Documentation
2011	No Documentation	No Documentation	No Documentation

Notes: No specific documentation relating to CDBG compliance reporting; No Regulatory Agreement found for CDBG loan; Project no longer monitored by HOME Consortium after 2009

<u>Site Visits</u>	<u>Comments</u>
3/31/2005	Acceptable
6/30/2005	Acceptable
9/30/2005	Acceptable
12/31/2005	Acceptable
6/30/2006	Acceptable
12/31/2006	Very nice
6/30/2007	Trash in alley, some broken fences, buildings fair



Compliance Review

(14) Courtyard Apartments – 725-733 North E Street

Loan Number	61697	COUNTY	62497
Loan Amount	\$40,000	\$209,629	\$4,302
Covenant Source	RDA	HOME – County	RDA
Covenant Start Date	1997-06-16	1999-02-26	
Covenant End Date	2037-06-16	2029-02-26	
Covenant Term/Total Years	40	30	
Reporting Frequency	Annual	Annual	
Reporting Due Date	March 31st	March 1st	
Total Buildings/Sites	1	1	
Total Restricted Units	18	11	
Affordable Income Limits	Very-Low / 50% AMI	Very-Low / 50% AMI	
Affordable Rent Limits	30% of 50% AMI	30% of 50% AMI	

Note: \$97,629 of City HOME is included in the County HOME funding, according to documentation provided by City staff.

<u>Compliance Status</u>	<u>RDA</u>	<u>HOME Annual Report</u>	<u>HOME Program</u>	<u>Property Standards</u>
1997 - 2000	No Documentation	No Documentation	No Documentation	No Documentation
2001	No Documentation	No Documentation	Adequate Documentation	Above Minimum Standards
2002	No Documentation	No Documentation	No Documentation	No Documentation
2003	No Response to Findings found in File	Compliant	No Final Documentation from County in File	No Final Documentation from County in File
2004	No Response to Findings found in File	No Documentation	Not Required	Not Required
2005	Compliant	No Documentation	Inadequate Documentation	Minimum Standards
2006	Non-Compliant	No Documentation	Not Required	Not Required
2007	Compliant	Not Submitted	In Compliance	Minimum Standards
2008	Non-Compliant	Not Submitted	Within Limits	Requires Re-Inspection
2009	Non-Compliant	No Documentation	No Final Documentation From County in File	No Final Documentation from County in File
2010	Non-Compliant	No Documentation	No Documentation	No Documentation
2011	No Response	No Documentation	No Documentation	No Documentation

Notes: No Regulatory Agreement found for loan #62497

<u>Site Visits</u>	<u>Comments</u>
3/31/2005	Acceptable
6/30/2005	Acceptable
9/30/2005	Acceptable



Compliance Review

12/31/2005	Acceptable
6/30/2006	Acceptable
12/31/2006	Very nice
6/30/2007	Rod iron fencing rusting, some broken fencing
10/24/2008	Building and grounds in good condition
2/4/2009	Building and grounds in good condition (follow-up letter 2/12/09)
4/9/2009	Building and grounds in good condition, railing could use some paint (follow-up letter 4/21/09)
7/9/2009	The Agency found this property to be in fair condition overall, however, graffiti issues need to be addressed on the fire extinguisher box attached to building 729 (follow-up letter 7/10/09)
11/13/2009	The front light of building 729 has exposed wiring (follow-up letter 11/23/09)
1/7/2010	Front light on building 729 has exposed wiring (follow-up letter 1/27/10)
7/1/2010	Acceptable condition
10/22/2010	Graffiti on stairwells, chipping paint and dry-rot on fascia, graffiti on brick fencing (follow-up letter 12/14/10)
1/7/2011	Graffiti on stucco unit entryways, fencing, posts, stairways and mailboxes, chipping/peeling paint on fascia and on front window border, wood-rot/damage at fascia joints, moisture damage/staining in eaves, exposed wiring at front lighting fixture, extreme rusting of stairways, stucco breaking/corroding at ground level (follow-up letter 2/23/11 and 3/2/11)
5/2/2011	Graffiti on fencing, posts, stairways and mailboxes, chipping/peeling paint on fascia and on front window border, wood-rot/damage at fascia joints, moisture damage/staining in eaves, exposed wiring at front lighting fixture, extreme rusting of stairways, stucco breaking/corroding at ground level (follow-up letter 8/22/11)
7/15/2011	Graffiti on fencing, posts, iron door screen and stairways, chipping/peeling paint on fascia and on front window border, wood-rot/damage at fascia joints, moisture damage/staining in eaves, exposed wiring at front lighting fixture and hanging wiring on eaves, extreme rusting of stairways with one post broken and sharp/jagged metal exposed, wood fencing broken and loose, bird nests under eaves, stucco breaking/corroding at ground level (follow-up letter 8/22/11)
10/14/2011	Graffiti on fencing, posts, iron door screen and stairways, chipping/peeling paint on fascia and on front window border, wood-rot/damage at fascia joints, moisture damages/staining in eaves, exposed wiring at front lighting fixture and hanging wiring on eaves, extreme rusting of stairways with one post broken and sharp/jagged metal exposed, wood fencing broken and loose, bird nests under eaves, stucco breaking/corroding at ground level (follow-up letter 12/22/11)



Compliance Review

(15) Casa Del Desarrollo/Vacant Lot – 114 South K Street

Loan Number	59753
Loan Amount	\$375,000
Covenant Source	RDA
Covenant Start Date	2006-01-30
Covenant End Date	2061-01-30
Covenant Term/Total Years	55
Reporting Frequency	Annual
Reporting Due Date	March 31 st
Total Buildings/Sites	Vacant Lot
Total Restricted Units	Vacant Lot
Affordable Income Limits	Very-Low / Low / Moderate
Affordable Rent Limits	30% of 50% AMI

Compliance Status

Vacant Lot/No Certification Required

<u>Site Visits</u>	<u>Comments</u>
6/30/2006	No comments
12/31/2006	Incomplete, no activity
6/30/2007	Lot vacant, no activity
10/24/2008	Vacant lot
2/4/2009	Vacant lot, indicated to LHCDC staff that mowing may be necessary soon (follow-up letter 2/12/09)
4/9/2009	Vacant lot, grounds in good condition (follow-up letter 4/21/09)
7/9/2009	Acceptable condition (follow-up letter 7/10/09)
11/13/2009	Acceptable condition (follow-up letter 11/23/09)
1/7/2010	Vacant lot, ground in good condition (follow-up letter 1/27/10)
7/1/2010	Very overgrown brush & trash throughout the lot
10/22/2010	Lot has areas of overgrowth, piles of yard waste and trash throughout (follow-up letter 12/14/10)
1/7/2011	Lot has areas of overgrowth, piles of yard waste, fort setup in/near tree (follow-up letter 2/23/11 & 3/2/11)
5/2/2011	Overgrown brush (approx. 3-4 ft. tall) throughout lot, some areas are larger, very large overgrown bushes/trees, piles of dead brush left on lot (follow-up letter 8/22/11)
7/15/2011	Commend – lot has been totally cleared and piles of dead brush have been removed, one tree's brush is still overgrown and is needing to be trimmed and removed (follow-up letter 8/22/11)
10/14/2011	Lot in good condition (follow-up letter 12/22/11)



Compliance Review

(16) G & College Apartments – 201 & 207 E College Avenue

Loan Number	59145	COUNTY	RDA Inclusionary
Loan Amount	\$159,000	\$2,198,400	-0-
Covenant Source	HOME – City State	HOME – City	RDA
Covenant Start Date	2008-07-11	Deferred	2004-12-22
Covenant End Date	55 Years from CofO		2059-12-22
Covenant Term/Total Years	55		55
Reporting Frequency	Annual		Annual
Reporting Due Date	May 1st		March 1st
Total Buildings/Sites			
Total Restricted Units	11		34
Affordable Income Limits	Very-Low / 50% AMI		Very-Low / Low / Moderate
Affordable Rent Limits	30% of 50% AMI		30% / 50% / 60% AMI

<u>Compliance Status</u>	<u>RDA</u>	<u>HOME Annual Report</u>	<u>HOME Program</u>	<u>Property Standards</u>
2004 - 2007		Ground Breaking Scheduled for June 2006		
2008	Non-Compliant	Not Submitted	Within Limits	Completed w/CofO
2009	Non-Compliant	No Documentation	No Final Documentation from County in File	No Final Documentation from County in File
2010	Non-Compliant	No Documentation	No Final Documentation from County in File	No Final Documentation from County in File
2011	No Response	No Documentation	No Documentation	No Documentation

****Note – People’s Self Help, the new manager for the investors, have submitted several years’ worth of certification currently under review by the RDA. Further, the source of the amount shown for the County HOME loan is the 8-30-11 preliminary title report and City staff have provided documentation that indicates that \$608,826 of City HOME funding is included in the County HOME funding.**

<u>Site Visits</u>	<u>Comments</u>
10/24/2008	Building and grounds in good condition
2/4/2009	Building and grounds in good condition, apartment on corner of G & College has broken window (follow-up letter 2/12/09)
4/9/2009	Building and grounds in good condition (follow-up letter 4/21/09)
7/9/2009	Acceptable condition (follow-up letter 7/10/09)
11/13/2009	Acceptable condition (follow-up letter 11/23/09)
1/7/2010	Building and grounds in good condition (follow-up letter 1/27/10)
7/1/2010	Acceptable condition
10/22/2010	Patches of chipping stucco and graffiti on cover box (follow-up letter 12/14/10)
1/7/2011	Patches of chipping stucco and graffiti on cover box (follow-up letter 2/23/11 and 3/2/11)



Compliance Review

- 5/2/2011 Patches of chipping/missing stucco in several areas, stucco cracking on some walls, the gutter of unit A on building 688 needs repair, improper drainage is causing moisture staining on stucco, certain areas of eaves appear moldy (follow-up letter 8/22/11)
- 7/15/2011 Patches of chipping/missing stucco in several areas, stucco cracking on some walls, gutter appears bent excessively, certain areas of eaves of building 698 units C & A appear moldy (follow-up letter 8/22/11)
- 10/14/2011 Patches of chipping/missing stucco in several areas, stucco cracking on some walls, certain areas of eaves of building 698 units C & A appear moldy (follow-up letter 12/22/11)



Compliance Review

(17) H & Ocean (Old Town Lompoc Plaza) – 107 E Ocean Avenue

Loan Number	59185
Loan Amount	\$70,000
Covenant Source	RDA
Covenant Start Date	-
Covenant End Date	-
Covenant Term/Total Years	-
Reporting Frequency	-
Reporting Due Date	-
Total Buildings/Sites	1
Total Restricted Units	-
Affordable Income Limits	N/A
Affordable Rent Limits	N/A

Compliance Status

No Certification Required (Vacant Lot)

Site Visits

Comments

2/4/2009	No comments (follow-up letter 2/12/09)
5/14/2009	Covenant not yet in effect, no monitoring required
1/7/2010	Covenant not yet in effect, therefore not monitoring required
7/1/2010	Covenant not yet in effect, no monitoring required
10/22/2010	Covenant not yet in effect, no monitoring required
1/14/2011	Acceptable condition
5/2/2011	Acceptable condition
7/15/2011	Acceptable condition
10/14/2011	Acceptable condition



Compliance Review

(18) Theatre (Commercial Loan) – 112 & 122 North H Street

Loan Number	59192	71073
Loan Amount	\$250,000	\$225,000
Amended Loan Amount	\$700,000	
Covenant Source	RDA	CDBG
Covenant Start Date	2006-04-17	Copy Not Dated
Revised Covenant Date	2007-06-20	
Covenant End Date	2026-04-17	Follows Loan Term
Revised Covenant End Date	2027-06-20	
Covenant Term/Total Years	20	Follows Loan Term
Total Buildings/Sites	1	1

Compliance Status

Non-Housing/No Certification Required

Site Visits

Comments

10/22/2010	Stucco/fixtures deterioration (follow-up letter 12/14/10)
1/7/2011	Deterioration of paint and stucco, some of lot fencing has been torn down (follow-up letter 2/23/11 & 3/2/11)
5/2/2011	Covenant not yet in effect, no monitoring required, deterioration of paint and stucco
7/15/2011	Covenant not yet in effect, no monitoring required
10/14/2011	Covenant not yet in effect, no monitoring required

Financial Summary Analysis

OVERVIEW

To prepare the Lompoc Housing Project Financial Summary Analysis, Urban Futures, Inc. (“UFI”) reviewed the available record provided by City staff with respect to 18 separate sites. Based on the available record, UFI has prepared 18 summary sheets (that follow this narrative), which provide a listing of all loans of record made for the 18 LHCDC-owned (or formerly owned) properties.

Of the 18 sites for which data were reviewed: 14 are existing housing sites; three are vacant lots which consist of two housing lots and one commercial site; and, one is an existing commercial site (i.e., the Lompoc Theater). Of the 18 sites reviewed, six are owned by private owners other than the LHCDC, three are owned by the City or Successor Agency (or Successor Housing Agency) and nine may have either completed the foreclosure process or are going through that process now. It appears that at the conclusion of this process, the LHCDC will not own any of the 18 sites.

For the 14 existing housing sites, 13 have valid housing affordability covenants and in one case (i.e., 709 & 713 N. “E” Street) the covenants were extinguished by way of a foreclosure. Of the 13 existing housing sites with valid housing affordability covenants, one is owned by the City (Mark’s House). Of the other 12 housing sites with valid covenants, with the exception of one site (i.e., 201 & 207 E. College Avenue), the loans that generated the covenants were refinanced, repaid, extinguished or subject to extinguishment by way of foreclosure. Notwithstanding this, the affordability covenants remain in place as the primary loans were subordinate to the covenants. On a collective basis, the City or Successor Agency still controls 170 valid housing affordability covenants. It is important to note that for those sites where there is not a City loan of record (due to foreclosure), enforcement of the covenant on a going forward basis will be based solely on the covenant, not on a threat of default under the note or deed of trust that would no longer be in force.

It is also important to note that several of the sites were provided layered City-related financing. In some instances these loans were either repaid or refinanced. As a part of its overall review, UFI examined the approval record for several of the sites that received such layered financing. In all such cases, UFI found appropriate documentation and staff reports that were submitted to the City Council and/or LRDA Board that explained the purpose of such financing or refinancing and provided options to the appropriate governing board. The record reviewed reflects that the affected governing board selected one of the suggested options. Therefore, all such loans examined by UFI appeared to be in proper order, adequately justified and professionally presented.

With respect to overall financing, the available record indicated that the LHCDC financed the acquisition, rehabilitation and/or development of the 18 sites with approximately \$29.6 million-worth of layered financing from a variety of sources, as indicated in the following table:



Financial Summary Analysis

LHCDC FUNDING SOURCES

SOURCES	AMOUNTS	PERCENT ¹
Private Sector	\$ 8,717,973	30%
LRDA CHFA HELP	2,711,899	9%
City HOME	1,701,324	5%
City CDBG	1,341,723	4%
City State HOME	327,000	1%
City LAHTF	280,975	1%
County of Santa Barbara	2,226,227	8%
State of California	2,362,046	8%
CDLAC Private Activity Bonds	9,956,900	34%
TOTAL	\$ 29,626,067	100%

Note: 1. The above data are based on preliminary title reports and data provided by the City and the indicated percentages are rounded.

The above information is further described on a more detailed spreadsheet included as the last page of this chapter.

With respect to overall financing, the available record indicated that the LHCDC financed the acquisition, rehabilitation and/or development of the 18 sites with approximately \$29.6 million-worth of layered financing from a variety of sources. The City's portion of the total financing, inclusive of LRDA, HOME, CDBG, CHFA & LAHTF, represented approximately \$6 million. Based on the record available prior to November 2012, approximately \$2 million-worth of City related financing has been repaid, approximately \$0.6 million-worth of City related financing has been converted to real estate owned through the foreclosure or deed in-lieu process, approximately \$0.75 million-worth of City related financing has been extinguished by foreclosure and approximately \$1 million-worth of City related financing is subject to extinguishment as such loans are junior to financial liens that are, according to the record available prior to November 2012, in default (i.e., LHCDC appears to be in default on the first loan of record in each case for some time), and approximately \$1.7 million-worth of loans were still in place. To the extent that any City-related financing has been extinguished by foreclosure and given the foregoing, the record available prior to November 2012, suggests one of the many



Financial Summary Analysis

REVISED

LHCDC FUNDING SOURCES

SOURCES	AMOUNTS	PERCENT ¹
Private Sector	\$ 8,717,973	30%
LRDA CHFA HELP	2,711,899	9%
City HOME	1,438,390	5%
City CDBG	1,341,723	4%
City State HOME	327,000	1%
City LAHTF	200,975	1%
County of Santa Barbara	2,489,161	8%
State of California	2,362,046	8%
CDLAC Private Activity Bonds	9,956,900	34%
TOTAL	\$ 29,626,067	100%

Note: 1. The above data are based on preliminary title reports and data provided by the City and the indicated percentages are rounded.

The above information is further described on a more detailed spreadsheet included as the last page of this chapter.

With respect to overall financing, the available record indicated that the LHCDC financed the acquisition, rehabilitation and/or development of the 18 sites with approximately \$29.6 million-worth of layered financing from a variety of sources. The City's portion of the total financing, inclusive of LRDA, HOME, CDBG, CHFA & LAHTF, represented approximately \$6 million. Based on the record available prior to November 2012, approximately \$2 million-worth of City related financing has been repaid, approximately \$0.6 million-worth of City related financing has been converted to real estate owned through the foreclosure or deed in-lieu process, approximately \$0.75 million-worth of City related financing has been extinguished by foreclosure and approximately \$1 million-worth of City related financing is subject to extinguishment as such loans are junior to financial liens that are, according to the record available prior to November 2012, in default (i.e., LHCDC appears to be in default on the first loan of record in each case for some time), and approximately \$1.7 million-worth of loans were still in place. To the extent that any City-related financing has been extinguished by foreclosure and given the foregoing, the record available prior to November 2012, suggests one of the many



Financial Summary Analysis

factors contributing to such extinguishments were causalities of the recent deterioration of the housing market.

Further, UFI was requested to consider whether there was a potential amount of federal funds that may be required to be repaid to HUD due to noncompliance. Based solely on the available record provided by City staff with respect to this Financial Summary Analysis, UFI did not discover any record that would suggest that the City violated a CDBG-related covenant that would be the basis of a HUD finding for funding disallowance.

LISTING OF LHDCDC-OWNED PROPERTIES WITHOUT PUBLIC FINANCING

In addition to the 18 properties analyzed in this report, the available record indicated that the LHDCDC also owns (or used to own) four additional sites within the City of Lompoc (i.e., 604 North Q Street, 903 West College Avenue, 113-117 South H Street and 123 & 126 North H Street). These properties do not include any public financing and therefore do not involve any public agency affordability covenants. Other than providing a complete list of properties and assets developed and owned within the City by the non-profit organization (as provided within this report), the scope of work does not require any analysis of these additional sites by UFI.



Financial Summary Analysis

Property Number: 1
 Address: 120 – 120 ½ South “K” Street (South “K” Cottages)
 APN(s): 091-102-17
 Housing Type: Duplex Rental (2 Apts.)
 Affordability Covenant(s): 2 units at LI for 30 years (7-1-1999 to 6-30-2029): LRDA
 Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
LRDA (GF)	\$12,572	6%	R	11-29-99	A	N/A	PM	R
LRDA (LMI)	\$21,025	6%	R	11-29-99	D/A	N/A	PM/RH	R
HH & JM Jay	\$160,000	UNK	1 st	5-28-09	A	5-27-39	RF	See Comments

Comments: This property was declared tax defaulted on June 30, 2011. The LRDA previously provided the LHCDC with \$33,597-worth of purchase money and rehabilitation financing (LRDA General Fund and LMI Housing Fund). Both loans were repaid on June 1, 2009 when the LHCDC obtained a refinancing loan from Hugh H. and Janet Marie Jay. The loan repayments were booked to the appropriate LRDA account. The LRDA’s 30-year long affordability covenants remain in place and are superior to the new first lender’s deed of trust. City staff has advised that HH & JM Jay have begun a foreclosure process. In addition, the Successor Agency may wish to exercise its rights under the covenant to cause payment of property taxes.

Legend:

Covenant Type: LRDA = Lompoc Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing
Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Income Level: AMI = Adjusted Median Income (Santa Barbara County); M = Moderate (81% to 120% of AMI); LI = Lower Income (51% to 80% of AMI); VLI = Very Low Income (50% or less of AMI)
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 2
 Address: 203 North "N" Street (Mark's House)
 APNs: 091-501-08
 Housing Type: SFR (Rental) to be occupied by 6 homeless persons
 Affordability Covenant: 1 unit at VLI for 30 years (11-7-97 to 11-7-27): HOME/CDBG
 Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	TD Record	Type	Maturity	Purpose	Status
City (State HOME)	\$65,000	6.28%	E	11-7-97	A	10-21-27	PM	Deed In Lieu to City 1-18-12
City CDBG	\$20,000	6.28%	E	11-7-97	A	10-21-27	RH	Deed In Lieu to City 1-18-12
County	\$112,587	0.00%	1 st	11-7-97	D	11-7-27	PM	Assumed by City via Deed In Lieu

Comments: This property was declared tax defaulted on June 30, 2011. The City accepted a deed in-lieu of foreclosure on January 18, 2012. The status of the payment of the defaulted taxes is unknown. The City should ensure that the property is professionally managed and that the affordability covenants are enforced. In addition, in the event that HUD may have concerns with respect to the extinguishment of the CDBG loan, the City could enter into a replacement agreement containing CDBG program requirements which may be satisfactory to HUD. In addition, the actual source of the County loan was not readily evident in the record; however, given that the loan remains in place, the source of funding is irrelevant. Further, the applicable loan agreement (recorded as Document No. 97-067400) confirms that the City HOME loan noted above was sourced to the 1992 HOME Program income fund through the State of California.

Legend:

Covenant Type: LRDA = Lompoc Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit

Loan Type: A = Amortizing, D = Deferred

Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing

Priority: 1 = 1st TD, 2 – 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished

Income Level: AMI = Adjusted Median Income (Santa Barbara County); M = Moderate (81% to 120% of AMI); LI = Lower Income (51% to 80% of AMI); VLI = Very Low Income (50% or less of AMI)

Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 3
 Address: 305-309 North "K" Street (Portabello Apts.)
 APNs: 091-021-21 & 22
 Housing Type: MFR (12 – 2 Bdr Apts and 2 – Studio Apts for a total of 14 units)
 Affordability Covenant: 14 units at VLI for 30 years (11-14-00 to 11-14-30): LRDA (CHFA) and HOME
 Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
Los Padres Bank	\$700,000	UNK	1 st	02-15-08	A	02-15-38	RF	Notice of Default 4-26-2011
County HOME	\$150,000	UNK	2 nd	10-24-00	D	6-30-29	PM/RH	Unknown
CHFA (LRDA)	\$156,000	3.0%	R	11-14-00	A	12-1-05	PM/RH	R

Comments: This property was declared tax defaulted on June 30, 2011. The status of each loan is only known through August 30, 2011. The LRDA's CFHA-funded loan was repaid per agreement. At the time of payoff, the record reflects correspondence indicating that some amount of the rehabilitation work remained incomplete and/or unresolved. Ultimate resolution of this issue is not apparent in the record. The LRDA's 30-year long affordability covenants remain in place and are superior to the new first lender's deed of trust. In addition, the Santa Barbara County HOME-funded loan was subordinated to the new first lender (the terms of that loan were not provided in the record), but the HOME affordability covenant was not subordinated. In addition, the terms of the Los Padres Bank refinancing loan were not clearly reflected in the record. Notwithstanding, it appears that the Los Padres Bank refinancing loan was used to pay off the original \$230,000 seller carry-back loan, pay off the LRDA loan and for other purposes not reflected in the available record. Consequently and unless there are errors in the official record, both affordability covenants remain valid no matter the outcome of the foreclosure process. If the foreclosure is completed and no other arrangements were made by the County, the County HOME-funded loan will be extinguished; however, the HOME covenant will remain in place. The County is responsible for follow-up on their loan asset, not the City of Lompoc. However, given that the LRDA loan was repaid and the LRDA covenants are valid, the terms of the Los Padres Bank loan are irrelevant. Please note that in all cases where the status of a loan is shown as "Unknown", such status indicator does not mean that the status could not be known; it only means that the data provided to UFI was not sufficient for UFI to indicate a specific status. Although not reflected with the PTR, during 2010 PacWest Bancorp, through its wholly-owned subsidiary Pacific Western Bank, purchased substantially all of the liabilities of Los Padres Bank from the FDIC as Receiver of Los Padres.

Legend:

Covenant Type: LRDA = Lompoc Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing
Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 4
 Address: 328-330 "N" K Street
 APNs: 091-022-17
 Housing Type: MFR (4 Apts.) and Child Care Facility
 Affordability Covenant: 3 units at VLI for 30 years (12-18-03 to 12-18-33): RDA & HOME
 Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
Los Padres Bank	\$437,500	UNK	1st	7-19-05	A	UNK	RF	Notice of Default 4-25-2011
County HOME	\$443,365	3%	2nd	12-18-03	D	12-18-33	DV	Unknown
City CDBG	\$218,366	3%	3rd	4-5-05	D	4-5-35	DV	Unknown
LRDA	\$75,000	3%	N/A	7-31-01	A	12-31-03	PM	R

Comments: A notice of default was recorded on April 25, 2011. The status of each loan is only known through September 2, 2011. This property was declared tax defaulted on June 30, 2011. Failure to pay property taxes is a default under each deed of trust. The status of the loans is only known through September 2, 2011. Therefore, the current status of the loans is unknown. Notwithstanding, the Lompoc RDA affordability covenants (Doc. No. 2001-0069283) and the Santa Barbara County affordability covenant (Doc. No. 2003-0171899) are superior to the first loan. However, the Lompoc CDBG affordability covenants (Doc. No. 2005-0072454) is subordinate to the first loan. Consequently and unless there are errors in the official record, the affordability covenants (Doc. No. 2001-0069283 & Doc. No. 2003-0171899) remain valid no matter the outcome of the foreclosure process. Further, City staff has provided documentation reflecting that the above reference County HOME loan is inclusive of a \$198,366 contribution from City HOME funds. In addition, according to City staff documentation, the County HOME loan was amended on 5-6-05 to add an additional \$155,234 of City HOME indebtedness, bringing the new amended total to \$598,599. However, this additional indebtedness was not reflected in the preliminary title report. Please note that in all cases where the status of a loan is shown as "Unknown", such status indicator does not mean that the status could not be known; it only means that the data provided to UFI was not sufficient for UFI to indicate a specific status. Although not reflected with the PTR, during 2010 PacWest Bancorp, through its wholly-owned subsidiary Pacific Western Bank, purchased substantially all of the liabilities of Los Padres Bank from the FDIC as Receiver of Los Padres.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing, DV = Development
Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 5
 Address: 401-405 W. Chestnut Avenue
 APNs: 091-021-01
 Housing Type: MFR (3 Apts.)
 Affordability Covenant: 3 units at VLI for 30 years (3-31-00 to 3-30-30): RDA
 Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
HH & JM Jay	\$220,000	UNK	1st	5-14-09	A	12-31-35	RF	Notice of Default 7-30-2011
LRDA	\$7,800	8%	N/A	3-29-00	A	6-30-05	RH	R
LRDA	\$14,200	8%	N/A	3-30-00	A	6-30-05	RH	R

Comments: This property was declared tax defaulted on June 30, 2011. Failure to pay property taxes is a default under each deed of trust. The terms of the HH & JM Jay refinancing loan are unknown. The status of that loan is only known through September 2, 2011. Notwithstanding, the Lompoc RDA affordability covenants (Doc. No. 2000-0018835) are superior to first lender loan. Consequently and unless there are errors in the official record, the affordability covenants remain valid no matter the outcome of the foreclosure process. Further, City staff has advised that that HH & JM Jay have continued with the foreclosure process.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing
Priority: 1 = 1st TD, 2 – 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 6
 Address: 434-438 N. "L" Street (Casa Con Tres)
 APNs: 089-231-07 & 18
 Housing Type: MFR (12 Apts.)
 Affordability Covenant: 12 units at VLI for 55 years (7- 10-03 to 7-9-58): RDA (HOME & CDBG)
 Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
Los Padres Bank	\$750,000	UNK	1st	12-23-05	A	12-31-35	RF	Notice of Default 4-26-2011
County HOME	\$201,335	3%	2nd	12-14-99	D	12-13-29	RH	Unknown
County CDBG	\$125,000	UNK	3rd	12-14-99	D	12-13-29	RH	Unknown
LRDA	\$157,300	3%	N/A	6-16-03	D	12-1-05	RH	R

Comments: A notice of default was recorded on April 26, 2011. The status of each loan is only known through August 30, 2011. Therefore, the current status of each loan is unknown. This property was declared tax defaulted on June 30, 2011. Failure to pay property taxes is a default under each deed of trust. The terms of the Los Padres Bank refinancing loan are unknown. However, it appears that the Los Padres Bank refinancing loan may have been used to pay off the \$157,300 LRDA loan and for other purposes not reflected in the available record. Notwithstanding, the County's HOME and CDBG and the Lompoc RDA affordability covenants (Doc. Nos. 1999-09832, 2004-0077900 & 2003-0092028) are superior to first lender loan. Consequently and unless there are errors in the official record, the affordability covenants remain valid no matter the outcome of the foreclosure process. Note that the LRDA covenant is for 55 years. In addition, City staff has provided documentation reflecting that the above referenced County HOME loan of 12-14-99 is inclusive of a \$46,335 contribution from City HOME funds. Please note that in all cases where the status of a loan is shown as "Unknown", such status indicator does not mean that the status could not be known; it only means that the data provided to UFI was not sufficient for UFI to indicate a specific status. Although not reflected with the PTR, during 2010 PacWest Bancorp, through its wholly-owned subsidiary Pacific Western Bank, purchased substantially all of the liabilities of Los Padres Bank from the FDIC as Receiver of Los Padres.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit

Loan Type: A = Amortizing, D = Deferred

Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing

Priority: 1 = 1st TD, 2 – 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished

Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 7
 Address: 500-504 N. "T" Street (Voelker Apts.)
 APNs: 089-161-09
 Housing Type: MFR (8 Apts.)
 Affordability Covenant: 8 units at VLI for 30 years (3-22-02 to 3-21-32): CDBG
 Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
V & Y Voelker	\$288,570	UNK	1st	3-22-02	A	UNK	PM	Trustee's Deed 5-22-2012
City CDBG	\$150,000	3%	2nd	3-22-02	A	3-15-12	PM	E

Comments: This property was declared tax defaulted on July 31, 2011. Failure to pay property taxes is a default under each deed of trust. The status of the loans is only known through September 2, 2011. However, City staff has indicated that the Santa Barbara Community Housing Corporation acquired the property at a Trustee's sale on May 22, 2012. Therefore, the \$150,000 Lompoc CDBG loan has been extinguished. Notwithstanding, the Lompoc CDBG affordability covenants (Doc. No. 2002-0027648) are superior to the loans. Consequently and unless there are errors in the official record, the affordability covenant remains valid notwithstanding the foreclosure process.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing
Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 8
 Address: 501-513 N. "S" Street and 508 N. "T" Street (Jay Apartments)
 APNs: 089-161-07; 089-161-08; & 089-161-10
 Housing Type: MFR (26 Apts.)
 Affordability Covenant: 26 units at VLI for 30 years (03-14-02 to 11-14-32): LRDA (CHFA) and CDBG
 Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
HH & JM Jay	\$954,203	8.0%	1st	11-16-05	A	11-16-35	RF	Trustee's Deed 6-28-12
HH & JM Jay	\$725,000	8.0%	2nd	11-16-05	A	11-16-35	RF	Trustee's Deed 6-28-12
City CDBG	\$243,950	3.0%	3rd	3-22-02	D	3-15-12	PM	E
CHFA (LRDA)	\$181,050	3.0%	R	3-14-02	A	3-14-06	PM	R 1-6-06

Comments: This property was declared tax defaulted on June 30, 2011. The LRDA's CFHA-funded loan was repaid per agreement (note that LRDA LMI Housing Fund money was not included in the loan, therefore, California HSC-required covenants did not apply to this loan). The LRDA's 30-year long affordability covenants remains in place and are superior to the HH & JM Jay 1st and 2nd deeds of trust. In addition, per Instrument No. 2005-0110240, the City loan was subordinated to the HH & JM Jay loans. In addition, the City and LRDA covenants are not subordinated to the HH & JM Jay loans (Doc. Nos. 2002-0027671 and 2002-0027668). Consequently and unless there are errors in the official record, both affordability covenants remain valid notwithstanding the foreclosure process. Since the foreclosure was completed by the holder of the 1st and 2nd lien loans, the City CDBG-funded loan was extinguished; however, the CDBG covenant will remain in place. In addition, the terms of the HH & JM Jay refinancing loans were not reflected in the record and are thus unknown other than the interest rate, which was noted in a City staff report. Per the staff report, the \$333,035 of net proceeds from the HH & JM Jay loans were used to repay the LRDA loan and for other commercial, historic preservation or affordable housing projects within the City. However, given that the LRDA loan was repaid and the LRDA covenants are valid, the terms of the HH & JM Jay loans are irrelevant as far as the LRDA (Successor Housing Agency in this case) is concerned. The loss of a CDBG asset is another matter. City staff has reported that the first lender acquired the property through a foreclosure process on June 28, 2012. The result of the foreclosure would mean that the \$243,950 City loan would have been extinguished. In addition, the official record reflects two additional advances under the 2nd lien loan equal to \$225,000 (Instrument Nos. 2008-0069024 & 2009-0006602). The reasons for the advances are unknown.

Legend:

Covenant Type: LRDA = Lompoc Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing
Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 9
 Address: 503, 507 & 507 ½ N. "B" Street & 613 E. Maple Avenue
 APNs: 087-211- 23 & 24
 Housing Type: MFR (4 Apts.)
 Affordability Covenant: 4 units at VLI for 30 years (1-06-05 to 1-4-35): CDBG
 Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
Los Padres Bank	\$247,700	6.5%	1st	9-15-06	A	9-15-36	RF	Notice of Default 4-27-2011
City CDBG	\$199,407	0%	2nd	8-31-06	A	8-31-41	RF/RH	Unknown
City CDBG	\$115,000	5%	N/A	12-13-91	A	1-30-09	PM	R

Comments: A notice of default was recorded on April 27, 2011. The nature of the refinancing loan is described in a staff report dated June 20, 2006. The status of each loan is only known through August 30, 2011. This property was declared tax defaulted on July 31, 2011. Failure to pay property taxes is a default under each deed of trust. Therefore, the current status of the CDBG loan of record is unknown. Notwithstanding, the Lompoc CDBG affordability covenants (Doc. No. 2005-0001521) are superior to the first loan. However, the Lompoc CDBG affordability covenants (Doc. No. 2006-75904) are subordinate to the first loan. Consequently and unless there are errors in the official record, the affordability covenant (Doc. No. 2005-0001521) remains valid no matter the outcome of the foreclosure process. Further, the December 13, 1991 Lompoc CDBG loan was not a matter of record in the August 30, 2011 Preliminary Title Report provided to UFI. City staff has provided documentation that indicates that the 8-31-06 City CDBG loan refinanced the 12-13-91 CDBG loan and provided new money. Therefore, through this process the loan was repaid and the deed of trust reconveyed. Please note that in all cases where the status of a loan is shown as "Unknown", such status indicator does not mean that the status could not be known; it only means that the data provided to UFI was not sufficient for UFI to indicate a specific status. Although not reflected with the PTR, during 2010 PacWest Bancorp, through its wholly-owned subsidiary Pacific Western Bank, purchased substantially all of the liabilities of Los Padres Bank from the FDIC as Receiver of Los Padres.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing
Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 10
 Address: 518 N. "T" Street
 APNs: 089-161-12
 Housing Type: Vacant Land/MFR Condominiums (5 FTHB) Proposed
 Affordability Covenant: See Comments Below
 Status of Covenant(s): See Comments Below

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
City CDBG	\$140,000	3%	N/A	4-11-03	A	4-11-07	PM	Foreclosure Completed 11-1-11
CHFA (LRDA)	\$105,000	3%	N/A	3-5-04	A	7-31-09	PD	R (2-5-10)
City LAHTF	\$560,000	0%	N/A	10-30-09	A	10-30-14	PD	E
CHFA (LRDA)	\$135,000	3%	N/A	3-6-06	A	7-31-09	PD	R (2-5-10)

Comments: The property was declared tax defaulted on June 30, 2010. The City reacquired the property pursuant to a foreclosure on the CDBG loan, which was secured by an unsubordinated Deed of Trust recorded on April 15, 2003 as Document No. 2003-0046701, Official Records. The Trustee's Deed Upon Sale was recorded on November 1, 2011 as Document No. 2011-00062741, Official Records. The Trustee's Deed Upon Sale should have had the effect of extinguishing all junior liens, including subordinate affordability covenants. In addition, the record reflects that the LRDA loan was reconveyed on March 1, 2010, presumably as a result of repayment and that LAHTF loan was extinguished by the foreclosure. Notwithstanding the foregoing, the preliminary title report dated November 15, 2011 (four days following the completion of the foreclosure) showed that three (3) affordability covenants were still matters of record, which seem to correspond to the CHFA (LRDA), City LAHTF and CHFA (LRDA) loans noted above (i.e., Document No. 2004-0022350 [recorded on 3-9-0]), Document No. 2006-0028744 [recorded on 4-12-04], and Document No. 2010-0002717 [recorded on 1-20-10]). It is typical that affordability covenants (as opposed to land-use related covenants that are usually recorded as a part of the land sub-division process) are extinguished upon completion of a foreclosure pursuant to the claim of a senior lien holder. Therefore, it is recommended that the staff seek advice from the City Attorney regarding the affect that the above mentioned subordinate affordability covenants have on title. In any event, if the property is ultimately sold for affordable housing purposes, new or replacement affordability covenants may be needed to appropriately reflect the affordability requirements that are required at that time. Although the record is unclear with respect to the reason for the failure of this project, its timing coincides with the recent recession and real estate collapse. Pursuant to the foreclosure, the property in question is now an asset of the CDBG fund. In addition, City staff has indicated that only \$280,975 of the \$560,000 City LAHTF loan was actually distributed to repay the \$105,000 and \$135,000 loans noted above.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing, PD = Pre-Development
Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 11
 Address: 521-537 N. "T" Street
 APNs: 089-152-02 thru 06
 Housing Type: MFR (35 Apts.)
 Affordability Covenant: 35 units at VLI for 30 years (10-10-01 to 10-09-31): HOME/LRDA/CHFA
 Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
Los Padres Bank	\$1,855,000	UNK	1st	5-18-07	A	12-31-35	RF	Notice of Default 4-25-2011
Los Padres Bank	\$175,000	UNK	2nd	8-25-04	A	12-31-35	RF	Notice of Default 4-25-2011
City (State HOME)	\$53,000	3%	N/A	10-5-01	A	10-5-31	PM	R
City HOME	\$227,000	3%	N/A	2-19-02	A	2-19-32	RF	R
LRDA (CHFA)	\$227,000	3%	N/A	10-5-01	A	6-15-07	PM	R
LRDA (CHFA HELP)	\$297,825	3%	N/A	10-5-01	A	6-15-07	PM	R

Comments: A notice of default was recorded on April 25, 2011. This property was declared tax defaulted on June 30, 2011. Failure to pay property taxes is a default under each deed of trust. The terms of the Los Padres Bank refinancing loans are unknown. Notwithstanding, the Lompoc HOME and LRDA affordability covenants (Doc. Nos. 2001-0087099, 2001-0087102 & 2002-0034560) are superior to the loans. Consequently and unless there are errors in the official record, the affordability covenants remain valid no matter the outcome of the foreclosure process. Further, all four of the Lompoc loans noted above were not a matter of record in the August 30, 2011 Preliminary Title Report provided to UFI. Therefore, these loans must have been repaid and the deeds of trust reconveyed. City staff provided documentation that the \$227,000 City HOME loan repaid the \$227,000 RDA CHFA loan. Although not reflected with the PTR, during 2010 PacWest Bancorp, through its wholly-owned subsidiary Pacific Western Bank, purchased substantially all of the liabilities of Los Padres Bank from the FDIC as Receiver of Los Padres.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit

Loan Type: A = Amortizing, D = Deferred

Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing

Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished

Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 12
 Address: 709 & 713 N. "E" Street
 APNs: 087-101-08 & 09
 Housing Type: MFR (12 Apts.)
 Affordability Covenant: 12 units at VLI for 30 years (12-18-03 to 12-18-33): LRDA/HOME
 Status of Covenant(s): EXTINGUISHED

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
CCD MS	\$330,000	UNK	1st	2-23-01	A	UNK	PM	Special Warranty Deed 5-14-2012
City HOME	75,000	3%	2nd	2-27-01	D	2-27-31	PM/DV	E
LRDA CHFA	132,825	3%	N/A	2-27-01	A	4-1-04	PM	R

Comments: This property was declared tax defaulted on June 30, 2011. Failure to pay property taxes is a default under each deed of trust. The status of the loans is only known through August 30, 2011. However, City staff has indicated that Medio Investments, LLC acquired the property on May 14, 2012 pursuant to a Special Warranty Deed from lender. Although, UFI does not have any information regarding the status of the \$75,000 Lompoc loan, it may be that it was extinguished by way of foreclosure. In addition, the LRDA affordability covenants (Doc. No. 2001-014134) and City of Lompoc affordability covenants (Doc. Nos. 2001-0069283 & 2001-014137) are subordinate to the first loan (by way of a subordination agreement or by order of recordation). Consequently and unless there are errors in the official record, the RDA and City affordability covenants were extinguished. Further, the February 27, 2001 LRDA loan was not a matter of record in the August 30, 2011 Preliminary Title Report provided to UFI. Therefore, this loan must have been repaid and the deed of trust reconveyed. City staff has reported that the first lender acquired the property through a foreclosure process on May 14, 2012. The result of the foreclosure would mean that the City HOME loan would have been extinguished

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing, DV = Development
Priority: 1 = 1st TD, 2 – 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 13
 Address: 717-721 N. "E" Street
 APNs: 087-101-06 & 07
 Housing Type: MFR (6 Apts.)
 Affordability Covenant: 6 units at VLI for 30 years (12-17-99 to 12-16-29): CDBG & HOME
 Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
Los Padres Bank	\$335,000	UNK	1st	2-14-06	A	6-30-29	RF	Notice of Default 4-25-2011
City HOME	30,000	3%	N/A	12-14-99	A	12-13-29	PM	Unknown
City (State HOME)	50,000	3%	N/A	12-14-99	D	12-13-29	PM/RH	Unknown
City CDBG	30,000	5%	N/A	12-14-99	D	12-13-29	RH	R

Comments: A notice of default was recorded on April 25, 2011. The status of each loan is only known through August 30, 2011. This property was declared tax defaulted on June 30, 2011. Failure to pay property taxes is a default under each deed of trust. The status of each loan is only known through August 30, 2011. In addition, the respective recordation priority with respect to the City State HOME and City HOME loans was not clearly evident in the record provided to UFI. However, given the likelihood of a foreclosure action that would extinguish both loans, the matter is a moot point. Further, pursuant to that certain Subordination Agreement dated February 27, 2006, the City State HOME and City HOME loans were re-subordinated to the Los Padres Bank refinancing loan. In addition, of the \$182,303 of equity taken out at the close of escrow, the City CDBG loan was repaid and the balance was used for other affordable housing projects within the City. Notwithstanding, the City's HOME and CDBG affordability covenants (Doc. Nos. 1999-098337 & 1999-098338) are superior to first lender loan. Consequently and unless there are errors in the official record, both affordability covenants remain valid no matter the outcome of the foreclosure process. Please note that in all cases where the status of a loan is shown as "Unknown", such status indicator does not mean that the status could not be known; it only means that the data provided to UFI was not sufficient for UFI to indicate a specific status. Although not reflected with the PTR, during 2010 PacWest Bancorp, through its wholly-owned subsidiary Pacific Western Bank, purchased substantially all of the liabilities of Los Padres Bank from the FDIC as Receiver of Los Padres.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing
Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 14
 Address: 725 – 733 N. “E” Street
 APNs: 087-101-03, 04 & 05
 Housing Type: MFR (18 Apts.)
 Affordability Covenant: 18 units at VLI for 40 years (5-1-97 to 4-30-37): LRDA
 Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
Los Padres Bank	\$745,000	UNK	1st	7-1-99	A	6-30-29	RF	Unknown
County Home	209,629	0%	2nd	2-1-99	A	1-31-29	RH	Unknown
LRDA	40,000	9.5%	N/A	6-16-97	A	12-1-37	RH	R
LRDA	4,302	9.5%	N/A	8-9-95	A	12-9-97	CC	R

Comments: The status of each loan is only known through August 30, 2011. The terms of the Los Padres Bank refinancing loan are unknown. As of August 30, 2011, the LRDA loan was not a matter of record. Although the file does not contain any record of repayment or extinguishment, it is assumed that the loan was extinguished prior to August 30, 2011. This property was declared tax defaulted on June 30, 2011. Failure to pay property taxes is a default under each deed of trust. In addition, Lompoc staff has indicated that a foreclosure process has been initiated. Notwithstanding, the LRDA affordability covenant (Doc. No. 97-033948) is superior to both recorded loans. Consequently and unless there are errors in the official record, both affordability covenants remain valid no matter the outcome of the foreclosure process. Further, both LRDA loans noted above were not a matter of record in the August 30, 2011 Preliminary Title Report provided to UFI. Therefore, these loans must have been repaid and the deeds of trust reconveyed. City staff has provided a sources and uses summary that shows that the LRDA loans were taken out by the County HOME loan, which also included \$97,629 of City controlled HOME funds. Please note that in all cases where the status of a loan is shown as “Unknown”, such status indicator does not mean that the status could not be known; it only means that the data provided to UFI was not sufficient for UFI to indicate a specific status. Although not reflected with the PTR, during 2010 PacWest Bancorp, through its wholly-owned subsidiary Pacific Western Bank, purchased substantially all of the liabilities of Los Padres Bank from the FDIC as Receiver of Los Padres.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit

Loan Type: A = Amortizing, D = Deferred

Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing, CC = Closing Costs

Priority: 1 = 1st TD, 2 – 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished

Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 15
 Address: 114 S. "K" Street (Casa del Desarrollo)
 APNs: 091-102-18 & 19
 Housing Type: Vacant Land
 Affordability Covenant: See Comments Below
 Status of Covenant(s): See Comments Below

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
LRDA (CHFA)	\$375,000	3.0%	1st	1-30-06	A	6-1-10	PM	Trustee's Deed 7-22-11

Comments: The LRDA reacquired the property pursuant to a foreclosure on the CHFA (LRDA) loan, which was secured by an unsubordinated Deed of Trust recorded on April 15, 2003 as Document No. 2003-0046701, Official Records. The Trustee's Deed Upon Sale was recorded on July 22, 2011 as Document No. 2011-0041790, Official Records. Notwithstanding the foregoing, the preliminary title report dated June 14, 2013 (nearly two years following the completion of the foreclosure) showed that the affordability covenant was still a matter of record, i.e., Document No. 2006-0008407 (recorded on 1-31-06). It is typical that affordability covenants (as opposed to land-use related covenants that are usually recorded as a part of the land sub-division process) are extinguished upon completion of a foreclosure pursuant to a senior unsubordinated lien. Therefore, it is recommended that the staff seek advice from the City Attorney regarding the affect that the above mentioned affordability covenants have on title. In any event, if the property is ultimately sold for affordable housing purposes, new or replacement affordability covenants may be needed to appropriately reflect the affordability requirements that are required at that time.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing
Priority: 1 = 1st TD, 2 – 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 16
Address: 201 & 207 E. College Avenue (College Park Apts.)
APNs: 087-132-01 & 04
Housing Type: MFR (34 units)
Affordability Covenant: 34 Units at VLI for 55 years (CDLAC, HOME and RDA)
Status of Covenant(s): VALID

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
CSCDA	\$9,956,900	UNK	1st	12-1-05	A	11-30-35	PM/CO	Current
State HOME	2,362,046	UNK	2nd	1-28-09	A	1-27-39	CO	Current
County HOME	2,198,400	UNK	3rd	4-4-08	A	4-3-38	CO	Current
City (State HOME)	159,000	3%	4th	7-11-08	A	7-10-63	CO	Current
Los Padres Bank	210,000	UNK	5th	9-22-02	A	UNK	UNK	Current

Comments: This property is owned by College Park Housing Associates, a California Limited Partnership. Previously, the LHCDC was the general partner of College Park Housing Associates. On September 2, 2011, the LHCDC, as the general partner of College Park Housing Associates, was replaced by Community Development Associates, Inc. The project received funding from several sources, all of which are current. All of the loan amounts shown above are reflected in the August 31, 2011 PTR. In addition, UFI was unable to independently resolve an inconsistency with respect to the loan amount sourced to County Home. However, City staff has resolved the matter by providing file documentation that shows that the County HOME loan includes \$608,826 of City controlled HOME funds. In addition, City staff has provided documentation that the City HOME loan of 7-11-08 is sourced to the State. Although not reflected with the PTR, during 2010 PacWest Bancorp, through its wholly-owned subsidiary Pacific Western Bank, purchased substantially all of the liabilities of Los Padres Bank from the FDIC as Receiver of Los Padres.

*Per a City staff report dated January 15, 2008, City HOME funding of \$262,934 was also included in the County HOME loan.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing
Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 16
 Address: 201 & 207 E. College Avenue (College Park Apts.)
 APNs: 087-132-01 & 04
 Housing Type: MFR (34 units)
 Affordability Covenant: 34 Units at VLI for 55 years (CDLAC, HOME and RHA)
 Status of Covenant(s): VALID

REVISED

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
CSCDA	\$9,956,900	UNK	1st	12-1-05	A	11-30-35	PM/CO	Current
State HOME	2,362,046	UNK	2nd	1-28-09	A	1-27-39	CO	Current
County HOME	2,198,400	UNK	3rd	4-4-08	A	4-3-38	CO	Current
City (State HOME)	159,000	3%	4th	7-11-08	A	7-10-63	CO	Current
Los Padres Bank	210,000	UNK	5th	9-22-02	A	UNK	UNK	Current

Comments: This property is owned by College Park Housing Associates, a California Limited Partnership. Previously, the LHCDC was the general partner of College Park Housing Associates. On September 2, 2011, the LHCDC, as the general partner of College Park Housing Associates, was replaced by Community Development Associates, Inc. The project received funding from several sources, all of which are current. All of the loan amounts shown above are reflected in the August 31, 2011 PTR. In addition, UFI was unable to independently resolve an inconsistency with respect to the loan amount sourced to County Home. However, City staff has resolved the matter by providing file documentation that shows that the County HOME loan includes \$608,826 of City controlled HOME funds. In addition, City staff has provided documentation that the City HOME loan of 7-11-08 is sourced to the State. Although not reflected with the PTR, during 2010 PacWest Bancorp, through its wholly-owned subsidiary Pacific Western Bank, purchased substantially all of the liabilities of Los Padres Bank from the FDIC as Receiver of Los Padres.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit

Loan Type: A = Amortizing, D = Deferred

Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing

Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished

Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 17
 Address: 107 E. Ocean Avenue
 APNs: 085-122-22
 Housing Type: Vacant Land (Commercial)
 Affordability Covenant: N/A
 Status of Covenant(s): N/A

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
LRDA	\$70,000	3.0%	N/A	11-14-03	D	10-31-08	FS	Repaid
HH & JM Jay	410,000	UNK	1st	8-15-08	A	UNK	RF	Deed in Lieu 10-13-11

Comments: The LRDA loan was repaid and a full reconveyance was recorded on 11-12-08. The LRDA loan did not require any affordability covenants. The LHCDC provided Hugh H. and Janet Marie Jay, the beneficiary under their \$410,000 8-15-08 loan, a Deed in Lieu of Foreclosure.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit

Loan Type: A = Amortizing, D = Deferred

Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing, FS = Feasibility Study

Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished

Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

Property Number: 18
 Address: 112 & 122 N. "H" Street
 APNs: 085-122-03, 16 & 21
 Housing Type: None (Commercial Building and Parking Lot)
 Affordability Covenant: N/A
 Status of Covenant(s): N/A

Lender	Amount	Rate	Priority	Loan Date	Type	Maturity	Purpose	Status
LRDA	\$700,000	0%	1st	6-20-07	A	4-30-11	PM/RH	Foreclosure Authorized
City CDBG	225,000	0%	2nd	4-17-06	A	4-30-11	PM	Unknown
Calvert Loan	175,000	6%	3rd	4-4-06	A	4-30-37	PM	Unknown

Comments: A PTR was not available for this site. On August 7, 2012, the Successor Agency authorized staff to initiate foreclosure with respect to the \$700,000 LRDA loan (originally \$250,000 and amended to \$700,000). Staff has advised that the matter was forwarded to the Oversight Board for consideration and that the Oversight Board rejected the action. The matter is now under further review. If foreclosure is pursued, it is unknown if there will be bidders at the ultimate Trustee's Sale that will be willing to pay the full outstanding due on the LRDA loan. If not, then the Successor Agency will receive a Trustee's Deed. A foreclosure will extinguish all junior liens and writs of attachment. The August 7, 2012 staff report refers to concerns that HUD may have with respect to the extinguishment of the CDBG loan. In the event the Successor Agency obtains title, it could enter into a replacement agreement containing CDBG program requirements (24 CFR § 507.503), which may be satisfactory to HUD. The three original loans were for purchase money purposes. The record reflects that a portion of the amended LRDA loan was for pre-development purposes, i.e., rehabilitation design. Please note that in all cases where the status of a loan is shown as "Unknown", such status indicator does not mean that the status could not be known; it only means that the data provided to UFI was not sufficient for UFI to indicate a specific status.

Legend:

Covenant Type: LRDA = Redevelopment Agency, HUD = U. S. Department of Housing and Urban Development, TC = CTCAC Tax Credit
Loan Type: A = Amortizing, D = Deferred
Loan Purpose: PM = Purchase Money, RH = Rehabilitation, CO = Construction, RF = Refinancing
Priority: 1 = 1st TD, 2 = 2nd TD, 3 = 3rd TD, R = Repaid, E = Extinguished
Maturity: The reference to maturity relates only to the financing.



Financial Summary Analysis

DATA DISCLAIMER

The data contained in this report is based on data provided by the City of Lompoc, including preliminary title reports dated August 30, 2011, September 2, 2011, October 17, 2011, October 20, 2011, or November 15, 2011. Please note that City of Lompoc staff was requested to provide UFI with more current preliminary title reports. Citing cost constraints, in lieu of more current preliminary title reports, City of Lompoc staff provided UFI with spreadsheets dated November 15, 2011, December 6, 2011 and July 11, 2012 indicating more current information ("Supplemental Information"). UFI was directed to use the Supplemental Information as a data source and, therefore, this report includes information from these sources. However, these data were not independently verified by UFI and, therefore, UFI is unable to attest to the accuracy of such data. Notwithstanding, City of Lompoc staff have assured UFI that the data provided to UFI is reliable and accurate. It is important to state that the missing or unknown matters indicated in the foregoing summary sheets are related to the lack of current information. Further and as noted above, in all cases where the status of a loan is shown as "Unknown", such status indicator does not mean that the status could not be known; it only means that the data provided to UFI was not sufficient for UFI to indicate a specific status.



Financial Summary Analysis

LHCDC-OWNED PROPERTIES WITHOUT PUBLIC FINANCING

Name	Property Address	City	Lender
Vacant Lot	604 North Q Street	Lompoc	Donated Land
Vacant Lot	903 West College Avenue	Lompoc	Donated Land
Roskowski Building	113-117 South H Street	Lompoc	Private
Cox Properties	123 & 126 North H Street	Lompoc	Private

Exhibits



Exhibit 1 – Lompoc Housing Loan Summary

Exhibit 2 – List of LHDCDC Properties within the City of Lompoc

Exhibit 1

Exhibit 1

*Amended August 30, 2013

Property No.	Address	Private	LRDA/CHFA /HELP	CITY HOME	CDBG	CITY STATE HOME	LAHTF	County	State	CDLAC Bonds	Total
1	120-120 1/2 S. "K" Street	\$160,000	\$33,597								\$193,597
2	203 N. "N" Street				\$20,000	\$65,000		\$112,587			\$197,587
3	305-309 N. "K" Street	\$700,000	\$156,000					\$150,000			\$1,006,000
4	328-330 N. "K" Street	\$437,500	\$75,000	\$353,600	\$218,366			\$245,000			\$1,329,466
5	401-405 W. Chestnut Avenue	\$220,000	\$22,000								\$242,000
6	434-438 N. "L" Street	\$750,000	\$157,300	\$46,335				\$280,000			\$1,233,635
7	500-504 N. "T" Street	\$288,570			\$150,000						\$438,570
8	501-513 N. "S" Street & 508 N. "T" Street	\$1,679,203	\$181,050		\$243,950						\$2,104,203
9	503, 507 & 507 1/2 No. "B" Street & 613 E. Maple Avenue	\$247,700			\$314,407						\$562,107
10	518 N. "T" Street		\$240,000		\$140,000		\$280,975				\$660,975
11	521-537 N. "T" Street	\$2,030,000	\$524,825	\$227,000		\$53,000					\$2,834,825
12	709 & 713 N. "E" Street	\$330,000	\$132,825	\$75,000							\$537,825
13	717-721 N. "E" Street	\$335,000		\$30,000	\$30,000	\$50,000					\$445,000
14	725-733 N. "E" Street	\$745,000	\$44,302	\$97,629				\$112,000			\$998,931
15	114 S. "K" Street		\$375,000								\$375,000
*16	201 & 207 E. College Avenue	\$210,000		\$871,760		\$159,000		\$1,326,640	\$2,362,046	\$9,956,900	\$14,886,346
17	107 E. Ocean Avenue	\$410,000	\$70,000								\$480,000
18	112 & 122 N. "H" Street	\$175,000	\$700,000		\$225,000						\$1,100,000
Totals		\$8,717,973	\$2,711,899	\$1,701,324	\$1,341,723	\$327,000	\$280,975	\$2,226,227	\$2,362,046	\$9,956,900	\$29,626,067

Note: Per City staff, the amount of the LAHTF loan for Property No 10. was \$560,000 of which only \$280,975 was actually funded. City HOME is through S.B. Co. Consortium. City State HOME is direct HOME funding from the State prior to joining the Consortium. Current City State HOME is derived from program income.

Lompoc Housing Loan Summary

REVISED

Property No.	Address	Private	LRDA/CHFA /HELP	CITY HOME	CDBG	CITY STATE HOME	LAHTF	County	State	CDLAC Bond	Total
1	120-120 1/2 S. "K" Street	\$160,000	\$33,597								\$193,597
2	203 N. "N" Street				\$20,000	\$65,000		\$112,587			\$197,587
3	305-309 N. "K" Street	\$700,000	\$156,000					\$150,000			\$1,006,000
4	328-330 N. "K" Street	\$437,500	\$75,000	\$353,600	\$218,366			\$244,000			\$1,329,466
5	401-405 W. Chestnut Avenue	\$220,000	\$22,000								\$242,000
6	434-438 N. "L" Street	\$750,000	\$157,300	\$46,335				\$280,000			\$1,233,635
7	500-504 N. "T" Street	\$288,570			\$150,000						\$438,570
8	501-513 N. "S" Street & 508 N. "T" Street	\$1,679,203	\$181,050		\$243,950						\$2,104,203
9	503, 507 & 507 1/2 No. "B" Street & 613 E. Maple Avenue	\$247,700			\$314,397						\$562,107
10	518 N. "T" Street		\$240,000		\$140,000		\$280,975				\$660,975
11	521-537 N. "T" Street	\$2,030,000	\$524,825	\$227,000		\$53,000					\$2,834,825
12	709 & 713 N. "E" Street	\$330,000	\$132,825	\$75,000							\$537,825
13	717-721 N. "E" Street	\$335,000		\$30,000	\$30,000	\$50,000					\$445,000
14	725-733 N. "E" Street	\$745,000	\$44,302	\$97,629				\$112,000			\$998,931
15	114 S. "K" Street		\$375,000								\$375,000
16	201 & 207 E. College Avenue	\$210,000		\$608,826		\$159,000		\$1,589,574	\$2,362,046	\$9,956,900	\$14,886,346
17	107 E. Ocean Avenue	\$410,000	\$70,000								\$480,000
18	112 & 122 N. "H" Street	\$175,000	\$700,000		\$225,000						\$1,100,000
Totals		\$8,717,973	\$2,711,899	\$1,438,390	\$1,341,723	\$327,000	\$280,975	\$2,489,161	\$2,362,046	\$9,956,900	\$29,626,067

Note: Per City staff, the amount of the LAHTF loan for Property No 10. was \$560,000 of which only \$280,975 was actually funded. City HOME is through S.B. Co. Consortium. City State HOME is direct HOME funding from the State prior to joining the Consortium. Current City State HOME is derived from program income.

Exhibit 2

List of LHCDC Properties within the City of Lompoc

Project Address	Parcel Number	Project Name
120 & 120 1/2 South K Street	9110217	South K Cottages
203 North N Street	9105108	Marks House
305 North K Street	9102121	Portabello Apartments
309 North K Street	9102122	Portabello Apartments
328-330 North K Street	9102217	K Street Apartments
401-405 West Chestnut	9102108	Chestnut Apartments
434 North L Street	8923117	Casa Con Tres Apartments
438 North L Street	8923118	Casa Con Tres Apartments
500-504 North T Street	8916109	Voelker Apartments
501-505 North S Street	8916108	Jay Apartments
508 North T Street	8916110	Jay Apartments
509-513 North S Street	891607	Jay Apartments
503, 507 & 507 1/2 North B Street	8721123	North "B" Street Apartments
613 E. Maple Street	8721124	North "B" Street Apartments
518 North T Street	8916112	T Street Parcel/Vacant Lot
521 North T Street	8915206	T & College Apartments
525 North T Street	8915205	T & College Apartments
529 North T Street	8915204	T & College Apartments
533 North T Street	8915203	T & College Apartments
537 North T Street	8915202	T & College Apartments
709 North E Street	8710109	Southern Court Apartments
713 North E Street	8710108	Southern Court Apartments
717 North E Street	8710107	Courtyard South Apartments
721 North E Street	8710106	Courtyard South Apartments
725 North E Street	8710105	Courtyard Apartments
729 North E Street	8710104	Courtyard Apartments
733 North E Street	8710103	Courtyard Apartments
114 South K Street	9110218	Casa Del Desarrollo/Vacant Lot
201 & 207 E College Avenue	8713201	G & College Apartments
107 E Ocean Avenue	8512222	Old Town Lompoc Plaza Project
112-114 North H Street	8512216	Theatre (Commercial Loan)
122 North H Street	8512221	Theatre (Commercial Loan)
501-517 North T Street	8915207	Arn Apartments
2025 Sweeny Road	9915057	Bridgehouse
2025 Sweeny Road	9915064	Bridgehouse
903 West College Avenue	8914308	Community Garden
733 North C Street	8710320	Gianni Apartments
123 North H Street	8512116	Parking Lot
113-115 South H Street	8516108	Ruskowksi Building
117 South H Street	8516109	Ruskowksi Building
136 North H Street	8512220	Vacant Lot
604 North Q Street	8914304	Vacant Lot
110 South K Street	9110219	Vacant Lot