



# LOMPOC HOUSING TRUST FUND FUNDING APPLICATION EVALUATION

Applicant: Habitat for Humanity

Project Address: 308 North "K" Street, Lompoc, CA 93436

Project Description: Applicant proposes to rehabilitate 1 single family unit for an ADA buyer and construct a new two-story structure with 2 new single family units for first-time homebuyers. The rehabilitated unit will be a 2-bedroom unit at Moderate-Income affordability, and the new structure will contain one 3-bedroom unit at Lower-Income affordability on the top floor, and one 4-bedroom unit at Lower-Income affordability on the bottom floor.

Amount Requested: \$340,000.00

Three points are earned for the Excellent box checked, two points earned for the Good box checked, and one point earned for the Fair box checked.

**COST EFFECTIVENESS  
FEASIBILITY:** 2 Points

Development Cost: \$725,000                      Developer Profit: \$0.00

Cost/Square Foot: \$205.56                      Loan Cost/Affordable Unit: \$113,333.33

Loan to Value Ratio: 97%                      Project Readiness: 04/2011  
*\*Value is based on project cost*                      Projected Completion Date: 04/2012

Overall cost effectiveness & feasibility of project:      Excellent      Good      Fair  
                                           

Three points earned for left column box checked, two points for the center column box checked, and one point for the right column box checked.

**CAPACITY:** 8 Points

	>10 yrs	5-10yrs	0-4 yrs
Developer:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	>10 yrs	5-10yrs	0-4 yrs
Contractor:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	>5	1-4	0
Previous City projects:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

One point earned per private funding source or owners equity identified, an additional point earned for each funding source committed, and an additional point earned for each funding source already funded.

**FUNDING DIVERSITY:** 5 Points

**Leveraging of other financing:**

<u>% of Cost:</u>	<u>Source:</u>	<u>Amount:</u>	<u>Committed:</u>	<u>Funded:</u>	<u>Owner Equity/ Commercial:</u>
47%	Lompoc HTF (0%)	\$340,000.00	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31%	RDA Housing Set-Aside (0%)	\$225,000.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18%	Heritage Oaks Bank (5.49%)	\$135,000.00	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3%	Construction Loan	\$ 19,717.00	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1%	Donations/Contributions	\$ 5,283.00	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
100%	<b>Total Finance Cost:</b>	<b>\$ 725,000</b>			

Points earned as assigned per line item.

**PRIORITY COMMUNITY OBJECTIVES:** 16 Points

	Yes	No
Develops blighted property (2 pt):	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Enhances neighborhood (2 pt):	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Special needs services (2 pt):	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Single-head of household units (1 pt):	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Supportive services (1 pt):	<input type="checkbox"/>	<input checked="" type="checkbox"/>
First-Time Homebuyer Units (2 pt):	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Promotes Economic Diversity (1 pt):	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Conforms w/Gen & Spec Plans (1 pt):	<input checked="" type="checkbox"/>	<input type="checkbox"/>
# Very-low income units: (3pts each)	<input type="checkbox"/>	
# Low-income units: (2pts each) <input checked="" type="checkbox"/> 2-unit		
# Median-income units (1.5 pts ea)	<input type="checkbox"/>	
# Moderate-income units: (1 pt each) <input checked="" type="checkbox"/> 1-unit		

PROJECT BONUS:  Points

	Yes	No
Farmworker housing: (2pts each)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
# Large family units: (3pts each)	<input checked="" type="checkbox"/> 1-3br unit & 1-4br unit	
Overall Project bonus: (Up to 3 pts)	<input checked="" type="checkbox"/> 3 bonus points awarded – 2 FTHB units, 1 ADA unit	

---

---

TOTAL PROJECT POINTS RECEIVED:  Points

**COMMENTS:**

Agency staff has evaluated the application for funding submitted by HFH, based on the funding criteria detailed in the Lompoc Affordable Housing Trust Fund Program Implementation Plans. Agency staff recommends the application be forwarded to the Oversight Committee for review and based on the committees' recommendation be presented to the City Council for final funding consideration.

---

---

Submitted for Review: February 17, 2011

Completed

By:   
Title: Redevelopment Program Coordinator

Approved

By:   
Title: Community Development Director

---

---

Request return to Community Development Director by: March 4, 2011

Committee Approval Date: \_\_\_\_\_

By:   
Finance

By:   
Building

By:   
City Administrator

**COMMENTS:** This project has been in the works for 5 years. In order to assist Habitat for Humanity in completing this project, the Housing Trust Fund will be providing the construction financing needed to build the units in order to provide moderate- and lower-income families an opportunity to become first time home buyers. A portion will also assist in the rehabilitation of one unit for a disabled individual to live in. Construction/ predevelopment costs will be repaid through the sale of the units. Staff realizes that the Loan to Value Ratio is high at 97%, however given the nature of the project, Habitat for Humanity's mission to provide affordable housing through self-help sources, and their proven track record with past projects, staff feels this will be a worthwhile project.

---

---

**LOMPOC HOUSING TRUST FUND  
RECOMMENDATION FOR APPROVAL**

---

---

**TO:** ARLEEN T. PELSTER, AICP, COMMUNITY DEVELOPMENT DIRECTOR  
**FROM:** LINDA WERTMAN, REDEVELOPMENT PROGRAM COORDINATOR  
LAURA MIRANDA, HOUSING PROGRAMS TECHNICIAN  
**SUBJECT:** HABITAT FOR HUMANITY - APPLICATION FOR CONSTRUCTION/PREDEVELOPMENT  
FINANCING TO CONSTRUCT A NEW TWO-STORY STRUCTURE WITH 2 AFFORDABLE  
SINGLE FAMILY UNITS AND ALSO REHABILITATE 1 AFFORDABLE SINGLE FAMILY TO  
AN ADA UNIT FOR A DISABLED INDIVIDUAL AT 308 NORTH K STREET  
**DATE:** 2/17/2011

---

**Applicant:** Habitat for Humanity

**Requested Loan**

**Amount:** \$340,000 (Predevelopment & Construction)

**Recommended Loan**

**Approval:** \$340,000

**Project Description:** The project is located on an R-3 lot with an existing 2 bedroom 1 bath 927 sq. ft. home that will be remodeled to accommodate a moderate-income disabled individual. In addition, a new two-story structure will be constructed in the back portion of the lot that will have a 1300 square foot 3 bedroom single family unit on the top and a 1300 square foot 4 bedroom single family unit on the bottom. These units will be affordable to first time lower-income homebuyers. A 4 car carport will also be constructed at the back of the lot for resident parking. The project is located at 308 North K Street.

**Affordability**

**Restriction:**  
1 - 2 Bedroom Unit @ Moderate-Income  
1 - 3 Bedroom Unit @ Lower-Income  
1 - 4 Bedroom Unit @ Lower-Income

**Total Project Costs:** \$725,000

**Construction**

<b>Loan Funds:</b>	(47%) Lompoc HTF	\$ 340,000
	(31%) RDA Set-Aside	\$ 225,000
	(18%) Heritage Oaks Bank	\$ 135,000
	( 3%) Construction Loan	\$ 19,717

**Equity Funds:** ( 1%) Donations/Contributions \$ 5,283

## **RDA Recommendation:**

Agency staff has evaluated the application for funding submitted by Habitat for Humanity. Based on the funding criteria detailed in the Lompoc Affordable Housing Trust Fund Program Implementation Plans Section C1, Agency staff recommends the loan be approved in the amount of \$340,000.

Agency staff realizes that the Loan to Value ratio is high at 97%, however given the nature of the project, Habitat for Humanity's mission to provide affordable housing through self-help sources, and their proven track record with past redevelopment projects, staff feels this will be a worthwhile project. This funding will allow this long standing project to move forward and will provide the funds necessary to pay City and other fees associated with the recordation of a condominium map for the site. It will fill the temporary gap needed for construction, which has been estimated to be completed in 1 year, and will be re-paid upon sale.

This project will assist a community need in the City by providing affordable units for lower-income first time home buyer individuals and assist a disabled individual with the opportunity of handicapped accessible home ownership. This project will create 2 lower-income units and 1 ADA moderate-income housing unit within the City of Lompoc and Old Town Redevelopment Project Area.

Agency staff recommends the application be forwarded to the Oversight Committee for their review and recommendation and their recommendation be presented to the City Council for final funding consideration at the April 5, 2011 Council Meeting.



## Lompoc Affordable Housing Trust Fund APPLICATION FOR FUNDING

Office Use Only:

If you (or your organization) have a proposed affordable housing project and are interested in receiving a loan from the Lompoc Affordable Housing Trust Fund Program, please provide as much of the following information as is currently available.

1. Project Title: K Street Project	
2. Project Address: 308 N K Street, Lompoc, Ca. 93436	
3. Name of Organization: Habitat for Humanity, Northern Santa Barbara County, Inc. Contact Person: Richard Brown Mailing Address: P.O.Box 5873 Santa Maria, Ca. 93456  Telephone Number: 805-928-5399 FAX: 805-928-8108 E-mail: Brownie1430@msn.com	
4. Amount of funding required / requested: \$340,000	
5. Activity Type:	Who will occupy the units?
<input checked="" type="checkbox"/> Predevelopment	<input type="checkbox"/> Homeowners
<input type="checkbox"/> Acquisition	<input checked="" type="checkbox"/> First-time Homeowners
<input checked="" type="checkbox"/> New Construction	<input type="checkbox"/> Renters
<input type="checkbox"/> Conversion of Commercial to Residential	<input type="checkbox"/> Protected Group (Elderly, disabled, etc.)
<input type="checkbox"/> Mixed Use	
<input checked="" type="checkbox"/> Other	
6. Briefly describe your program or project proposal, including the use of Lompoc Affordable Housing Trust Fund Program funds; total cost; number of housing units to be produced (total square feet to be constructed or converted, if available); households to be served; number of bedrooms; number of bathrooms; characteristics of clientele/beneficiaries served (elderly, large families, developmentally disabled, etc.), and any other relevant data, including any requirement and proposal for inclusionary housing. Attach one extra page of narrative, if necessary. If the proposed program/project involves the acquisition of real property (i.e. a site for a housing construction project), attach documentation of "site control" (such as grant deed or option agreement). If the proposed program/project includes temporary or permanent relocation, attach your Relocation Plan, project residential and/or business tenant survey and copies of the General Information Notices sent to each effected household. Include the cost of relocation in your pro forma/ budget.  The project is located on an R-3 lot with an existing 2 bedroom 1 bath home. This home will be converted to the same type of home that is handicapped accessible. In addition one single family 4 bedroom with 2 baths as well as a 3 bedroom 2 bath unit. Homes 2 and 3 are full floors in a two story flat. The 2 story flat is an addition, for a total of 3 units.	

7. Briefly describe the applicant's organization structure (i.e. non-profit entity: tax-exempt, local development corporation, neighborhood-based, etc.; for-profit entity: sole proprietorship, partnership, corporation, etc.; non-profit/for-profit joint venture, etc.). Describe your organization's previous experience in implementing projects similar to the activity proposed. Attach resumes and references for each member of the proposed development team (i.e. developer, architect, consultants, project contractor, etc.). Also, please indicate if this project will be exempt from property taxes.

HFH-NSBC is a 501c3 non profit corporation. We build new and repair homes for low low and moderate income families. We have repaired homes in Lompoc, Santa Maria and Guadalupe as well as building new homes in the county of Santa Barbara, and in the Cities of Lompoc and Santa Maria. The property is exempt from property taxes until sold to a family unit.

8. Briefly describe the goals and objectives to be achieved by the proposed project.

Housing will be provided to 3 of the 415 families that we have on our waiting list.

9. Current property status:

- |  |  |
|--|--|
| <input type="checkbox"/> Private Owner               | <input type="checkbox"/> Public Owner                |
| <input checked="" type="checkbox"/> Non-Profit Owner | <input type="checkbox"/> Owner-Occupied              |
| <input type="checkbox"/> Renter-Occupied             | <input checked="" type="checkbox"/> Vacant Structure |
| <input type="checkbox"/> Vacant Lot                  |  |

10. What is the estimated date of construction or program start? Identify and then describe your plans to overcome any barriers to the project/program start date (e.g., zoning, environmental issues, relocation). Attach a list of major benchmarks in the development and implementation of the project, including receipt of funding commitments. Be sure to include completion dates.

The project should start in April or May 2011, subject to a project approval by the City of Lompoc. Construction of all 3 buildings will take about 12 months.

11. For proposed rental projects, identify the number of assisted units, and rents by apartment size, including any inclusionary housing. Include the number of households targeted at Very-Low (50% AMI) area median income, Low (80% AMI) area median income, and Moderate (120% AMI) area median income. Specify what other funds are proposed for the project and the status of each application/commitment of funds. Attach a detailed project pro forma that includes the development budget with sources and uses of funds, the operating budget and a minimum 15-year cash flow projection.

N/A - see proforma

12. For proposed homeownership projects, describe the proposed sale price by size of unit, market value, down payment assistance, estimated range of family incomes expected to be served, and all other relevant underwriting assumptions, including any inclusionary housing. Specify what other funds are proposed for the project and the status of each application/commitment of funds. Attach a detailed project pro forma that includes the sources and uses of funds for the project.

The homes will be sold to a moderate income handicapped person and two low income families. Traditional loans for 20 to 30 years are required.

13. Proposed Financing: Please describe in detail the proposed financing plan and attach evidence of any financing commitments, including equity. List existing and proposed loans in order of priority. Attach one extra page of narrative, if necessary, to describe non-conventional loan terms or other unusual arrangements for financing the project.

<b>1st Loan:</b>		<b>2nd Loan:</b>	
Source:	<u>Traditional broker or Union</u>	Source:	<u>HFH-Nsnc</u>
Amount:	_____	Amount:	_____
Interest Rate:	<u>Zero</u> %	Interest Rate:	<u>Zero</u>
Term:	<u>30 Years</u>	Term:	<u>30 years</u>
Annual Debt Service	_____	Annual Debt Service	_____

<b>3rd Loan:</b>		<b>4th Loan:</b>	
Source:	_____	Source:	_____
Amount:	_____	Amount:	_____
Interest Rate:	_____ %	Interest Rate:	_____
Term:	_____	Term:	_____
Annual Debt Service	_____	Annual Debt Service	_____

Total Loans: \_\_\_\_\_ Project Valuation: \_\_\_\_\_ LTV Ratio: \_\_\_\_\_

Amount of Private Equity: \_\_\_\_\_ (Name of investor group)

Low-Income Tax Credits: \_\_\_\_\_ (Name of equity source)

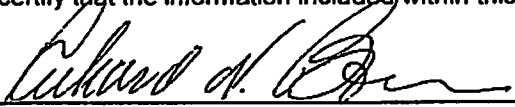
Others: Heritate Oaks bank (Name of equity source)

Total Equity Financing: \_\_\_\_\_

TOTAL PROJECT FINANCING: \$224,000 725,000 (12)

CERTIFICATION

I certify that the information included within this application is true and complete to the best of my knowledge.

  
Applicant





### Fair Credit Reporting Act

As part of processing your application for a Redevelopment Agency Funding, we may request a consumer report bearing on your creditworthiness, credit standing, and credit capacity.

This notice is given pursuant to the Fair Credit Reporting Act of 1970, Section 601 to Section 622, inclusive. You are entitled to such information within 60 days of written demand therefore made to the Credit Reporting Agency pursuant to Section 607(b) of the Fair Credit Reporting Act.

*Richard B...*  
Applicant

1-28-2011  
Date

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date



**PREVAILING WAGE DISCLOSURE**

The California Labor Code imposes prevailing wage requirements upon projects (in excess of \$1,000.00) "paid for in whole or in part out of public funds". Laws and Regulations pertaining to the payment of prevailing wages can be found in the California Labor Code Sections 1720-1815.

If you receive a loan from the Lompoc Redevelopment Agency for construction, alteration, demolition, installation, or repair work done under contract, the prevailing wage requirements will apply to the entire project. This means that any contractor or subcontractor who performs work on the project must pay workers the prevailing wage for the appropriate trade, classification or type of work. The current prevailing wage rates are determined by the California Director of Industrial Relations and available from the Department of Industrial

[http://www.dir.ca.gov/DLSR/statistics\\_research.html](http://www.dir.ca.gov/DLSR/statistics_research.html)

Each contractor and subcontractor must keep accurate payroll record and

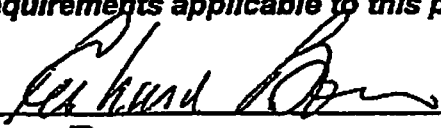
Non-compliance with prevailing wage requirements may subject a contractor

Borrower undertakes and agrees to defend, indemnify, and hold harmless the

Lompoc Redevelopment Agency, the City of Lompoc and their staff, officers and employees from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, reasonable attorney's fees, City Attorney fees, and costs of litigation, damage or liability of any nature whatsoever, arising in any manner by reason of or incident to the performance on the part of the Borrower or any contractor or

Each contractor and subcontractor on the project must sign this disclosure.

*I certify that I have read the above and will comply with the prevailing wage requirements applicable to this project:*

  
\_\_\_\_\_  
Owner/Borrower

1-28-2011  
Date

\_\_\_\_\_  
Contractor/Subcontractor

\_\_\_\_\_  
Date



## HOUSING LOAN APPLICATION FEE DISCLOSURE

The following fees are estimates for your Redevelopment Agency loan

	\$0.00 to \$200,000.00 Loan	\$200,000.01 to \$250,000.00 Loan	\$250,000.01 to \$360,000.00 Loan	\$360,000.01 and above
Credit Report:	\$25.00	\$25.00	\$25.00	\$25.00
Environmental:	\$50.00	\$75.00	\$100.00	\$100.00
Processing:	\$25.00	\$25.00	\$25.00	\$50.00
Title/Escrow:	\$100.00	\$125.00	\$200.00	TBD*
<b>TOTAL:</b>	<b>\$200.00</b>	<b>\$225.00</b>	<b>\$300.00</b>	<b>TBD*</b>

\*Please contact our Agency for these fee estimates

There may be an additional charge for an appraisal, if required by the Agency.

I/We understand that the above-mentioned fees are associated with my/our loan application, and are due and payable at the time of application submittal. I/We understand that these fees are nonrefundable and are necessary to process my/our application, regardless of whether or not my/our loan is approved. I/We understand that the fees listed above are estimates and that our specific fees may differ.

  
\_\_\_\_\_  
Signature of Applicant

1-28-2011  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date