

Lompoc Housing & Community
Development Corporation



29 April 2010

Ms. Linda Wertman
Redevelopment Program Coordinator
Lompoc Redevelopment Agency
100 Civic Center Plaza
Lompoc, CA 93436

Dear Linda,

This letter is to request an extension of RDA Loan #59753, which provided land acquisition funds for the Casa del Desarrollo project, to be located at 114 South K Street. As you are aware, the current funding environment for special needs affordable housing development is very poor, as are the prospects for funds required to provide the supportive services necessary for the successful operation of such projects. Thus, the Casa del Desarrollo project, which was to have provided 19 supportive housing units for young adults exiting the foster care system, is no longer feasible.

A few months ago, the Lompoc Housing and Community Development Corporation (LHCDC) requested a short-term extension of this loan in order to explore other possible paths to a workable affordable housing project for this site. Since the short-term extension was granted, LHCDC has explored several options, including a joint venture with North Santa Barbara County Habitat for Humanity to move several existing houses owned by the Housing Authority of Santa Barbara County to the South K site in order to provide first-time homebuyer opportunities. However, this option, as well as the option of building new homes, is not feasible in the existing housing and finance climate. In another approach, LHCDC queried several local lenders about refinancing the acquisition loan for the property, but none were interested since the land is currently not worth its 2006 acquisition price.

Therefore, LHCDC respectfully requests a two-year extension of the loan as the only current option that will leave the door open to fully repaying this loan. As you know, affordable housing and community-serving project development is an arena in which new programs (i.e., funding sources) are frequently created. Thus, during the two-year period, LHCDC would continually review new programs and project possibilities with the goal of finding a solution that works for this property. In addition, should the value of the raw land return during that time, LHCDC would then either sell or refinance the property in order to repay the RDA loan.

Thank you for your kind consideration of this request. If you have any questions, please contact me at 805-934-3534.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan Ehrlich".

Susan Ehrlich
Executive Director

cc: Arleen Pelster, City of Lompoc
Susan Warnstrom, LHCDC