

Housing Authority of the County of Santa Barbara

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December 11, 2020

Mr. Jim Throop, City Manager City of Lompoc 100 Civic Center Plaza Lompoc, CA 93436

Dear Mr. Throop,

The Housing Authority owns nine affordable housing rental units within the City of Lompoc located at the addresses listed below. These nine scattered site units are currently part of our Public Housing inventory. The Housing Authority is pursuing an opportunity to "reposition" the asset out of Public Housing but maintain it as affordable housing under the Housing Choice Voucher Program. This repositioning opportunity is available through a U.S. Department of Housing & Urban Development (HUD) Program called the Rental Assistance Demonstration Program (RAD). Please note we will not be adding any additional units under this Program, just changing the form of assistance to the existing units.

Under the RAD program, we plan to submit an application to remove the property from Public Housing and convert it, or in HUD's terms, "dispose it" to a not-for-profit Housing Provider and utilize Project Based Vouchers.

There are three main reasons for converting the property. First, the Project Based Vouchers will provide an increase of funding over the Public Housing Program. This will enable us to maintain the property properly and provide additional funding to address deferred maintenance. Second, the vouchers will provide a more stable source of funding because the Public Housing Program subsidy fluctuates from year to year, depending upon what Congress decides to appropriate. The Voucher Program has not been subject to the same fluctuation in appropriations as the Public Housing Program. Third, the Voucher Program is less administratively burdensome than the Public Housing Program.

Our application will provide that these 9 units will be removed from Public Housing and sold at fair market value to our affiliate not-for-profit Surf Development Company. The 9 units will be preserved as affordable housing. The funds received from the sale will be used to finance future affordable housing elsewhere in Santa Barbara County.

This repositioning will not require the existing tenants to move and will not change the rent they currently pay to the Housing Authority. Following are the addresses of the 9 Public Housing scattered site units:

- 810 North L Street
- 818 North L Street
- 909 North L Street
- 911 North L Street
- 802 North M Street
- 909 North M Street
- 914 North N Street
- 925 North N Street
- 914 North O Street

As required by HUD, a resident meeting was properly noticed and then held on July 9, 2020 and we did not receive any opposition to our plan from the tenants. Attached is the agenda and Q&A's from this meeting.

For technical reference, we are seeking HUD's disposition approval under Section 18 of the 1937 Act, 24 CFR part 970, and PIH Notice 2018-04 (attached). Part of the application requirement is confirmation of local jurisdiction support of the disposition in the form of a letter from the City Mayor. For convenience, attached is a sample letter, but please feel free to modify as needed.

We believe this proposal is in the best interest of our community. I am available to meet in person or arrange a call if you would like to discuss this further.

Thank you for your consideration.

Robert P. Havlicek Jr Executive Director

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