



**Community
Services
Department**
Connecting People to Opportunities

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Date: July 26, 2017
To: Santa Barbara County Capital Loan Committee
From: Laurie Baker, Grants and Program Manager
Matt Kropke, Housing Program Specialist
RE: Staff Report for the Good Samaritan Shelter 310 N School St. proposed project
For the meeting of the Capital Loan Committee
July 31, 2017, 2:30 – 4:30 P.M.
706 Laguna St., Santa Barbara, CA

The purpose of this staff report is to provide information on a request for HOME funding received by the County for a transitional housing project. The County's Capital Loan Committee makes funding recommendations to the County Board of Supervisors (Board) for eligible projects under the HOME program.

The County receives an annual allocation of HOME funds from the U.S. Department of Housing and Urban Development (HUD) to be used to expand the supply of affordable housing to low-income households. The use of HOME funds must be included in the County's annual Action Plan and if the project is received after the Action Plan has been approved by the Board and submitted to HUD, the County's Action Plan must be amended to include the HOME-funded project. A Substantial Amendment to the FY 2017-18 Action Plan will be prepared to include the 310 N School Street (Project), pending a recommendation by the Capital Loan Committee and approval by the Board.

Project Details

Good Samaritan Shelter has executed a purchase agreement to acquire property at 310 N School Street in Santa Maria and operate the building as residential treatment (transitional housing) for women and children. The facility is a single family home that has been converted to a group home for communal living, consisting of 7 bedrooms and 4 bathrooms. A second structure contains two bonus rooms with a half bath.

The property is not currently occupied and has been vacant for several months. It was originally owned and used by Domestic Violence Solutions for housing victims of domestic violence. The facility is in good shape and is ADA accessible. The property is zoned as a single family home and can currently serve up to 6 individuals and a live-in house manager. Minor rehabilitation includes replacing the exterior staircase, painting the inside & outside of the building, upgrading the landscape and installing new flooring/ carpet.

The property is situated in a residential neighborhood, very near to the center of downtown Santa Maria with access to public transportation, medical/ dental facilities, and shopping. Good Samaritan Shelter's Project PREMIE/ TC House Program is located on the next block north of the property. Good Samaritan Shelter proposes that the property would serve as a Residential Drug and Alcohol Treatment facility for low-income female individuals with priority given to veterans.

Outcomes

This will be the first Residential Treatment for Women (and their children) in Northern Santa Barbara County. Unlike Good Samaritan’s perinatal programs, this program will allow both single women and women with children to be able to get residential treatment. Many of these women have a history of experiencing domestic violence and drug & alcohol addiction, and need a safe haven to rebuild their lives, start their journey of sobriety and to reunite with their children. Good Samaritan Shelter is estimating that approximately 10 women (and their children) will successfully complete the residential treatment program on an annual basis and will move into permanent housing.

Timeline

Site Acquisition	9/29/17, as defined in escrow
Zoning/Planning approvals	N/A, no zone change
All funding commitments	9/12/17, BOS Tentative Hearing Date
Start of construction/rehab	10/9/17
Certificate of Occupancy	12/1/17

Sources and Uses

Sources:

Existing city of Santa Maria	\$ 54,000	City will subordinate to County
County HOME FUNDS	550,000	Subject to appraisal
Good Samaritan	26,000	
Total Sources	\$630,000	

Uses:

Purchase Price	\$575,000	Subject to appraisal
Appraisal/Environmental/Legal/Escrow	5,000	
Repairs and Maintenance:		
Paint Interior and Exterior	25,000	
New Carpet/Flooring	15,000	
Replace exterior staircase	5,000	
Landscaping	5,000	
Total Uses	\$630,000	

Operating Proforma

Attached is the operating proforma for the property. The County funds are proposed to be provided as a forgivable loan after 15 years of compliance with the County Regulatory Agreement. The Regulatory Agreement will require that the facility house low-income persons for a period of fifteen (15) years.

Good Sam expects operating and/or rent subsidies from Behavioral Wellness and is using a conservative 7.5% vacancy rate. Operating expenses include \$10K for the provision of case management services to clients and operating and replacement reserves. 6 bedrooms would be used for clients of the program while one would house an on-site manager. Services provided would include daily, on-site drug and alcohol treatment as well as a Case Manger on-site 10 hours per week.

Capital Loan Committee Action

HCD staff seeks a funding recommendation from the Capital Loan Committee in the amount of \$550,000, subject to value established by appraisal. The Committee's recommendation will be forwarded to the County Board of Supervisors at a regularly scheduled public hearing, tentatively scheduled for September 12. A 30-day public comment period followed by a public hearing is required by HUD when there are amendments to previously submitted Action Plans. The 310 N School St. project will be added to the FY 2017-18 Action Plan.

cc: Dinah Lockhart, Deputy Director Housing and Community Development
George Chapjian, Community Services Director