

Lompoc Redevelopment Agency Affordable Housing Project Criteria

Announcement Date: **December 1, 2009**

The Lompoc Redevelopment Agency is pleased to announce that it is accepting applications for funding affordable housing projects. The Lompoc Redevelopment Agency Funds can be used for the following affordable housing activities: first-time homebuyer housing; Inclusionary housing units; mixed-use projects; and multi-family housing predevelopment, acquisition, rehabilitation, and façade work.

Program Objective

To provide affordable housing opportunities through program partnerships with developers consistent with Agency affordable housing priorities.

Program Parameters

Affordable Housing. Agency funds must be used to directly provide affordable housing units. Single-family units must be affordable for at least 45 years and multi-family units must be affordable for at least 55 years, with “affordable” being defined by California Redevelopment Law section 50052.5 (*affordable rents and affordable sales price charts attached*).

Loan Conditions and Repayment. Agency funds are available as secured loans. Loans for single-family units may be assumed by eligible buyers and will accrue interest at 0% for 45 years. Multi-family, mixed-use and substantially rehabilitated units will accrue interest at 3% and will be repaid at the completion of construction, or as fully amortized permanent financing, which is determined by project feasibility analysis. The Agency lending policy requires a Debt Coverage Ratio of at least 1.15 and a Loan to Value Ratio of 85% or greater.

General Consideration for Program Design

Evaluation Criteria. Applications will be ranked on a competitive basis, using the following criteria:

- *Extent to which assisted units are affordable* (term, depth, amount, etc.)
- *Maximization of benefit* (number of units, agency funds per unit, number of families benefited, etc.)
- *Implementation readiness* (developers experience with the type of housing activity, staffing and administrative capacity, financial capacity, site control, other financing sources committed, developers track record with similar projects, etc.)
- *Comprehensiveness of physical design* (physical design aspects that enable the residents and incorporation of the development into the

community) and resident support structure (that potentially includes a community building, participatory management, personal enrichment, direct support services, and linkages to local support services, etc.).

Project Description. Applications must include a project description, including the use of Agency funds; total cost; number of housing units to be produced (total square feet and number of bedrooms); proposed sales price for owner occupied units; proposed rents by unit size for rental units, and level of affordability to very low-, low-, or moderate income households.

Federal, State and Local Requirements. Federal, State or local government requirements may apply in the process depending on the nature and structure of the housing project. These requirements may include State Prevailing Wages, Lead Based Paint mitigation, and/or compliance with Article 34 of the California State Constitution.

Proposal Limitations

Applicants are limited to developments proposed within the Old Town Lompoc Redevelopment Project Area (map attached).

Applicants are limited to a maximum request of **\$1,000,000** per project.

Documentation Required for Application Package

The documentation and information required below is not all-inclusive. Agency staff may require additional documentation, as necessary, to evaluate and rank broadly varying projects.

1. Completed Application for Funding.
2. Project Proposal. The project proposal should include, at a minimum:
 - a) The type of housing project (i.e. senior housing, rental, home ownership, etc.).
 - b) The number of units and households expected to benefit from the project (Redevelopment income levels, sales price, and rent guidelines attached).
 - c) A statement that describes how the proposal addresses an unmet affordable housing need in the community, with market studies if available.
 - d) A description of the comprehensive features of the proposed projects, such as the physical design of the development and its incorporation into the surrounding community; resident support structures such as the community building aspect of the project, participatory management or governance, personal enrichment or support services provided, etc.
 - e) The amount of funding being requested and the method of security, and source or guarantee for repaying the loan.
 - f) Evidence of site control or indication of potential site control, evidence of other financing sources in place, and other indications that the

proposed project has been well-developed and that implementation can begin as immediately as possible.

3. Relocation Plan (if necessary)
4. Detailed Project Proforma / Budget which includes:
 - Sources and Uses of Funds
 - Operating Budget and Reserves
 - Ten- to fifteen-year Cash Flow Projection (if applicable)
5. Resumes and References for each member of the proposed development team
6. Schedule of Performance
7. Development Budget and Timeline

Application Submittal

Applications must be received before 5:00 p.m. on February 1, 2010 for this funding. The Lompoc Redevelopment Agency anticipates that the participants for this round of funding will be selected and announced by **March 31, 2010**.

Applications will be accepted and evaluated on a first come, first serve basis depending on availability of funds.

Applications may be delivered to the Lompoc Redevelopment Agency, accordingly:

By mail: Lompoc Redevelopment Agency
Attn: Natalie Skarda
100 Civic Center Plaza
Lompoc, CA 93436

In Person: Lompoc Redevelopment Agency Staff
100 Civic Center Plaza
Lompoc, CA 93436

By facsimile: 805-875-8326

By e-mail: n_skarda@ci.lompoc.ca.us

2009 AFFORDABLE MULTIFAMILY RENTS

*Unit Size	30% of Monthly Income	-	**Utility Allowance	=	Actual Affordable Monthly Rent
VERY LOW RENTS - 30% of 50% AMI					
Studio	\$616	-	\$130	=	\$486
1-Bedroom	\$704	-	\$145	=	\$559
2-Bedroom	\$792	-	\$158	=	\$634
3-Bedroom	\$880	-	\$179	=	\$701
4-Bedroom	\$951	-	\$203	=	\$748
LOW RENTS - 30% of 60% AMI					
Studio	\$740	-	\$130	=	\$610
1-Bedroom	\$845	-	\$145	=	\$700
2-Bedroom	\$950	-	\$158	=	\$792
3-Bedroom	\$1,056	-	\$179	=	\$877
4-Bedroom	\$1,141	-	\$203	=	\$938
MODERATE RENTS - 30% of 110% AMI					
Studio	\$1,356	-	\$130	=	\$1,226
1-Bedroom	\$1,548	-	\$145	=	\$1,403
2-Bedroom	\$1,742	-	\$158	=	\$1,584
3-Bedroom	\$1,936	-	\$179	=	\$1,757
4-Bedroom	\$2,091	-	\$203	=	\$1,888

*Rents set at the appropriate sized unit for household size
 (studio-1person 1br-2person 2br-3person 3br-4person 4br-5person)
 **Utilities based on gas appliances. Listed allowance assumes all utilities are paid by tenant.
 Utility allowance breakdown is available upon request, or can be found on the Housing Authority of the County of Santa Barbara's website.

2009 SINGLE FAMILY REDEVELOPMENT AFFORDABILITY CHART

House Size	Very Low		Low		Median		Moderate	
	Maximum Income (HCD)	*Sales Price 30% of 50%	Maximum Income (HCD)	Sales Price 30% of 70%	Maximum Income (HCD)	Sales Price 30% of 100%	Maximum Income (HCD)	Sales Price 35% of 110%
Studio	\$27,250	\$68,100	\$43,600	\$108,516	\$49,300	\$169,140	\$59,150	\$226,397
1 bedroom	\$31,100	\$79,785	\$49,800	\$125,940	\$56,300	\$195,173	\$67,600	\$260,559
2 bedroom	\$35,000	\$91,574	\$56,050	\$143,508	\$63,350	\$221,410	\$76,050	\$277,756
3 bedroom	\$38,900	\$102,412	\$62,250	\$160,126	\$70,400	\$246,697	\$84,500	\$328,459
4 bedroom	\$42,000	\$109,241	\$67,250	\$171,587	\$76,050	\$265,106	\$91,250	\$353,429
5 bedroom	\$45,100	\$115,397	\$72,200	\$182,334	\$81,650	\$282,739	\$98,000	\$377,566
6 bedroom	\$48,250	\$126,976	\$77,200	\$198,545	\$87,300	\$305,898	\$104,800	\$407,287
7 bedroom	\$51,350	\$138,556	\$82,150	\$214,757	\$92,950	\$329,058	\$111,550	\$437,009

As of
5/15/2009

*Based on 5.25% @ 30years, \$400 Estimated Property Insurance, 1.15% Estimated Property Tax, .0015 Estimated Property Maintenance and Repairs, Utility Allowance per unit size w/gas heating, cooking and water heating, and an est. 5% down payment
 Rents set at the appropriate sized unit for household size (studio-1person 1br-2person 2br-3person 3br-4person 4br-5person)
 Based on 2009 Area Median Income



Lompoc Redevelopment Agency

APPLICATION FOR HOUSING FUNDS

If you (or your organization) have a proposed affordable housing project and are interested in receiving a loan or grant from the Lompoc Redevelopment Agency, please provide as much of the following information as is currently available. Please contact staff of the Lompoc Redevelopment Agency, Community Development Department, City of Lompoc for funding standards and requirements, evaluation criteria, and other information for guidance to assist you in preparing a competitive application.

1. Project Title:

2. Project Address:

3. Name of Organization:

Contact Person:

Mailing Address:

Telephone Number:

4. Amount of funding required / requested:

5. Activity Type:

Predevelopment

Acquisition

Substantial Rehabilitation
(\$25,000 or more per unit)

New Construction

Other Rehabilitation

Who will occupy the units?

Homeowners

First-time Homeowners

Renters

Protected Group (Elderly, disabled, etc.)

6. Briefly describe your program or project proposal, including the use of Agency funds; total cost; number of housing units to be produced and/or households to be served; characteristics of clientele/beneficiaries served (elderly, large families, developmentally disabled, etc.); whether the project may require Lead Based Paint mitigation and any other relevant data. 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 or a facility in which program services are provided), 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 affected household/unit. Include the cost of relocation in your pro forma/ budget.

7. Briefly describe the applicants organization structure (i.e. sole proprietorship, partnership, corporation, etc.), and include a copy of the regulatory agreement for the organization (i.e. partnership agreement, articles of incorporation, 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 coordinator, etc.)

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

9. What is the estimated date of construction or purchase? Identify and then describe your plans to overcome any barriers to the project 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 for each benchmark.

10. For proposed rental projects identify the number of assisted units, and rents by apartment size. Include the number of households targeted at Very-Low (50% AMI) area median income, Low (80% AMI) area median income, 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 proforma that includes the development budget with sources and uses of funds, the operating budget and a minimum 15-year cash flow projection.

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

CERTIFICATION

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

Applicant

Date

Co-Applicant

Date

**Lompoc Redevelopment Agency
Housing Funds Program**

ADDITIONAL INFORMATION REQUIRED

The following information is required for Agency Loan applications. By supplying all the necessary data, your application can be processed without delay.

- Development Plan which describes your project; current projected uses and sources Performa; project elevation and site plan; Owner/Principal Management Resume of experience; and also include Market Study, if available.
- Equal Credit Opportunity Act – Fair Lending Notice (attached)
- Credit Check Authorization (attached)
- Copies of Articles of Incorporation and Bylaws, Partnership Agreements, Business Licenses or Fictitious Business Name Statement, as applicable.
- Current Business Financial Statements and comparable period for prior year. Signed Personal Financial Statement for each principal (owner, partner, primary stockholder) of the business.
- Signed Business Tax Return for previous 2 years and signed Personal Tax Return for previous 2 years.
- Copy of current City of Lompoc Business License.
- Copy of current lease/rental agreement (if applicable) or Grant Deed.
- Prevailing Wage Disclosure (attached)
- Projected Income Statement, which forecasts business expenses and revenue for project/Projected 5 year cash flow of property (Performa).
- Projected 15 year Cash Flow of property (proforma) or business.
- Fee Disclosure
- Scope of Work with cost estimates

If New Construction Project :

- Resume of Development Team (include Builder, AIA & Developer)
- Site Control documentation
- Plans to overcome any barriers (e.g., zoning or environmental issues)

If Rehabilitation Project:

- Rent Rolls, Tenant Rolls
- Lead Based Paint Mitigation Plan (if applicable)
- Relocation Plan and copies of General Information notices sent to each affected household/unit



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.

Applicant

Date

Applicant

Date



Equal Credit Opportunity Act

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on a basis of race, color, religion, national origin, sex, marital status, age (provided that the applicant has the capacity to enter into a binding contract); because all or part of the applicant's income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Protection Act. The Federal Agency that administers compliance with this law concerning this creditor is the Federal Trade Commission, Equal Credit Opportunity, Washington, D.C. 20580.

Fair Lending Notice - State of California

Under the Housing Financial Discrimination Act of 1977, it is unlawful for financial institutions to refuse to make a loan or to offer less favorable terms than normal (such as higher interest rates, larger down payment or shorter maturities) based on any of the following considerations:

1. Neighborhood characteristics (such as the average age of the homes or the income level in the neighborhood) except to a limited extent necessary to avoid an unsafe and unsound business practice.
2. Race, sex, color, religion, marital status, national origin or ancestry.

In appraising a residence, it is also unlawful to consider the racial, ethnic, or religious composition of a particular neighborhood, whether or not such a composition is undergoing change or is expected to undergo change.

If you wish to file a complaint or if you have questions concerning your rights, contact:

If you file a complaint, the law requires that you receive a decision within thirty (30) days.

I (We) received a copy of this notice.

U.S. Dept of Housing and Urban Development
Attn: Office of Fair Housing and Equal Opportunity
600 Harrison Street, Third Floor
San Francisco, CA 94107-1300
Telephone (415) 489-6524 or (800) 347-3739
Fax (415) 489-6558 – TTY (415) 436-6594
E-Mail:CA_Webmanager@hud.gov

If you file a complaint, the law requires that you receive a decision within thirty (30) days.

I (we) received a copy of this notice.

Signature of Applicant

Date

Signature of 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 Relations website at:

http://www.dir.ca.gov/DLSR/statistics_research.html

Each contractor and subcontractor must keep accurate payroll records and prevailing wage rates must be posted at the job site.

Non-compliance with prevailing wage requirements may subject a contractor and/or subcontractor to penalties.

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 subcontractor of Borrower in regards to prevailing wage requirements.

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

Date

Contractor/Subcontractor

Date



HOUSING LOAN APPLICATION FEE DISCLOSURE

The following fees are estimates for your Redevelopment Agency loan application, and may differ depending on your specific application's needs:

	\$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*
TOTAL:	\$200.00	\$225.00	\$300.00	TBD*

**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

Date

Signature of Applicant

Date