



City Council Agenda Item

City Council Meeting Date: August 19, 2025

TO: Dean Albro, City Manager

FROM: Chanel Ovalle, Community Development Program Manager
c_ovalle@ci.lompoc.ca.us

SUBJECT: Annual Compliance Report (7/1/2024 – 6/30/2025) Pursuant to the Sub-Recipient Financial, Programmatic, and Monitoring Reporting Requirement Policy

Recommendation:

Staff recommends the City Council receive this report.

Background:

On April 15, 2014, the City Council adopted the Sub-Recipient Financial, Programmatic, and Monitoring Reporting Requirement Policy.

The policy requires an annual compliance report to be presented to the City Council at a public meeting at least annually by the Community Development Department staff at the second meeting in July each year or soon thereafter.

Discussion:

The Annual Compliance Report for the period July 1, 2024, through June 30, 2025, is as follows:

Audit & Compliance Findings Report

On February 4, 2025, the City Council clarified that the intent of Chapter 45 is to apply exclusively to non-profit agencies providing housing services to low-income and homeless Lompoc residents receiving \$50,000 or more in City funding.

For Fiscal Year (FY) 2024-25, no non-profit agencies met these criteria; therefore Chapter 45 and the Compliance Committee were not applicable.

The Compliance Committee will reconvene if and when a qualifying agency begins to receive City funds exceeding the \$50,000 threshold for housing services.

Sub-recipient Compliance Status Report

The annual monitoring includes the following components:

- Sub-recipient Agency & Activity Monitoring for those agencies and activities that were funded through the Human Services Program;
- Multi-Family Affordable Housing Monitoring;
- Single-Family Affordable Housing Monitoring.

Each category listed above has various compliance requirements described in their corresponding regulatory agreements.

Sub-recipient Agency & Activity Monitoring consists of site visits to the locations where the activity is conducted. Listed below are the agencies visited. These monitoring site visits were conducted within the program fiscal year for agencies funded with FY 2024-25 Community Development Block Grant and Human Services Funds. The site visit has two components, one is the agency’s fiscal management, and the second is the program compliance with the Federal, State and local requirements as described in the Funding Agreement. There were no findings made during the monitoring review. The following program monitoring review site visits were conducted in January of 2025.

Agency Name / Activity	Findings
CALM - Childhood Trauma Alliance for Mental Health Program	0
Catholic Charities – MERG ERG Program	0
Catholic Charities – Community Services and Food Pantry	0
City of Lompoc – City of Lompoc Recreation Community Program	0
Good Samaritan Shelters – Bridge House Shelter	0
Legal Aid Foundation of Santa Barbara County – Fair Housing Program	0
North County Rape Crisis & Child Protection Center	0
United Boys and Girls Club – Lompoc Program	0

Multi-Family Affordable Housing Monitoring consists of Housing Quality Standards (HQS) inspections of a minimum of 25% of the occupied units and all of the vacant units of the 19 multi-family properties with regulatory agreements as well as tenant file review of the same units to ensure income qualification and appropriate rental and utility allowances. Notices of upcoming inspections were sent to property management companies and property owners in April and May 2025, and site inspections began in May of 2025. A total of 87 units were inspected and tenant files reviewed for program compliance at the following properties:

Project Name	Property Address
Casa Con Tres	434-438 N. L St.
College Park Apartments	608-698 N. G St.
Courtyard Apartments	725, 729 & 733 N. E St.

Project Name	Property Address
Courtyard South Apartments	717-721 N. E St.
Cypress Court Apartments	125 S. 7th St.
Harvey House	704 West Walnut Avenue
Homebase on G Apartments	513 N. G St.
K Street Apartments	328-330 N. K St.
Mark's House	203 N. N St.
North B Street Apartments	503, 507 & 507 1/2 N. B St.
Portabello Apartments	305-309 N. K St.
Recovery Way Home	604 W. Ocean Ave.
Santa Rita Village	916-926 W. Apricot Ave.
Southern Court Apartments	709-713 N. E St.
Thompson Park - K Street	120 & 120 1/2 S. K St.
Thompson Park - Chestnut	401-405 W. Chestnut Ave.
Thompson Park Apartments	501-513 N. S St. & 508 N. T St.
Voelker Apartments	500-504 N. T St.
West College Apartments	521-537 N. T St.

Four properties on the Multi-Family Property Monitoring Report do not have the requirement for HQS inspections nor does the regulatory agreement recorded against such properties allow for the inspections of the units. The “physical” inspections consist only of ensuring the property is free of debris. This was verified for the following properties:

Project Name	Property Address
Altavilla	521-523 W. Ocean Ave.
Arbor Square	800 N. G St.
Hope House	115 S. L St.
Seabreeze Apartments	2110, 2210, 2310 Briar Creek Way

Corrective action plans were sent to the property owners and managers regarding findings for the properties below. “Findings” can consist of routine maintenance, code and safety violations and administrative program requirements. Most of the findings were for regular maintenance and not having property and tenant files available for review.

Project Name	Property Address	# of Units with Findings
Casa Con Tres	434-438 N. L St.	27
Courtyard Apartments	725, 729 & 733 N. E St.	8
Courtyard South Apartments	717-721 N. E St.	15
Harvey House	704 West Walnut Avenue	3

Project Name	Property Address	# of Units with Findings
North B Street Apartments	503, 507 & 507 1/2 N. B St.	3
Mark's House	203 N. N St.	2
Portabello Apartments	305-309 N. K St.	9
Southern Court Apartments	709-713 N. E St.	12
West College Apartments	521-537 N. T St.	21
Voelker Apartments	500-504 N. T St.	3

Property owners and managers are allowed a 60-day deadline to submit proof of corrective action and when necessary, staff will reinspect the unit for compliance. Outcomes will be reported in the Sub-recipient Compliance Status Report in December 2025.

Single-Family Affordable Housing Monitoring consists of annual verification of owner-occupancy of single-family homes that received City funding. This includes those homes that received assistance under the Single-Family Rehabilitation Loan Program. Seventy-one homes were monitored during the 2025 Affordable Housing Compliance Monitoring. The Single-Family Properties Monitoring Report is attached detailing the project name, property address, owner, type of regulatory agreement including the date of maturity, the date the owner-occupancy was confirmed and the date of expiration of the insurance policy for the property.

Commercial Loan Monitoring regulatory agreements have maintenance requirements. Typically, the regulatory agreement requires the borrower “Maintain the Property in a manner reasonably satisfactory to Agency.”

Currently, the City has no commercial regulatory agreements to monitor.

Fiscal Impact:

While there is no direct fiscal impact apparent through accepting this report, there is a fiscal component related to the cost of staff time to conduct such monitoring. During this program year the following staff time was associated with the effort:

Position	Activity	Hours Spent	Billable Rate	Total Cost
Community Development Program Manager	File Review	42	110.84	4,655.28
	Inspections – Units	28	110.84	3,103.52
	Contract Compliance Site Visits / Reviews	9	110.84	997.56
	Human Service Commission	2	110.84	221.68
	Preparation of Scheduling, Reports, Notices, Letters, Technical Support	56	110.84	6,207.04

Position	Activity	Hours Spent	Billable Rate	Total Cost
Senior Code Enforcement Officer	Inspections – Units	24	122.25	2,934.00
Development Program Specialist	Inspections – Units	19	71.76	1,363.44
	Preparations of Notices	40	71.76	2,870.40
Development Services Assistant II	Inspections – Units	31	119.68	3,710.08
Community Development Director	Review/ Approval of Report	3	284.31	852.93
Building and Safety Manager/Building Official	Inspections - Units	3	316.81	950.43
Accounting & Revenue Manager	Compliance Guideline Review and Proposal for Change to Council	20	141.81	2,836.20
	Compliance review	2	141.81	283.62
Total Cost				\$30,986.18

Conclusion:

The attached spreadsheets (Attachments 1-3) provide a detailed reporting of the monitoring compliance requirements as described in the Sub-recipient Financial, Programmatic and Monitoring Report Requirement Policy, Section B, Number 6.

Respectfully submitted,

Chanel Ovalle, Community Development Program Manager

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Mario Guererro, Community Development Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

- Attachments: 1) Sub-recipient Compliance Status Report
 2) 2025 Monitoring Report – Multi-Family Properties
 3) 2025 Monitoring Report – Single-Family Properties