



# Housing Trust Fund of Santa Barbara County

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## WORKFORCE HOUSING NEEDS FACT SHEET

*High housing costs impact the socio-economic health and vitality of our community. Lack of housing affordable to the workforce affects business competitiveness and employee recruitment and retention. Escalating housing costs mean people have less disposable income to purchase goods and services in the local economy.*



**The Affordability Gap: Homeownership:** Santa Barbara County is the least affordable in the State, with only 11% of all households able to afford an entry-level priced home in 2007, as reported by the California Association of Realtors. The North County median home price in January 2008 was \$291,180 while the South County median home price was \$1,135,000, far beyond the purchasing ability of working families. An annual income of \$188,400 would be necessary to purchase an entry-level single family home in South County.<sup>1</sup>

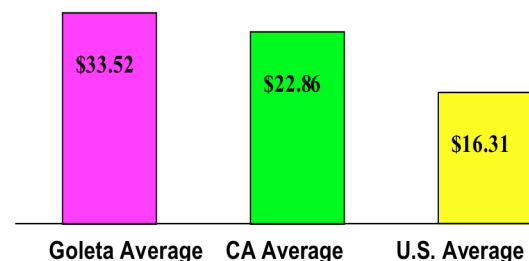
**Rental Housing:** The average rent for a 2-bedroom 1-bath apartment in Goleta was \$1,674 in 2007<sup>2</sup>. An annual income of \$66,960 would be needed to afford the two-bedroom apartment, based on the Federal standard of paying no more than 30% of income for rent. But the average annual salary in Santa Barbara County for all non-farm industries was only \$43,593 in 2007.



**'Housing Wage':** The countywide 'housing wage' for a two-bedroom unit based on HUD Fair Market Rents is **\$20.63** or **258%** of the minimum wage.<sup>3</sup> The housing wage is calculated as the amount per hour a worker must earn, working 40 hours a week, to afford a two-bedroom apartment, and paying no more than 30% of income for rent and utilities (HUD standard). In California the minimum wage is \$8.00 per hour. Therefore **2.5 full-time minimum wage jobs** would be

needed for a working family or individual to afford the average two-bedroom apartment. In fact, in many areas of Santa Barbara County local rents exceed the Fair Market Rent levels published by HUD. For example, based on market rents for 2006, the City of Goleta 'housing wage' was **\$33.52**, significantly higher than the countywide. It is estimated that more than **54%** of renters in the Santa Barbara-Santa Maria-Goleta metropolitan statistical area are unable to afford a two-bedroom apartment.

**Hourly Wage a Full-time Employee Must Earn To Afford a 2-Bedroom Apartment in Goleta 2006**



Source: *Out of Reach*, National Low Income Housing Coalition 2006  
California Economic Forecast 2007

<sup>1</sup> Modeled using 85% of the median priced home, with a 10% downpayment, 30-year fixed mortgage with a blended rate of 6.25%, taxes and insurance.

<sup>2</sup> 2008 Santa Barbara County Real Estate and Economic Outlook, California Economic Forecast

<sup>3</sup> "Out of Reach 2006", National Low Income Housing Coalition

## Housing Trust Fund of Santa Barbara County

The Housing Trust Fund of Santa Barbara County (HTF) is an innovative non-profit 501(c)(3) organization that is working on a countywide basis to help solve our communities' critical affordable housing needs. HTF is a funding vehicle that helps bridge the housing 'affordability gap' by partnering with the private, public and non-profit sectors to raise new financial resources to support affordable community housing.

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### For More Information

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# Together We Can Make A Difference

The **Housing Trust Fund** is an important new financing initiative that addresses countywide workforce housing needs. Access to affordable housing provides the foundation not only for individual health and well being but is essential for maintaining the economic vitality, social diversity and vibrancy of our communities. While we do not pretend we can solve the regional housing crisis, we can make a difference by facilitating additional housing in our communities that is affordable to the local workforce. Supporting the development of the Housing Trust Fund of Santa Barbara County is a positive step in working together to resolve local workforce housing needs that affect us all.

### How to Participate:

There are many ways for the business community, employers and employees, and community groups to participate in supporting the work of the Housing Trust Fund.

- Be an HTF Sponsor: contribute to our start-up efforts.
- Dialogue with us about how your organization can be a community partner
- Participate in the local HTF Committee to plan outreach activities.
- Co-sponsor community outreach and fund-raising events.
- Volunteer your skills and resources
- Stay in touch via our Newsletter and Email communications

### Who We Serve:

The HTF is unique in that it serves a broad spectrum of residents with incomes ranging from 0-200% of Area Median Income<sup>1</sup> as a charitable class. *No other county private or public agency can currently do this.*

Income Group	How Housing is Provided
Above 200% AMI	<b>Upper Income</b> - Market Rate provided by the private sector
120-200% AMI	<b>Moderate to Middle Income</b> - Primarily Unserved
81-110% AMI 51-80% AMI 0-50% AMI	<b>Very low, low and moderate-income</b> – Targeted by Government Programs (Fed/State/Local)

HTF Serves a Broad Range of Residents

<sup>1</sup> County median income in 2007 is \$65,200 for a family of four.