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\$500,000 pledged to housing fund

Staff report

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Nonprofit group helps finance affordable housing

Another \$500,000 loan commitment has fattened the nonprofit Housing Trust Fund of Santa Barbara County's revolving fund, which is used to initiate affordable housing in the county.

Montecito Bank & Trust committed \$500,000 at below-market interest rates to the fund, Housing Trust President Roger Horton announced Thursday, bringing the revolving fund's total capitalization to \$2.7 million -- just shy of the \$3 million goal the trust has for this year.

Established three years ago, the Housing Trust creates partnerships and resources to meet affordable housing needs in the community.

The revolving loan fund provides low-interest loans to other nonprofit, faith-based and community groups, as well as public agencies and developers of affordable housing projects.

The loans can be used for site acquisition, predevelopment expenses, project construction and bridge financing. Loans are short-term and below-market types that are typically repaid from construction or mortgage financing. Payments will go back into the fund.

The fund helps projects that otherwise might languish in an area where spiraling costs are locking many out of housing -- the median price for a house on the South Coast is currently \$1.2 million. The Housing Trust noted that it recently provided a \$1 million construction loan for Santa Barbara's 62-unit El Carrillo studio apartment complex for homeless and downtown workers.

Santa Barbara Bank & Trust and Mid-State Bank & Trust each committed \$1 million in below-market financing to the revolving loan fund last April.



Montecito Bank & Trust has committed \$500,000 to the Housing Trust Fund of Santa Barbara County, which helps facilitate affordable housing projects in the area, such as the 62-unit El Carrillo apartment complex in Santa Barbara, at top.
STEVE MALONE/NEWS-PRESS