

Housing Trust Fund of Santa Barbara County

2010 Activity Report

P.O. Box 60909, Santa Barbara, CA 93160-0909

www.sbhousingtrust.org

Our Mission

The Housing Trust Fund of Santa Barbara County (HTF) is a non-profit financing initiative whose mission is to expand affordable housing opportunities for the residents of Santa Barbara County, California.



Photo: Peoples' Self-Help Housing

Revolving Loan Fund

We operate a Revolving Loan Fund that provides low-cost loans for site acquisition, project predevelopment costs, construction and permanent bridge financing to qualified sponsors of affordable housing projects that serve low-to-moderate income households in the county's diverse urban and rural communities.

First-time Homebuyers

In 2011 we will initiate a new Workforce Homebuyer Assistance Program to provide down payment loans to help low-to-moderate income families purchase a home in the community where they work.

Housing Our Workforce



Housing Trust Funds Los Alamos Self-Help Project

In July 2010, the Housing Trust Fund closed escrow on an \$189,650 site acquisition loan to The Duncan Group (TDG), a nonprofit affiliate of Peoples' Self-Help Housing. The HTF loan enabled The Duncan Group to acquire three foreclosed lots in an approved subdivision in Los Alamos, California, where they will develop a self-help homeownership project.

The *Jetstream Lots* project consists of self-help construction of three single-family homes for low-income families on three 7,000 square foot lots zoned 7-R-1 located at 480, 482 and 484 Foxen Lane in Los Alamos California. Two of the lots are vacant, while the third property located at 480 Foxen Lane had an existing dilapidated small single-family home that has been demolished. Three new homes of 1,200 to 1,400 square feet each will be constructed on the lots and will have three to four bedrooms, two bathrooms and two-car garages. The Mediterranean style homes will be designed with green features, will incorporate water savings landscaping and will exceed current Title 24 standards. (Continued on page 3.)

HTF Receives \$1.2 million for First-time Homebuyer Down Payment Program

The Housing Trust Fund has been awarded a \$1.2 million grant from the State Department of Housing and Community Development under the Local Housing Trust Fund Program (LHTFP). The grant will provide first-time homebuyer assistance to low-and-moderate income families as well as financial assistance to support the development of affordable rental projects.

HTF will use \$840,000 of the funding to provide 30-year deferred down payment loans up to \$42,000 per household to assist first-time low-to-moderate income homebuyers in purchasing a home in their community. HTF will work with community lenders that can provide first mortgages. The program will target eligible cities throughout the county, with particular focus in North Santa Barbara County, where home values dropped significantly over the past several years. Another \$360,000 in grant funds will be used to assist affordable housing projects countywide that serve extremely low-income households and individuals who earn less than 30% of the Area Median Income.

Thank You Funders!

We would like to acknowledge and thank the following funders who generously supported HTF programs and activities this past year:

Bank of America ♦ Hollis Norris Endowed Fund ♦ Montecito Bank & Trust ♦ Outhwaite Foundation ♦ Rabobank ♦ Santa Barbara Foundation ♦ Towbes Foundation ♦ Union Bank ♦ Weingart Foundation

Positive Community Development Impacts

Since launching our programs in 2005, we have raised \$4.85 million in private and public lending capital to support affordable housing production and a new Workforce Homebuyer Assistance Program. We have committed \$1,949,850 in direct financing to create or preserve 91 units of permanently affordable housing for our most vulnerable populations. We have provided 22 community groups with technical assistance, which has led to five project loan applications. And, we have raised over \$686,000 in local and regional private, nonprofit and public donations to support our operations.

The housing projects that HTF funds are the result of the dedication and hard work of their community sponsors. Due to the commitment of housing sponsors to serve those in need, new affordable housing is available to serve future generations of community residents. We are pleased to play a role in helping these affordable housing projects move forward.





Our Regional Housing Needs

Santa Barbara County is the 4th least affordable small metropolitan area housing market in the nation, according to the National Association of Home Builders in August 2010.

The average working family in Santa Barbara County pays 40-50% or more of their income for housing. Many people experience economic distress due to cost burden or overcrowded housing conditions. Our housing crisis is even harder on our most vulnerable populations—low-income families, single parents, senior citizens and persons with special needs. They can barely make the rent and have little money left over for food, health care and other life needs.

Homes remain priced far beyond the purchasing ability of local workers. In second quarter 2010, only 29% of county homebuyers could afford to purchase the median priced home, compared to 46% statewide (California Association of Realtors). Our workforce is priced out of the communities they serve.

Renters have an even more difficult time in our local housing market. In 2008, 56.3% of renters were overpaying for their housing and 25% were severely overpaying by more than 50%, according to the American Community Survey.

High housing costs mean a loss of young families and middle-income workers who are leaving the area, as well as a growing urban poor, elderly and disabled living in overcrowded housing conditions.

Jetstream Lots Self-Help Project

The Duncan Group *(continued from page 1)*

Peoples' Self-Help Housing will improve the lots for TDG and supervise the self-help construction of the homes by eligible low-income families, who will complete 65% of the work. The project is 100% affordable and will serve low-income families earning up to 60% of Area Median Income. PSHH maintains a waiting list of low-income families in the Los Alamos and Santa Maria area who want to construct their own self-help home. Los Alamos is a rural area and many of the potential homeowners work in the local vineyards and farms as well as schools and restaurants in the valley.

TDG will repay the HTF loan with all-inclusive USDA mortgage financing that is provided to the self-help homebuyers when they purchase the improved lots prior to construction of the homes. The USDA Section 502 Program mortgages create affordable homeownership for 33 years.

Above: The completed Jetstream Lots project will look similar to the self-help home depicted here. *Previous page:* Jetstream Lots project homebuyers will carry out 65% of the construction work to complete their homes.



HTF Receives \$500,000 Capital Grant Award from the U.S. Treasury CDFI Fund

In August 2010, the Housing Trust Fund was awarded a capital grant from the U.S. Department of Treasury Community Development Financial Institutions (CDFI) Fund in the amount of \$500,000. The Housing Trust Fund was one of only 25 small and emerging CDFIs to receive this prestigious national award. The CDFI Fund received 408 applications from organizations and made 180 awards totaling almost \$105 million to CDFIs located in 46 states.

HTF will use the capital grant to augment the resources of its \$4 million Revolving Loan Fund, which provides low-cost loans to community sponsors of affordable housing for site acquisition, project predevelopment and construction costs. The Revolving Loan Fund facilitates the expansion of affordable housing opportunities within the diverse communities of Santa Barbara County.

Working Together To Create Vibrant Communities



Affordable housing for the local workforce and residents is the foundation for vibrant, sustainable communities.

The combined resources of the private, public and nonprofit sectors are needed to tackle our affordable and workforce housing needs in fresh and innovative ways. While we cannot solve the entire regional housing crisis, we can make a significant difference by facilitating additional affordable housing opportunities in our communities. By working together to build the Housing Trust Fund, we can create the financial resources needed to provide housing in our community that local employees and residents can afford.

Join us in building a Housing Trust Fund that will be an endowment for maintaining healthy, sustainable communities in Santa Barbara County!



Housing Trust Fund of Santa Barbara County

P. O. Box 60909
 Santa Barbara, CA 93160-0909
 (805) 685-1949 Fax: (805) 685-6449
www.sbhousingtrust.org

Board of Directors:

Kristen Amyx
 David Anderson
 Michael Bennett
 Annmarie Cameron
 DeWayne Holmdahl
 Roger L. Horton
 Graham Lyons
 Robert Pearson
 Didi Reynoso
 Michael Towbes