

Housing Trust Fund of Santa Barbara County

2012 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.



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.

Workforce Homebuyer Program

In May 2012 HTF launched a pilot Workforce Homebuyer Down Payment Loan Program to assist low-to-moderate income families in purchasing a home in the community where they work.

Housing Our Workforce



HTF to Support Habitat for Humanity's Canon Perdido Condominium Project

HTF is in final processing of a \$750,000 new construction loan to Habitat for Humanity of Southern Santa Barbara County development of the 12-unit Canon Perdido Condominium Project in Santa Barbara for low-income families. The Canon Perdido Condominium project is a homeownership project consisting of 2 one-bedroom, 8 two-bedroom and 2 three-bedroom units. The project style is townhome, with three buildings ranging in height from one to three stories tall. Project amenities include a common area and space for a community garden, a tot lot and barbeque and picnicking area. The project site is advantageously situated adjacent to the Milpas Street corridor with shopping, restaurants and transportation and is within two blocks of Santa Barbara High School, the Boys and Girls Club and other community agencies.

The Canon Perdido Condo Project will be 100% affordable to households earning between 40-80% of Area Median Income. The project will serve families that have lived or worked in the South Coast for the past year, have a need for a decent affordable home, and are willing to contribute 250 hours of "sweat equity" to complete their home. Habitat for Humanity will originate and carry the first mortgages for the homebuyers and will also participate in the management of the HOA.

[Continued on page 2.]

HTF to Support the Canon Perdido Condo Project (Continued from page 1).

The projected development cost for the project is approximately \$3,709,000. Habitat for Humanity previously received \$925,000 from the City Redevelopment Agency to purchase the property and a commitment of \$515,000 in HOME funds from the City of Santa Barbara. They have received over \$450,000 in corporate, foundation and individual pledges towards the development costs of the project. Habitat will need to raise an additional \$1,817,000 in pledges to cover the remainder of the development cost of the project. Habitat will initiate a campaign in the fall of 2012 to raise the remaining funds for the project over the next 2 years as they complete construction of the project. Habitat for Humanity has a positive track record in raising donations for their past two projects.

The HTF loan will help Habitat for Humanity cover the initial construction expenses and provide bridge financing until the agency raise the balance of needed permanent financing for the project. Construction projects for Habitat are very “front-loaded” with work that cannot be done by volunteers and for which donations may not yet have been received. The proposed HTF loan will allow Habitat for Humanity to cover the initial costs of construction that will later be paid for with donations and pledges that are received from their fundraising campaign.

HHSSB has successfully completed two construction projects in the City of Santa Barbara and has a positive track record with HTF, having borrowed and repaid a site acquisition loan for development of the San Pascual project in the Westside Neighborhood of Santa Barbara, which is now completed. We are pleased to be able to assist them again in sponsoring this worthwhile affordable homeownership project.



Thank You Funders!

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

- Bank of America Charitable Foundation
- ◆ Hollis Norris Endowed Fund ◆ Montecito Bank & Trust ◆ Rabobank ◆ Santa Barbara Foundation ◆ Santa Barbara Bank & Trust
- ◆ The Towbes Foundation ◆ Union Bank
- ◆ U.S. Treasury CDFI Fund ◆ Weingart Foundation ◆ Wells Fargo Foundation

HTF Completes Affordable Housing Market Survey

In 2012 HTF published the results of a market survey of over 50 community housing sponsors that the agency conducted in 2011 in order to gain a better understanding of the challenges and needs of the affordable housing industry in Santa Barbara County. Our survey results reveal a surprising portrait of what is happening in the countywide affordable housing sector. Survey respondents represented a total of 72 new affordable housing projects, accounting for a total of **1,743 affordable units** in the countywide “development pipeline” as of June 2011. In addition to new construction, we also found that there are roughly **27 preservation & rehabilitation affordable housing projects** underway within Santa Barbara County. [Continued next page.]

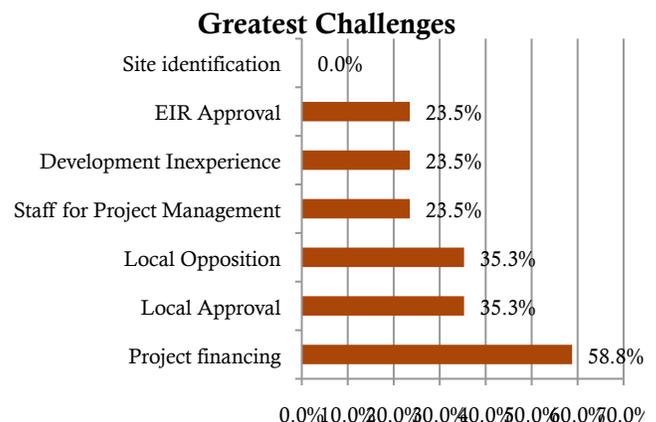




Photo: The Towbes Group

HTF Market Survey

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These projects could have a significant economic impact, with the potential to create 3,540 to 5,310 new jobs and generate \$637.2 million in economic input over time. Our affordable housing sponsors face many obstacles in facilitating affordable housing, as depicted on the graph on the previous page. The greatest challenge is finding financing for their projects.

HTF Launches Workforce Homebuyer Program

Over the past year HTF worked tirelessly to gear up for the official launch of our new Workforce Homebuyer Down Payment Loan Program. On May 2, 2012 our efforts came to fruition when we held a public workshop at the Santa Maria Library, which was attended by 125 people, to launch the program.

The Workforce Homebuyer Program targets North County cities and provides 30-year deferred payment secondary loans up to \$42,000 per households to assist working families in purchasing a home in the community where they work. The program is supported with \$840,000 in grant funds from the State Department of Housing and Community Development. The City of Santa Maria also provides closing cost grants up to \$3,000 for homebuyers who buy homes located within the city limits.

Since May HTF has funded six down payment loans to help working families in Santa Maria and Guadalupe purchase their first home, and several additional loans are in processing. We are pleased to see that loans have assisted diverse families that reflect the local demographics. Two down payment loans were made to young couples with small children to help the families purchase homes priced at \$130,000 and \$219,900 respectively. HTF also assisted three single moms with children who purchased homes costing \$190,000, \$212,000 and \$240,000, and another loan was made to a single man and his partner to acquire a \$235,000 home. Four out of the five borrowers are of Hispanic origin. HTF anticipates making an additional 15 loans.

HTF coordinates its Workforce Homebuyer Program with community partners that provide homebuyer education training, income certification and First Mortgage loans. Our community partners include Peoples' Self-Help Housing, Cabrillo Economic Development Corporation, Guild Mortgage, Wells Fargo Home Mortgage, Union Bank, Fidelity National Title Company and First American Title Company. HTF will expand the program to the South Coast community of Carpinteria in the winter of 2012-2013.



“ When people can afford to live where they work, we all benefit from a strong local economy, strong local schools, high quality community services and supportive inter-generational families that foster the next generation of the workforce.”

~ Jennifer McGovern, President/CEO

HTF Receives \$600,000 Capital Grant Award from the U.S. Treasury CDFI Fund

In September 2012, the Housing Trust Fund was one of only 36 small and emerging CDFI's nationally to receive a prestigious capital grant award from the U.S. Treasury Community Development Financial Institutions (CDFI) Fund, in the amount of \$600,000. The capital grant will aid HTF in providing low-cost financing to sponsors of affordable housing projects that serve local working families as well as our most vulnerable populations. The grant award will be deployed in two key census tract areas in the downtown core of the City of Santa Barbara that experience high poverty rates and have a high percentage of low-income families, homeless persons, senior citizens and persons with special needs. The funds will be used to make low-cost loans to produce critically needed new rental housing as well as recapitalize and preserve older affordable housing projects. Due to limited state resources and the demise of local Redevelopment Agency funding for affordable housing, the CDFI Fund grant award to the Housing Trust Fund of Santa Barbara County is particularly timely and provides a welcomed infusion of capital needed to facilitate affordable rental and homeownership opportunities in Santa Barbara. The award enriches the agency's \$4.5 million Revolving Loan Fund that facilitates the production, preservation, and rehabilitation of affordable housing projects countywide.

Working Together To Create Vibrant Communities



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

The united 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!



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