

Housing Trust Fund of Santa Barbara County

2011 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



View from northwest corner of property.

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 early 2012 HTF will launch a pilot First-Time 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



Second Baptist Church Mixed-Use Senior Project in Loan Processing

HTF is currently processing a construction loan request from Second Baptist Church located in the City of Santa Barbara for a mixed-use new construction senior citizen and rehabilitation project. The H.B. Thomas Manor project consists of construction of a new 4,200 square foot apartment building with 6 one-bedroom affordable units for senior citizens and renovation of the church facilities to provide ADA accessible entry ramps and restroom facilities for the Church Hall and Fellowship room, as well as new sidewalks and landscaping.

The property is located on a 24,872 square foot parcel at 1032 E. Mason Street in a residential area in the Eastside neighborhood of Santa Barbara. The Church facility is sited along the frontage of Mason Street, with a large parking lot behind. The senior units will be constructed on this rear portion of the site.

The Second Baptist Church is one of the oldest churches in Santa Barbara, having been established over 101 years ago. While this is their first affordable housing project effort, members of the church committee (continued on page 2)

Second Baptist Mixed-Use Project Moves Forward (Continued from page 1)

guiding the development have past work experience with HUD programs, Redevelopment Agency and Housing Authority management and Section 8 income eligibility screening. The Church has made considerable progress in shepherding the proposed project forward and has obtained Planning Commission approval and preliminary ABR approval from the City of Santa Barbara. Working drawings are currently being completed. The Church has also received a preliminary approval from the Housing Authority of the City of Santa Barbara for six Project-Based Section 8 Certificates for the senior units.

Second Baptist Church's goal is to create well-built, affordable homes for low-income seniors that provide a needed community service. The Church also hopes to receive a modest revenue stream from rental of the apartment complex. The simple two-story structure will provide attractively designed one-bedroom units of approximately 600 square feet. Each unit will have its own individual balcony or deck area. The structure has been designed for installation of solar panels. The Church intends to install a solar voltaic system if it can secure adequate project funding.

The total development cost for the mixed-use project is currently estimated at \$1,300,000. The development budget will be further refined as the Church obtains more concrete construction estimates.

HTF has provided Technical Assistance to the Church to assist them in refining their pro forma and development cost estimates and in suggesting permanent funding sources. We anticipate the loan going forward in first quarter 2012.



Thank You Funders!

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

Bank of America ♦ Hollis Norris Endowed Fund ♦ Montecito Bank & Trust ♦ Outhwaite Foundation ♦ Rabobank ♦ The Towbes Foundation ♦ Union Bank ♦ U.S. Treasury CDFI Fund ♦ Weingart Foundation ♦ Wells Fargo Foundation

Homes Remain Priced Beyond Working Families

Santa Barbara County is the 5th least affordable small metropolitan housing region in the nation (National Association of Home Builders, October 2011). Our regional housing crisis is an invisible tsunami that threatens our economic vitality and community vibrancy. High housing costs mean that we cannot attract and retain the next generation of qualified workers who provide essential community services in education, healthcare, public safety, local government, non-profit and private industry.

Between 2000-2010, demand for affordable workforce housing increased as our county population grew approximately 6.1%, with 48% of this increase comprised of the workforce (Census). An 80% decline in single-family home construction and 77% increase in the average cost of construction permits since 2004 also contributed to high median home prices (Citydata.com). Despite recent market devaluation, homes remain priced beyond the purchasing ability of average working families. In first quarter 2011 only 37% of county households could afford to purchase the median priced home of \$422,730 compared to 53% statewide (California Association of Realtors).

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Photo: The Towbes Group

Homes Remain Priced Beyond Working Families

(Continued from Page 2)

The South County affordability gap is wider; the May 2011 median home price of \$810,000 required a household income of \$140,000 or higher to qualify. With county median area income for a family of four at \$72,300, the affordability gap affects too many workers to be ignored.

In January 2011 HTF jointly hosted Workforce Housing Roundtables with the Goleta Valley Chamber of Commerce, Coastal Housing Partnership and Coastal Housing Partnership. Employers told us that the South Coast housing situation continues to make it difficult to hire and retain key employees across a broad range of income, and that homeownership remains a primary goal of both high-level staff employers wish to relocate here as well as young working families that employers need to retain. Employers articulated that as baby boomers retire and business expands, they need to hire qualified people and that staff retention and retraining remain problems, particularly with younger staff that want families and a place in the community. They noted that rents are relatively high, especially for employees with lower wages. We learned that while some employers provide limited employee housing assistance on an individual basis, few employers operate in-house programs and would welcome assistance and collaborative workforce housing solutions.

First-Time Homebuyer Program Poised to Launch in early 2012.

After a two-year delay due to the State of California funding freeze and bureaucratic red tape, HTF has finally received the first portion of its grant funds from the State Department of Housing and Community Development for its new First-Time Homebuyer Down Payment Loan Program. In first quarter 2012 HTF will initiate a pilot \$840,000 First-Time Homebuyer assistance effort that will provide 30-year deferred payment secondary loans up to \$42,000 to assist working families in purchasing a home in the community where they work. HTF is currently meeting with community partners to arrange for homebuyer education training, income certification and pre-approval of its secondary lending program with participating First Mortgage lenders. The pilot program will target the communities of Santa Maria and Lompoc in North County. The City of Santa Maria will provide closing cost grants up to \$3,000 per household using CDBG funds to homebuyers who purchase a home within the City using the HTF secondary down payment program. HTF hopes to expand the program to the South Coast later in 2012.



“ 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 July 2011, 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 \$600,000. The Housing Trust Fund was one of only 32 small and emerging CDFIs to receive this prestigious national award. The CDFI Fund received 267 applications from organizations and made 118 awards totaling almost \$140 million to CDFIs located in 35 states.

HTF will use the CDFI Fund award to support the work of community-based affordable housing sponsors who have been hard hit with local and state funding cuts. The capital grant will aid HTF in providing low-cost financing for housing projects that serve local working families as well as our most vulnerable populations. The funds will be used to enrich the agency's \$4.5 million Revolving Loan Fund that facilitates the production, preservation, and rehabilitation of affordable rental and homeownership projects in Santa Barbara County's diverse communities.

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!



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