



COMMUNITY DEVELOPMENT DEPARTMENT

AFFORDABLE OWNERSHIP PROGRAM

2024 Housing Santa Barbara Day

Presentation Overview

- Overview of the Affordable Ownership Program
- Outline of eligibility requirements
- Process of being selected to purchase
- Affordability Covenant
- Recommendations
- Contact Information
- Answer questions

Affordable Home Ownership Program

- Defining “Affordable” in the ownership program
 - Gross household income does not exceed 35-40%
 - Principal, Interest, Tax & Insurance (PITI) & HOA
 - Kept affordable through a recorded Covenant (ACOP) which transfers with each sale
- 404 units (includes Workforce Housing – Westmont and Cottage):

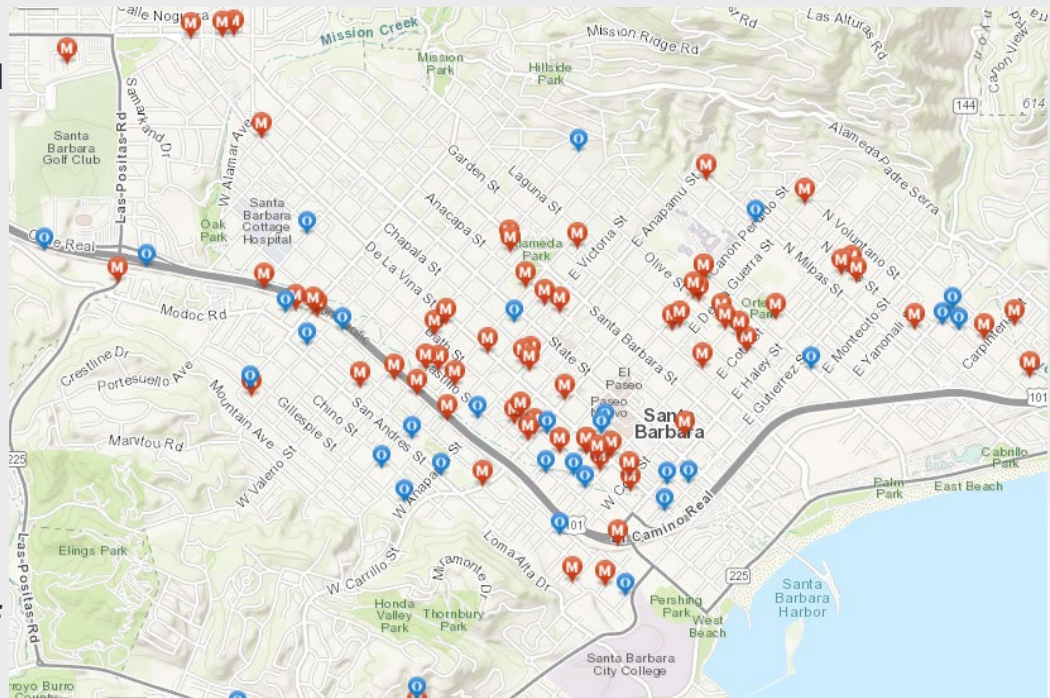
Low Income: 25	Moderate: 218
Middle: 106	Upper-Middle: 18
Price Restricted/East Beach Collection: 37	

Location of Affordable Units – online Map

1. SantaBarbaraCA.gov
2. Services drop down menu
3. Click on Housing and Human Services
4. Then click on Affordable Housing
5. Scroll down until you see the map

Or URL:

<https://www.santabarbaraca.gov/services/hhs/housing/affordablehousingmap.asp>



How do I know if I am eligible?

- Live or work in Santa Barbara (Gaviota to the Ventura County line)
- Household income can not exceed Income Category for the selected Unit
 - Example: moderate income unit is for sale and a 2 person household wants to buy it - their current gross income can not exceed \$114,336

	Income Limits (effective 4/1/2024)				
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons
Low Income 80% AMI (25 units)	\$91,200	\$104,250	\$117,300	\$130,350	\$140,800
Moderate Income 120% AMI (218 units)	\$100,044	\$114,336	\$128,628	\$142,920	\$154,354
Middle Income 160% AMI (106 units)	\$133,392	\$152,448	\$171,504	\$190,560	\$205,805
Upper-Middle 200% AMI (18 units)	\$166,740	\$190,560	\$214,380	\$238,200	\$257,256

How do I know if I am eligible? – cont'd-

- 5% down payment required, must not exceed 40% down
- Credit score of 620 or better
 - Credit report: Experian, Equifax, Transunion – Fico Score
- Debt to Income Ratio (DTI)
 - 40% for housing
 - 50% for housing plus all other debts
- Not a current homeowner at the time of application or during ownership of the affordable unit

How do I know if I am eligible – cont'd-

- Gift funds up to 20% of purchase price (12 months review)
- All occupants, 18 years or older, within the household are subject to eligibility requirements and must sign all loan paperwork including the Promissory Note and Deed of Trust
- Co-signer is allowed for loan purposes but you must qualify through the City's requirements without Co-signer's income (Co-signer becomes 1% owner and can not occupy the property as their primary residence)

How am I chosen for one of the Affordable Units?

- Resale
 - Owner chooses from the interest list
 - or they can select an “eligible” buyer
- Lottery for newly constructed units, no current lotteries in the City of Santa Barbara

Interest List – not a waiting list – forms are at the City of Santa Barbara’s table or the City website

What are the requirements or restrictions of owning one of the City's affordable units?

- 90 year recorded Covenant
 - Restricts value which is calculated off of Area Median Income (AMI). Housing and Urban Development (HUD) release that figure yearly. You do gain EQUITY.
 - Owner Occupancy – 10 out of 12 months
 - Notify the City of any financing or title changes
 - Rental of unit requires the City's approval and we calculate maximum rent
 - Can not own other real estate

Recommendations

- Choose a lender and get prequalified
- Work on any items that need to be addressed to put you in a better position to buy like increasing your credit score, paying down debt, putting aside savings and/or asking family if they would consider gifting money for down payment.
- Sign up for other Interest Lists and review information in the Santa Barbara Affordable Housing Resource Guide

How do I contact someone at the City to put my name on the Interest List?

Myndi Hegeman 805-564-5461 x4578
mhegeman@santabarbaraca.gov

Maria Schroeder 805-564-5461 x4473
mschroeder@santabarbaraca.gov

Questions

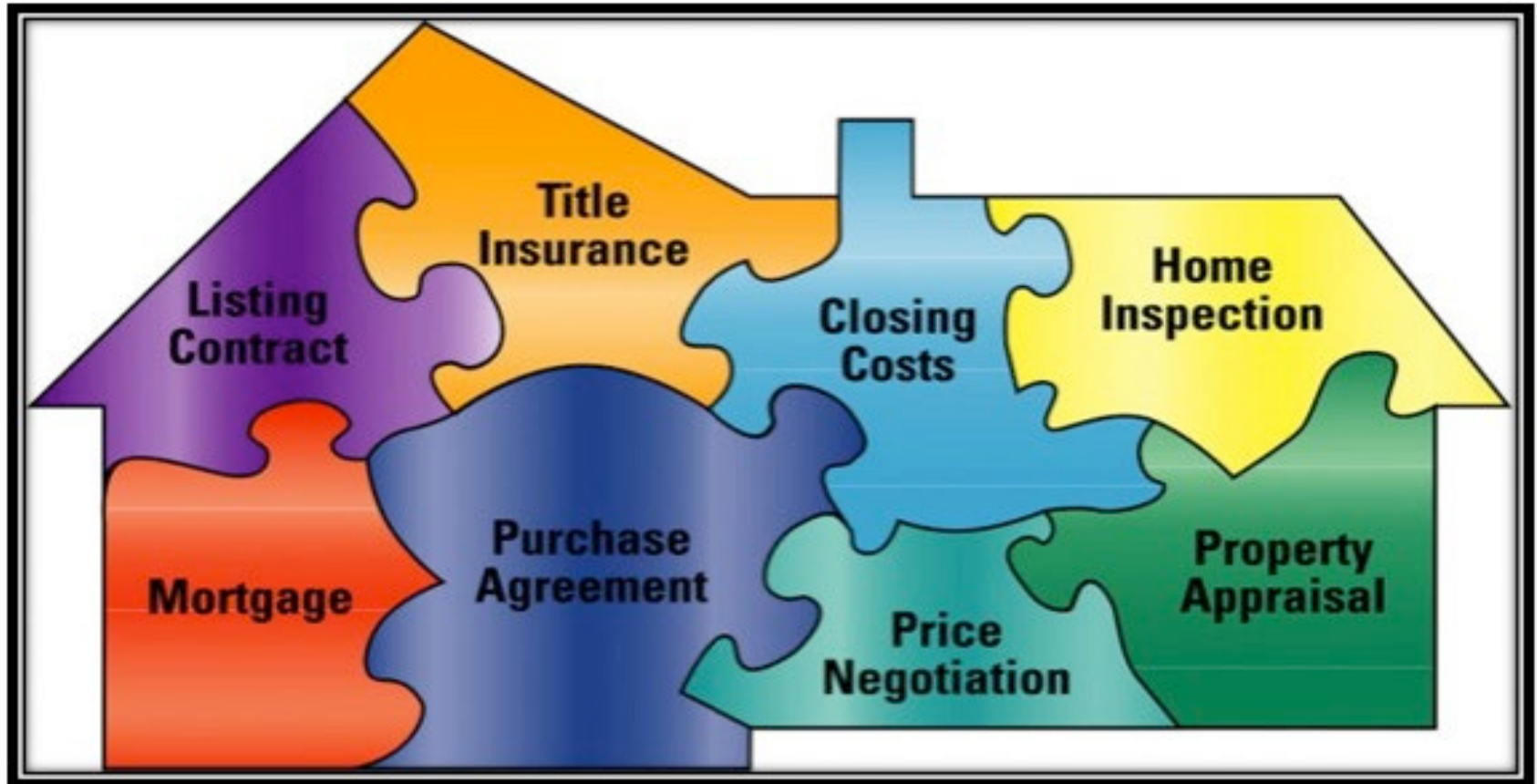
- Who handles affordable units to rent?
- How long would I have to be on the interest list before I am chosen?
- It sounds like most of the units are condos with HOAs. Would my HOA be lower because it's an affordable unit?
- What happens if I own one of the affordable units and then my income increases?
- Can I will or transfer the affordable unit to my heirs?



Workforce Homeownership

by
County of Santa Barbara's
Housing & Community Development Division

Purchase Process Components

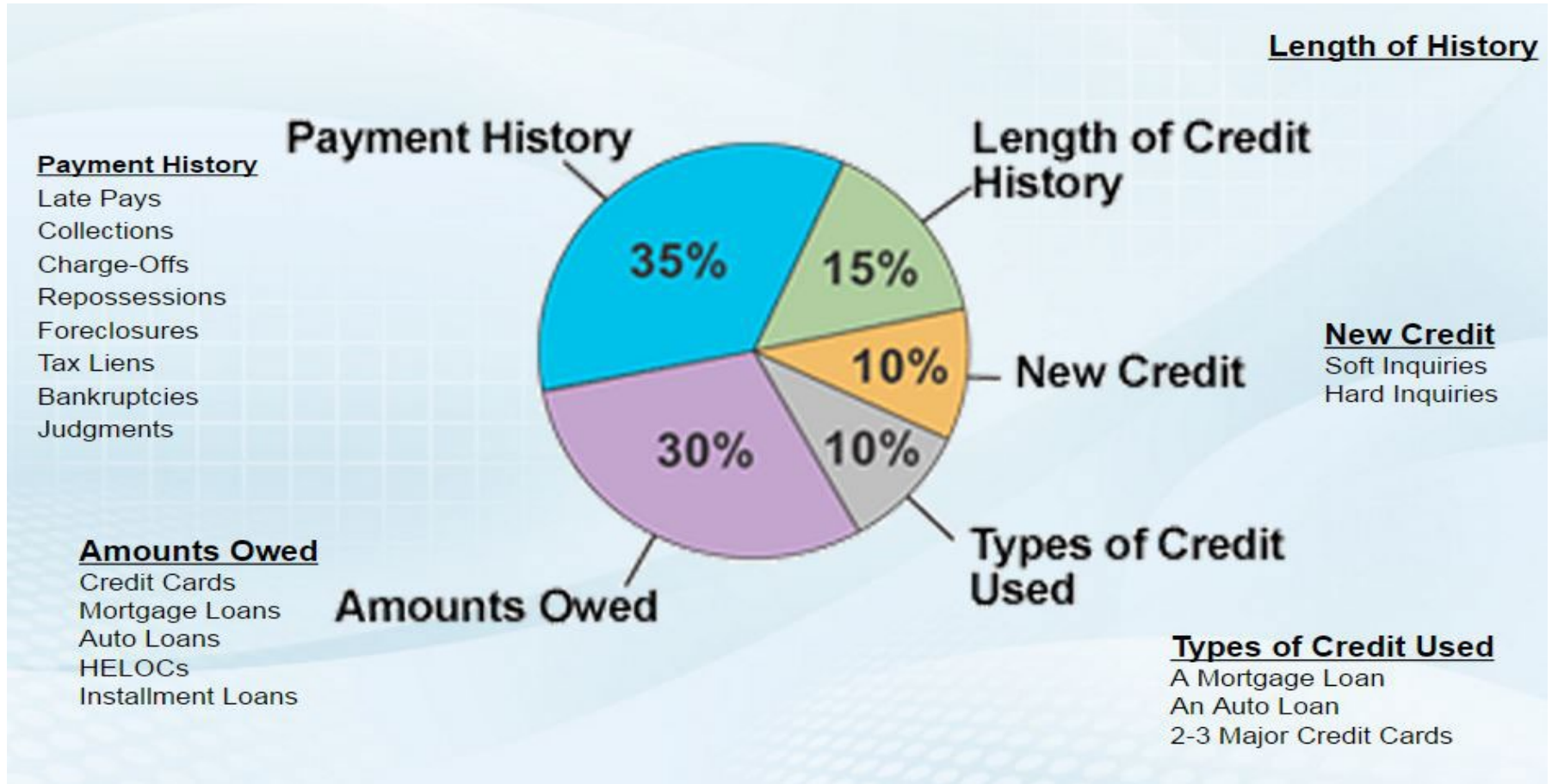


Mortgage Qualification – Know the Numbers

- ▶ Down Payment = minimum of 3–5%
- ▶ Closing Costs = 3–5%
- ▶ Credit Score = minimum of 620+
- ▶ Debt to Income Ratio = maximum of 45%



Credit Score Factors



Building Your Credit Score

- ▶ Improving your Credit Score
 - Make payments on time (30/60/90)
 - Pay off collection accounts
 - Obtain a Secured Credit Card, if necessary
 - Pay down balances

Obtain your Credit Reports:

www.annualcreditreport.com

Or call 1-877-322-8228



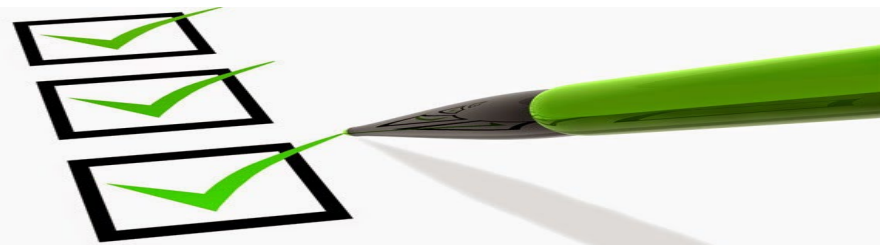
County's Inclusionary Housing Program Restrictions

- No residential ownership for previous 3 years
- Household established for 6 months
- Applicants must live or work within SB County
- Unit will be the applicant's Primary Residence
- Requirement of at least a 3% down payment
- Agree to sign and abide by a Resale Covenant
- Income and Asset restrictions
- FICO Score of 620+
- Max. Debt to Income Ratio of 45%



Getting Started

- ▶ Complete an Interest List Sign Up Form
- ▶ Gather necessary docs for application:
 1. 6 months worth of Paystubs
 2. 6 months worth of Bank Statements
 3. 2 years worth of Tax Returns
 4. Last quarter's retirement account statement
 5. Proof of right to permanently reside in US
 6. Credit Reports from all 3 Bureaus
 7. Pre-qualification from mortgage lender



Action Steps

- ▶ Pre-purchase education
- ▶ Gather Necessary Application Documents
- ▶ Obtain Copies of Credit Reports:
1-877-322-8228 or www.annualcreditreport.com
- ▶ Increase Savings for down payment & closing costs
- ▶ Contact your lender for Pre-Qualification



Contact Information

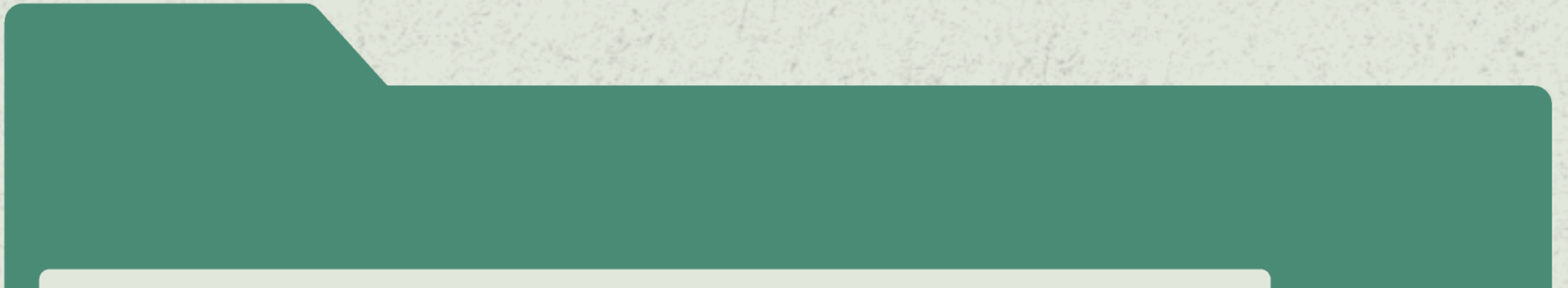
Andrew Kish, HPSS
County of Santa Barbara
Housing & Community Development
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www.countyofsb.org/395/How-To-Apply



City of Santa Barbara Access to Counsel Pilot Program

Presented by: Legal Aid Foundation
of Santa Barbara County



Program Overview

Tenants facing eviction often lack the legal resources needed to defend themselves.

The City of Santa Barbara approved and funded the Access to Counsel Pilot Program and contracted with the Legal Aid Foundation of Santa Barbara County to provide legal assistance to low-income tenants at risk of eviction.

The Legal Aid Foundation of Santa Barbara County is a non-profit civil law firm. Our mission is to provide high-quality civil legal services to low-income and other vulnerable residents in order to ensure equal access to justice. We change lives through direct representation, legal advice and information, and community education. Our vision is a community where low-income people and other vulnerable residents are empowered to thrive and where all residents have meaningful access to the civil justice system. Since 1959, Legal Aid has provided legal services to those most in need in Santa Barbara County. Our services include the provision of legal information and advice, assistance with the preparation of legal documents, and representation in court proceedings.

Funding & Scope

Funding: \$250,000 from the City of Santa Barbara's general fund.

Program Duration: One-year pilot starting August 2024.

Eligibility Criteria

Tenants who live in the City of Santa Barbara earning less than 50% of the area median income, adjusted by household size, as determined by HUD.

Scope of Program Services

Legal advice or representation will be provided to a minimum of 80 City of Santa Barbara households at risk of eviction.

Households must earn below 50% of Area Median Income (AMI) as determined by HUD.

Legal services range from advice to full representation in court or settlement negotiations.

Priority cases:

- Tenants served with a notice to quit.
- Subsidized housing tenants (e.g., Section 8).
- Cases where landlords are represented by counsel.
- Likely unlawful evictions.
- Tenants with barriers to navigating the legal system (e.g., language, disability).

Future Considerations

Program Review: Legal Aid will report to the City Council before the end of the year to review results and discuss potential future funding sources.

Legal Aid Foundation of Santa Barbara County

(805) 963-6754

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www.lafsbc.org