



**Habitat
for Humanity®**

of Southern Santa Barbara County

ATTACHMENT 1

*Building
houses,
building
hope*

June 4, 2007

Mr. Simon Kiefer
City of Santa Barbara Community Development Department
Housing & Redevelopment Division
630 Garden Street
Santa Barbara, California 93102-1990

Dear Simon:

This letter is to confirm Habitat for Humanity of Southern Santa Barbara County's intent to build four affordable housing units for low-income families at our site located at 618 San Pascual, Santa Barbara. As per our attached budget, we will once again seek funding from a variety of sources, including individuals, foundation, faith-based organizations, civic groups and corporations along with the HUD funding provided by the City.

As part of our financing, we are applying for \$43,000 in administrative expenses plus \$165,000 per unit in HOME funds to be used for site preparation and construction of the homes, a total of \$703,000. These homes will be built in partnership with future homeowners and volunteers. Homeowners will be selected by our Family Selection committee according to Habitat's criteria: annual income between 40% and 60% of area median income; currently living in substandard housing; and willingness to work a minimum of 250 hours of sweat equity per adult family member to build the homes.

The HOME funds will be carried as a zero-interest forty-five year mortgage on each of the units. Upon occupancy, these mortgages will be held as a second mortgage, and will allow the City of Santa Barbara to monitor the continuing affordability of these homes through an affordability covenant recorded on each property. At the end of the affordability period and subject to restrictions imposed by the City, these mortgages will be forgiven. Habitat for Humanity of SSBC will carry the first mortgage, which will also be a zero-interest loan. Mortgages will be established upon completion of construction that allow all shelter costs, including property taxes, homeowners association fees, utilities and insurance, to total no more than 35% of the homeowner's monthly income.

We are pleased to join with other agencies in finding solutions to the affordable housing crisis on the South Coast, and we welcome a continuing partnership with the City of Santa Barbara. We look forward with great anticipation to the day we can begin building these affordable homes.

Sincerely,

Joyce McCullough
Executive Director

PO Box 176, Goleta, CA
93116
5960 Mandarin Ave. Ste
E 3
Goleta, CA 93117
Phone: (805) 692-2226
Fax: (805) 692-8406
www.sbhabitat.org