

# Landlord Link

Housing Authority of the City of Santa Barbara

## Thank you! From our Executive Director/CEO

I would like to take this opportunity to thank you for your continued support and participation in the Section 8 Program. It is because of you, the owners and managers, that we are able to provide working families, seniors and the disabled with the rental subsidy that makes it possible for them to continue to live in the community they know as home.

This year has seen a vast improvement in the economy, both locally and nationally. The South Coast rental market has skyrocketed as tourism, increased student populations and job growth have all had an effect on the local economy and rental market. While this is generally good news for most of us, the strong economy and rental market put more stress on the service workers who greet us and attend to our needs in doctor's offices, retail establishments, restaurants and other businesses we frequent in our area on a daily basis. It is also increasingly difficult for the many seniors and disabled folks who are trying to get by on Social Security as their only source of income—a very sad and growing reality in the U.S. Your willingness to house seniors and disabled folks with Housing Authority Section 8 assistance is literally life saving for many of them. Without our partnership, many of them would be homeless.

While rents have increased tremendously, wages in the retail and service industry have not. Most of the heads of households on our Section 8 and Public Housing programs continue to earn \$9.00 - \$12.00 an hour; on a monthly basis that translates to income of only \$1,560 – \$2,080 per month. A family of four with two working adults cannot afford an average two bedroom unit without taking on two jobs. Your continued support of the program not only improves the Section 8 family's well-being, but also contributes to the community by providing more stability to low income households. Our Section 8 program also brings to the community over \$23 million in federal Housing Assistance Payments (HAP) to our local economy—and this kind of external funding is a very strong input for any local economy.

And, YES, we are aware of the need to increase our payment standards to better reflect current market conditions. After several unsuccessful attempts to convince HUD of this over the past few years, we are finally making progress. They have agreed to review and hopefully use current data from the UCSB Economic Forecast Project to determine new payment standards for southern Santa Barbara county. While I can't guarantee what HUD will do, I can say it looks encouraging. We

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## NEW TO THE HOUSING AUTHORITY

The Housing Authority of the City of Santa Barbara has had a busy year working on adding affordable rental units to its inventory:

- 100 N. La Cumbre Road; Ownership as of December 2015, 19 unit senior complex will allow residents to remain in place with affordable rent
- 3869 State Street, former Grace Lutheran Church, is the site for a new senior housing development
- 251 S. Hope Ave, plan for senior housing project modeled on the successful Garden Court on De la Vina St.
- 813 E. Carrillo St., the future site of 15 to 20 studio apartments to serve homeless veterans or veterans at risk of homelessness

## WHO TO CONTACT

*Housing Assistance Payment questions:*  
Alicia Esparza  
805-897-1095 or aesparza@hacsb.org

*HAP contract/lease-up questions:*  
Julia Garcia  
805-897-1082 or jgarcia@hacsb.org

*Section 8 Policy questions:*  
Andrea Fink  
805-897-1034 or afink@hacsb.org

*Rent increases requests, inspection questions:*  
Jerry Morales  
805-897-1049 or jmorales@hacsb.org

*Director of Housing Programs:*  
Veronica Loza  
805-897-1032 or vloza@hacsb.org

## Have a tenant who needs help?

As a reminder, the Housing Authority has contracted with New Beginnings Counseling Center to provide clients with referrals for supportive services for the elderly, disabled or families. New Beginnings staff can connect clients with referrals for in home supportive services, counseling, meal delivery services, grants, utility bill assistance, emergency rent relief, and many more! New Beginnings staff can also work in coordination with other supportive services agencies to ensure Section 8 clients receive the assistance needed. If you suspect one of your HACSB Section 8 tenants is in need of supportive services, please contact our office for assistance with a referral.

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## Section 8 Apartment Protection

The Housing Authority of the City of Santa Barbara (HACSB) has set aside funds to help mitigate the costs associated with the occasional negligent tenant on the Section 8 Program. These funds are for landlords renting to HACSB Section 8 participants only. It is a guaranteed "insurance" to the owner for unit damages, unpaid rent and related court costs up to \$2,000.00 above the tenant's security deposit. To be eligible for this benefit, the owner/manager must meet the following requirements:

- Collect the equivalent of a minimum of one-month's rent to be used first before HACSB will pay for additional damages, rent or court costs.
- Provide pictures, invoices, rent statements substantiating the losses incurred
- Submit copies of warnings, notices and in the event of a lockout or settlement, copies of court documents
- Contact HACSB for a courtesy move-out inspection
- Complete application requesting funds within 30 days of move-out / lock-out

While not all of the above are necessary to receive approval of a request, the likelihood of approval is better for applications that have completed all of the above actions and are well documented. Funds can only be disbursed for damages BEYOND ordinary wear and tear, unpaid rent and legal fees up to \$2,000.

If you have any questions regarding this process or would like to request an application, please contact Leasing Agent Jerry Morales at (805) 897-1049 or jmorales@hacsb.org.

## Thank You! From our Executive Director/CEO

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are hopeful that HUD will approve new, higher payment standards for 2016 in January—February at the latest. Additionally, we have implemented new changes to the City Housing Authority's Section 8 Program including no limit on rent increases that can be determined rent reasonable, Friday inspections for move-ins, Apartment Protection Funds to cover unpaid rent and damages, the Home Care Program and information clinics addressing legal noticing.

With these new extras now in-place and new payment standards on the horizon, I encourage you to continue to contact our office when you have an available unit so that we can determine if there are seniors, disabled folks or families that qualify to pay the rent you are seeking. We can target income-qualified households with the number of family members you desire and send a select few your way so that you can conduct your background checks and ensure you choose the applicant that best suits your criteria. This step also reduces the number of calls you receive.

As we begin 2016, I would like to wish you and yours a very happy New Year. We appreciate your participation in the Section 8 Program. Every time you rent to a family, senior, or disabled person with Section 8 assistance you are making a HUGE difference in the life of that household; with housing assistance, we can help stop the person's or household's slide towards homelessness. We can also provide more family time for low income households that might otherwise have to hold down 2 or 3 jobs just to pay the rent and keep a roof over their family. They also get time to ensure their children keep up with their schooling, increasing opportunities for their children's healthy growth and educational and job advancement. For our low income seniors, it allows them to stay in their home town, living independently and with dignity after having served a lifetime working in our community; and for the disabled, it gives them the opportunity to live independently yet stay close to family and friends. By participating in the Section 8 program, you become a true Santa Claus to a deserving, needy household whose income problems result from being born into poverty or who work or have had to work in low paying service jobs for most of their life. For this, I say thank you...a heartfelt thank you for stepping up and opening your property and heart to making the world a kinder, gentler place. While it may mean a slightly lower return on a real estate investment, the investment in compassion and concern for those less fortunate is a huge dividend in and of itself.

On behalf of the Housing Authority of the City of Santa Barbara and our Section 8 participants, I again say thank you and wish you and yours a Happy and Prosperous New Year!



Robert G. Pearson, Executive Director and CEO



## Thinking of Selling your Property?

The Housing Authority of the City of Santa Barbara (HACSB) might be interested! There may be many benefits to selling to the Housing Authority including tax exempt interest and a 1033 exchange program. For owners who have held onto their properties for many years, you know what negative tax implications come with selling a property that is owned free and clear or with little debt. This is where a sale to the Housing Authority will not only benefit you financially, it gives you the opportunity to contribute to the current stock of affordable housing for service workers, seniors and the disabled. Below is a brief description of the options and benefits of selling to HACSB:

- \* Section 1033 Exchange (condemnation under eminent domain) – similar to a 1031 exchange, the 1033 exchange is far less restrictive giving the seller 2 - 3 years to purchase a qualified exchange property (or properties) with the same benefit of deferring capital gain taxes. In a Section 1033, there is no requirement for a Qualified Intermediary – the seller can receive the sales proceeds until the replacement property purchase. If not all the proceeds are used for the replacement property, the seller is taxed on the difference only.
- \* Tax Exempt Interest – HACSB has the ability to purchase property from a seller in installments over a mutually agreed length of time; the interest paid to the seller is tax exempt! For owners wishing to lower their tax liability, this program offers an opportunity to receive the equity built up on a property over time, thus potentially reducing the tax liability since it will be paid over a number of years. The interest paid is tax exempt.
- \* Donation to HACSB – Your donation will provide housing for those most in need, allow for a substantial tax deduction, and the opportunity to name the property and have your namesake live on in perpetuity in Santa Barbara history.

Tax circumstances and implications are different for every taxpayer. Please consult with your attorney and/or CPA for an explanation of what the tax consequences are for each of the above situations. For more information or if you are interested in selling your property, please contact Leasing Agent Jerry Morales at (805) 897-1049.

## Tools for School Success!



The Housing Authority and its affiliate non-profit, 2nd Story Associates, held its 3rd Annual Tools for School event in August, handing out over 300 backpacks to low-income children and to families participating in the Family Self Sufficiency program. Besides lots of smiling faces, several local community agencies were present to provide information about their programs for families and children and Housing Authority staff volunteered their time to make sure the event was a success. Even the Mayor of Santa Barbara, Helene Schneider, came to show her support and get in on the fun!