

5 YEAR ACTION PLAN 2014 - 2019



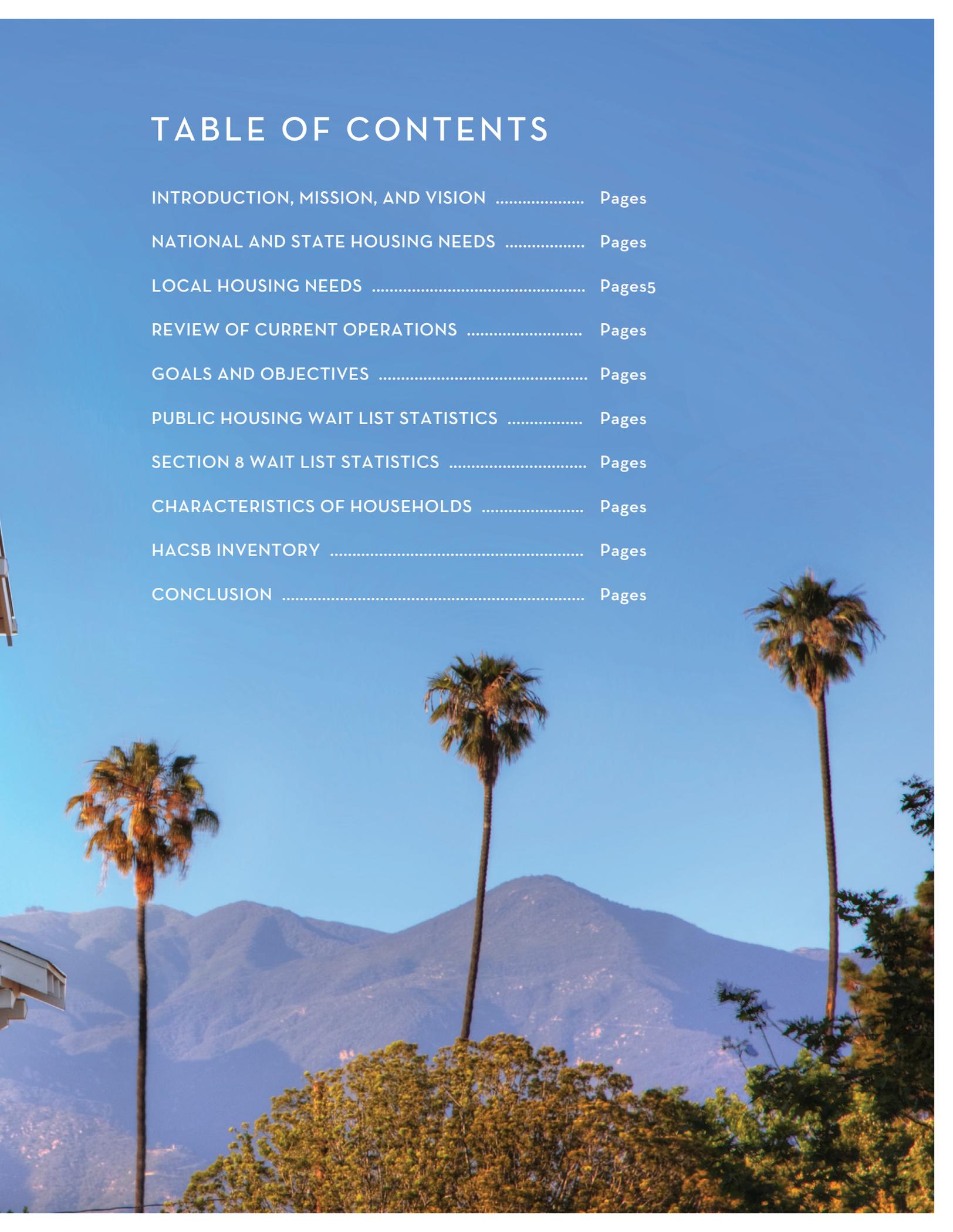
HOUSING AUTHORITY
OF THE CITY OF SANTA BARBARA





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INTRODUCTION

This 5-Year Action Plan of the Housing Authority of the City of Santa Barbara (HACSB) sets forth the Housing Authority's perspective on the community's affordable housing needs and charts the Authority's course to help address these needs over the next five years. The Plan examines and provides an overview of the following elements: (1) national, state and local affordable housing trends, constraints and needs; (2) existing Housing Authority programs; (3) current operational aspects of the Housing Authority; and (4) the Housing Authority's goals and objectives for furthering its mission.

The national goal of "a safe, decent and sanitary home for every American" was established with the adoption of the 1937 Federal Housing Act. Since 1937, a variety of housing programs have been designed and funded by the federal government and implemented by local public housing authorities, non-profit corporations and private developers. These programs are largely funded by federal tax dollars appropriated on an annual basis to the U.S Department of Housing and Urban Development (HUD).

VISION

The Housing Authority of the City of Santa Barbara does more than handle the day-to-day demands of providing affordable housing solutions to lower income families, seniors and the disabled. We strive to craft solutions to our community's affordable housing dilemma in a holistic manner and turn these solutions into reality.

Our dedicated Board of Commissioners and staff ensure that HACSB continues to be a well managed, compassionate and effective service provider as opposed to a public bureaucracy. We recognize and value the diversity of each individual client and staff member. The results of this vision are many and include a hard-working, high-quality and fiscally-sound organization with objective goals and measurable achievements.

MISSION

The Housing Authority of the City of Santa Barbara is a local public agency created under state law for the purpose of providing safe, decent, and quality affordable housing and supportive services to eligible persons with limited incomes through a variety of federal, state, local and private resources.





NATIONAL AND STATE HOUSING NEEDS

This strategic plan document for the Housing Authority is for the period of 2014 to 2019. Its adoption coincides with the beginning date for the Housing Authority's 2014-2015 fiscal year—and begins at a time when the country has emerged from the longest, and by most measures, worst economic recession since the Great Depression. The “Great Recession” put the economy into a deep hole and continues to have a lasting effect on the nation’s slow recovery. During this last recession, the unemployment rate rose far higher than in the previous two recessions. Although employers began to add jobs in 2010, the overall employment rate remains lower in February 2014 than it was at the start of the recession (Priorities, 2014). Along with those unemployment figures, hundreds of thousands of homeowners lost their homes during the recession due to foreclosure, driving up demand and prices in the rental market and putting upward pressure on the need for affordable rental housing nationwide. In fact, the upward trend in homeownership has now reversed with American households increasingly turning to the rental market for housing for reasons mentioned above.

The number of renters in the United States continues to climb steadily. Since 2008, the number of renters increased by almost two million households, 45% of which include very low-income households (incomes at or below 50% of Area Median Income, AMI). At the same time, the number of homes that are affordable to renter households in this income group decreased by more than 600,000.

Low income households (seniors, disabled individuals and families) are having an increasingly difficult time finding affordable housing. This affordability gap, or the persistent gap between what housing costs and what low income people can afford to pay, continues to widen each year and is the fundamental challenge in the U.S. housing market today. The number of American households having to spend more than 50% their monthly income on rent is at an all-time high.

The struggle to find affordable rental housing stems from the simple fact that low-income renters far outnumber the supply of low-cost units. Closing that gap is the key objective of federal low-income housing programs. Yet, despite the fact that the number of low-income seniors, disabled persons and families facing excessive housing costs far exceeds the number who receive federal assistance, federal housing assistance is declining.

Despite this increasing need for affordable rental housing, even maintaining the current amount of federal funding for existing low-income housing programs has become an annual struggle. Budget authority for federal housing assistance has declined nearly 50% since its peak in 1978. Public housing, Section 8 project-based rental assistance, and programs for the elderly and disabled, all of which tend to serve very low-income households with incomes of 50% or less of AMI (includes those most in need and discussed above—i.e. those earning 30% of AMI or less), have all faced budget cuts and uncertainty in recent years.

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For the last decade, the federal funding for the 1.2 million units of public housing has been severely reduced. The Capital Fund Program, used to modernize and rehabilitate this inventory, has a backlog of \$26 billion as of 2010 and annually accrues a backlog of another \$3 billion. This, along with ongoing cuts to the Operating Subsidy program, has led many public housing authorities to reposition their public housing units to other, more stable, funding platforms.



Rental housing assistance is vital to the well-being of many of the country's most vulnerable families and individuals. Unfortunately, the very low-income renter population has grown from 15.9 million in 2007 to 19.3 million in 2011. This is largely a result of the Great Recession, along with the stagnation and/or decline in real wages and benefits over this same time period. As a result, the number of "worst case needs" households, very low-income unassisted renters paying half or more their income for housing or living in severely substandard housing, has persisted and grown throughout the subsequent decades, rising from 4.0 million households in 1978 to 7.10 million households in 2011 (HUD, 2011).

This issue has been compounded due to Sequestration that went into effect in March 2013 as a result of the Budget Control Act of 2011. Sequestration mandated an immediate 5% across-the-board budget cut for all non-entitlement budget programs. In 2013, this created the loss of over 70,000 Section 8 Housing Choice Vouchers which provide rental assistance to low and very low-income households across the country. In California, the loss was in excess of 6,900 vouchers; in Santa Barbara city, we were forced to serve 107 fewer households in 2013.

Federal housing assistance now reaches fewer than 1 in 4 low-income households in need and otherwise eligible for assistance. Whether it was the desired or unintended result of policy, one de facto result of this declining federal commitment to housing the lowest income amongst us is a steady devolution of the responsibility for rental housing assistance to lower levels of government. Unfortunately, states have not been able to close the gap left by the federal government's retreat from this long-standing commitment to the poor. In California, the gap has worsened due to the loss of redevelopment agencies throughout the State. As a result of the Legislature repealing (and judicial upholding of the repeal) of the Redevelopment Agency Law in 2012, the State has lost about \$1 billion per year that would have supported the development of new affordable housing. This has been a severe blow to all localities in the State with a redevelopment agency, including the City of Santa Barbara.



LOCAL HOUSING NEEDS

Due to our geographic location, Santa Barbara enjoys a temperate Mediterranean climate year-round. This, along with the natural beauty of the coastline and the mountain ranges, provides a highly desirable living environment that draws wealthy households to the area, further increasing housing prices and rents. Many (including new arrivals) oppose new housing starts for fear that they will destroy the South Coast's unique and special character. Our area is bounded to the East, West and South by the Pacific Ocean and the Santa Ynez mountain range to the North. This creates a finite amount of developable land to meet the housing needs of our community. Additionally, the City of Santa Barbara has had a longstanding goal of living within its resources when planning for the future. All of this has had the unintended consequences of higher housing costs, overcrowding and increased traffic congestion due to increased commuting.

The Recession of 2007-2010 resulted in a 52 percent increase in residents living below the Federal Poverty Thresholds and a 61 percent increase in child poverty in Santa Barbara county.² Yet, just as the community need for human service programs grew, state and federal budget deficits resulted in deep cuts to human services and affordable housing programs.

Like the rest of the State and nation, during the Great Recession, Santa Barbara's housing prices retreated from their highs in 2007. Yet, unlike most other areas, the price deflation was modest. Santa Barbara's "for

sale" housing market has now recovered and the median home price for the December 2013 through February 2014 quarter was \$792,500. Although this level is well below the Santa Barbara's all time high of \$1,295,000, the trend is moving upward and Santa Barbara remains one of the most expensive housing markets in the country. Assuming a family has a 10% down payment of \$79,250 for the median-priced home, they would need to earn \$172,000 per year in order to qualify for a standard 30 year, 4.25% fixed rate loan under government and banking standards. Unfortunately, this puts homeownership out of reach for most people in Santa Barbara given the 2014 median income for a family of four in Santa Barbara County is \$72,800. Less than 10% of all households residing in the City of Santa Barbara can afford the median priced home.

Rental housing costs typically follow in concert with an area's homeownership housing costs and Santa Barbara is no exception. In fact, the high cost of homeownership in the Santa Barbara area fuels the demand for additional rental housing. Additionally, as in other areas of the country, demand for affordable rental housing increased as a result of the Great Recession and the ensuing housing market collapse. So, although the For-Sale market in Santa Barbara has enjoyed some price pressure relief, the rental market has only increased. In the last fifteen years, the South Coast of Santa Barbara county experienced a 43.70% increase in the average monthly rent of a 2-bedroom unit, from \$1,357 to \$1,950. Unfortunately, incomes have not kept



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pace with rental housing costs. In order to afford the current monthly rent of a two bedroom apartment in the City of Santa Barbara, a family would need to earn \$6,500 per month (\$78,000 annually), or \$37.50 an hour based on a traditional qualifying and affordability ratio of spending no more than 30 percent of income toward rent. The most recent census data indicates that nearly half of all families within the City of Santa Barbara earn less than the amount necessary to afford the average cost of a two-bedroom apartment.

An additional indicator of demand for rental housing is the vacancy rate for an area. A vacancy rate of 5 percent is generally used to represent “equilibrium” in the rental housing market. With a 5 percent vacancy factor, there are choices in the market available for residents seeking rental housing and good economics for landlords. In the South Coast, the vacancy rate has been dramatically lower than this for years. In the Spring of 2013, the vacancy rate on the South Coast was less than 1 percent. This makes for a very unhealthy housing market for renters.

The high cost of rentals with the traditionally low vacancy rate on the South Coast of Santa Barbara result in many residents spending a much higher percentage of their income toward rent. The 2008-2012 American Community Survey from the U.S. Census indicates that 47.8 percent of rental households are paying more

than 35 percent of their income toward rent. Paying more than 30 percent of gross income toward rent is not considered affordable. It is important to note the American Community Survey, an update to the 2010 census data, indicates that 14.7 percent of the City’s population falls below the poverty line. This high percentage of the population living in poverty coupled with the high cost of housing and low vacancy rate continue to evidence the need for our Agency and its stated mission of providing affordable housing solutions to low income Santa Barbarans through a variety of programs.

Lack of affordable housing in our region also contributes to commuting, as local workers seek more affordable housing in other regional markets. According to a 2011 California Economic Forecast study, “the number of commuters from Ventura and San Luis Obispo Counties has nearly doubled in the past 20 years,” and the amount of Los Angeles County commuters has increased 57% over the past two decades. Additionally, since 1970, the total traffic flowing along the Santa Barbara/Ventura County border has risen by 171% (California Economic Forecast, 2010). For Santa Barbara, it is clear that many workers cannot afford to live in the community where they work. As workers are being priced out of the communities they serve, problems of community sustainability and declining intergenerational ties arise, as younger generations cannot afford to stay in the local community.

Despite the tremendous work and collaboration going on in our community to end homelessness, we continue to be a “small town with a big homeless problem.” Santa Barbara County’s 10-Year Plan to End Chronic Homelessness published in 2006 estimated the total number of homeless persons county-wide to be 6000. The 2013 estimate, according to the Santa Barbara County Department of Human Services, remains much the same at 6,250 county-wide. Santa Barbara’s major homeless subpopulations read much like the nation’s: Among homeless adults, 32 percent are severely mentally ill, 27 percent are employed, 23 percent are physically disabled, 19 percent are victims of domestic violence, and 14 percent are veterans. As a result, the conversation has begun to shift toward models that work: housing first, rapid re-housing, and homeless prevention.

The continued need for affordable housing on the South Coast and within the City of Santa Barbara is further evidenced with a review of our Agency’s wait list numbers for our Section 8, Public Housing and other affordable housing programs. Combined, we have 11,699 unique applicants on our wait lists for affordable housing assistance. Our waiting list data also confirms the need to assist a variety of family needs from differing demographics. The data indicates a need to serve special needs populations that are disabled and/or homeless, as well as the growing need to serve the expanding (and sadly low income) senior citizen population. We know from past and current data that this senior population will continue to expand between now and 2040 as a result of the aging baby boomer population. For the last several years, HACSB has worked to address our community’s affordable housing needs in creative ways. We have developed permanent housing for the homeless with supportive services at El Carrillo, Artisan Court and Bradley Studios. We have created Garden Court on De La Vina to enable seniors to continue living independently with enhanced services. We also built the first affordable housing project targeted for low-income downtown workers at 902 Castillo St.—Casa de las Fuentes. In order to meet the demand for affordable housing for all, we will need to continue building unique developments and replicate those that have been successful and continue to be relevant.

Last year, the City of Santa Barbara updated its General Plan which reaffirms the City’s need to address the provision of affordable housing across all demographics. Adding to the City’s inventory of affordable housing will be a complex task in years to come given reduced federal, state and local funding realities. We also face a regulatory environment that seems to always be growing along with a scarcity of available and suitable building sites on the South Coast.

HACSB will continue to strive to have a positive impact in addressing the area’s affordable housing needs despite these limitations. In this plan, we will discuss the opportunities and constraints under which we currently operate as well as lay out our goals and objectives for addressing these needs in the immediate future.





REVIEW OF CURRENT OPERATIONS

EXTERNAL OPPORTUNITIES

COMMUNITY LEADERSHIP ROLE - HACSB continues to be viewed as a community leader throughout the South Coast region of Santa Barbara County. Through our good work and stewardship, producing and maintaining high-quality affordable housing as well as bettering the lives of the residents we serve, HACSB has developed an excellent reputation and earned a great deal of goodwill. This goodwill can be leveraged in a variety of ways for the production of needed affordable housing for the community.

PARTNERING WITH TAX CREDIT INVESTORS AND OTHER NON-PROFIT AGENCIES - As the supply of developable land continues to decrease, developers continue to seek assistance from HACSB in crafting and creating affordable housing solutions as part of both market-rate projects as well as affordable projects. HACSB also continues to be called upon by both non-profit housing developers and social service agencies to assist them with financing their housing endeavors on a tax-exempt basis as well as providing rental subsidies. Both of these tools, tax exempt financing assistance and rental assistance, are key to making their affordable housing projects economically feasible. These partnerships are important vehicles for ensuring that more affordable rental and for-sale housing developments get built. The Housing Authority recognizes that it cannot meet all of the community's affordable housing needs on its own and remains poised and available to work with others on this important community goal.

REGIONAL/LOCAL COOPERATION AND COMMUNITY SUPPORT - Support for affordable housing among regional and local government jurisdictions, as well as the general populace, remains strong. The City of Santa Barbara has completed its update of the General Plan, addressing needed zoning amendments and planning framework for promoting the development of affordable housing. As the need for affordable housing continues to be the area's number one social and land-use planning issue, its implementation is vital. The awareness of this need has continued to increase and has helped to foster the realization of new affordable housing projects.

REPOSITION INVENTORY - Current federal regulations allow housing authorities to convert their HUD assisted public housing properties into locally owned developments - enabling the infusion of needed equity capital from a variety of sources for rehabilitation and redevelopment. The Housing Authority is committed to using this repositioning tool to ensure the long-term affordability, viability, and, hopefully, expansion of units located on these HUD Assisted Public Housing properties.

EXTERNAL CONSTRAINTS

- There is an increasingly limited supply of available land suitable for multi-family housing development in the City of Santa Barbara.
- Construction of new housing is expensive. Land and construction costs, along with development fees continue to rise over time. Absent federal resources, and the high demand and competition for limited Low-Income Housing Tax Credits, development of any significant number of new affordable housing units will be difficult - particularly housing targeted to very low-income persons and households.
- Despite improvements in California's budget situation, the Legislature approved Governor Brown's 2011-12 budget dissolving the state's 400 plus redevelopment agencies and recapturing their housing set-aside funds. HACSB had relied heavily upon Redevelopment Agency funding from the City of Santa Barbara for acquisition of land and for gap financing of almost all new affordable housing projects it pursued. The dissolution of State housing program funds and the recapture of our local agency set-aside funds has delayed and jeopardized several future housing developments.
- Santa Barbara's population growth includes a high percentage of low-income, minority households. This type of growth demands more affordable housing, further straining the community's limited housing resources.
- Approximately 30,000 workers commute daily to Santa Barbara. A workforce with a large percentage of commuters has negative consequences on the community's environmental, social and economic health. The lack of housing affordability for the local workforce is a major concern that requires prompt and creative solutions.
- It is estimated that by the year 2030, 25% of California's population will be over the age of 60. This projected growth will demand more senior housing, both independent and assisted living, especially for those with little to no income. Building restrictions and regulatory barriers, including new ADA laws, for all forms of new construction and rehabilitation projects continue to multiply. These regulations and restrictions often slow the development review process for building new housing and add extensive cost to each project, which in turn further restricts the overall affordable housing inventory.
- In order to provide stable housing for special needs populations such as the homeless, wrap-around support services must be provided. There is a limited supply of funding for social service providers despite increased acuity levels and this growing need for services for this population. As we commit to build the needed housing for these populations, we must be mindful of the availability of service dollars to meet their needs once housed.
- Drastic cuts in federal funding, Sequestration, deficit reduction, and the recent federal shut-down are the current mantras in Washington, D.C. These severely hinder our ability to keep low-income families appropriately housed.
- There are more than 6,000 homeless people in Santa Barbara county. There continues to be a need for less costly and more effective ways to permanently house the most vulnerable and hard-to-house, such as rapid re-housing and housing first.
- There continues to be a need to educate the public about homelessness and what can be done to end it. Public perceptions and attitudes toward persons experiencing homelessness, or in danger of becoming homeless, need to change in order for positive, long-term solutions to be realized.

INTERNAL STRENGTHS

- HACSB continues to be a respected governmental entity that manages its operating expenses in a responsible manner and generates adequate revenue to meet its expenses.
- HACSB staff and Commission are comprised of a dedicated group of individuals who are innovative, hard-working and creative in crafting solutions to help further the Housing Authority's mission. While the Commission sets effective policies and pursues long-range planning, they allow staff to effectively manage the day-to-day operation of its various programs. The combined talent and experience is invaluable with respect to efficiencies, competency and industry knowledge for the agency.
- Although it has become more difficult in recent years due to inadequate funding, HACSB continues to maintain its capital assets in good condition. This creates "goodwill" in the community and allows our residents and their neighbors to take pride in the developments in which they live. HACSB is able to point to our well maintained and operated developments when seeking community support and/or funding for new projects. Additionally, the value of our inventory has increased over time and HACSB has been able to leverage the increase in the value of these assets in the past to create more affordable housing.
- The residents and clients of the Housing Authority are well-served. HACSB's reputation of excellent customer service delivery is recognized and has garnered respect and deference for HACSB amongst the governing bodies and staff of the various governmental entities and social service agencies with whom we interact.
- HACSB, through strong, thoughtful and efficient planning and management of our operations, is afforded development modifications via the local development review processes including higher densities and reduced parking requirements.
- HACSB continues to embrace technological advances that improve day-to-day operations. Securing proven information technology systems improves staff efficiencies, thereby allowing the staff to spend more time on crafting solutions to our community's housing needs.
- The Housing Authority continues to be actively involved in policy debates on key housing issues at the local, State, and federal levels. HACSB is recognized nationally for the success and quality of its housing stock and programs. Because of this, it is important that Housing Authority Commissioners and staff continue to be active in the professional associations such as the National Association of Housing and Redevelopment Officials (NAHRO) and the California Association of Housing Authorities (CAHA) that represent our industry and mission.





INTERNAL IMPROVEMENTS NEEDED

- HACSB must continue to improve in all areas of accountability by establishing and achieving clear and measurable departmental and agency-wide goals. This must be done with documented and well structured processes that ensure consistency, accountability and adherence to policies.
- We must expand training and development programs that promote the Agency's core values, enhance employees' skills and growth as well as foster leadership development and improved succession planning from within.
- Team building has improved, but must continue to be fostered across departmental lines, with shared expectations and standards and appreciation of different perspectives. HACSB departments must work in alignment to achieve agency goals.
- HACSB must develop and implement specific measurement tools related to customer satisfaction. This will help HACSB ascertain whether our stated high level of customer service to our clients and the community is being achieved.
- HACSB must embrace proven and practical "green technologies" and "green practices" to establish itself as a leader in environmentally friendly business practices and housing development.
- We must continually assess our internal data processing systems for possible improvements.
- Similarly, we must formally evaluate client needs in order to deliver the most effective programs and services.



GOALS AND OBJECTIVES

GOAL I: CREATE AND PRESERVE QUALITY AFFORDABLE HOUSING OPPORTUNITIES FOR THE COMMUNITY.

ACTION STEPS

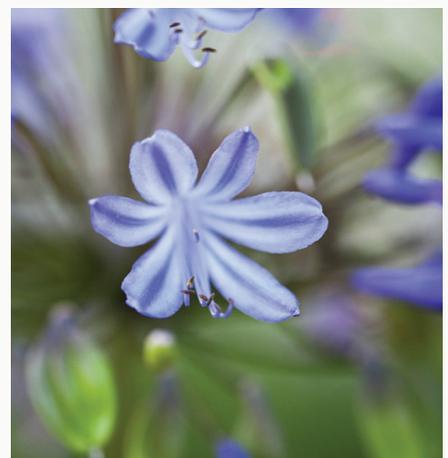
1. **Continue to expand HACSB's low-rent housing inventory through new construction and/or acquisition of existing rental housing by utilizing Housing Authority's retained earnings, the Low-Income Housing Tax Credit and other state and federal funding programs as available.**
 - Plan developments with universal design that can serve changing demographics, from special needs housing for the homeless and the disabled, to the aging baby-boomer population.
 - Identify and implement programs to create a continuum of care for those aging in place. Explore assisted living models for frail/low-income seniors.
 - Plan for purchase of Garden Court between years 2014 and 2017 pursuant to the Housing Authority's Master Lease on the property with the possibility of recapitalization under the 4% Low-Income Housing Tax Credit Program.
 - Continue to assist local non-profit agencies, especially those serving special needs populations, in developing affordable housing for their clients as well as assist with stabilizing their existing but aging housing stock.
 - Continue to advocate for purchase of Presidio Park Apartments to retain as affordable housing pursuant to City's stated goal within the Housing Element.
 - Locate under-utilized land, such as property owned by faith-based organizations or other non-profit organizations, to promote the development of affordable housing with donated land.

2. **Preserve and expand HACSB's affordable housing programs.**
 - Actively promote the participation of Santa Barbara's rental property owners in HACSB's rental assistance payment programs (e.g. Section 8, Shelter + Care, etc.)
 - Continue to maximize full lease-up and program utilization to ensure HACSB is serving the maximum number of households.
 - Recycle approximately 4% of the family tenancies in HACSB's existing rental housing stock per year through resident job training and educational programs so that others on the HACSB waiting list(s) can access our affordable housing inventory. Properly track and report the efficacy of this action on a quarterly basis.
 - Promote homeownership and open market rental opportunities for current HACSB program participants that ave obtained higher incomes through partnerships and community programs.
 - Continue efforts to reposition and rehabilitate Public Housing through HUD's Rental Assistance Demonstration(RAD) or other similar programs. Complete major rehabilitation of the Monteria, Sycamore Gardens and Soledad apartment complexes.

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ACTION STEPS

3. **Advocate for, and aggressively pursue, all federal, state and local funding sources available to HACSB for affordable housing**
 - Continue to encourage HUD and Congress to both grant and increase the Exception Fair Market Rents or define a new OMB (Office of Management and Budget) housing market for the South Coast of Santa Barbara County. This will help us to more effectively address the drastic differences in rental housing costs between North and South County, which comprise two distinct housing markets.
 - Advocate for legislation that will create a new permanent source of funding for affordable housing as replacement for the RDA Housing set-aside dollars lost through the dissolution of redevelopment agencies in California.
4. **Utilize HACSB's affiliate non-profit, 2nd Story Associates, and its instrumentality, Santa Barbara Affordable Housing Group, as well as local foundations to expand housing and revenue sources not generally available to, nor specifically designed for "public" housing authorities.**
5. **Remain a critical force in the local efforts to end homelessness.**
 - Continue Central Coast Collaborative on Homelessness ("C3H") leadership and participation.
 - Partner with other community based organizations to create new affordable housing opportunities to serve the most vulnerable homeless (e.g. Housing First and master leasing models).



GOAL II: UTILIZE HOUSING AUTHORITY RESOURCES IN AN EFFICIENT, COORDINATED AND RESULTS-ORIENTED MANNER.

ACTION STEPS

1. **Establish major agency wide and departmental goals with appropriate timelines.**
 - Adopt Annual Action Plan as part of HACSB's annual budget process and in alignment with this 5 Year Action Plan.
 - Integrate Annual Action Plan into specific and measurable individual goals and performance objectives within a performance management system.
 - Continue to assess day-to-day operational procedures for improved efficiencies and service delivery.
2. **Develop a "green" operations policy which integrates with efficient operations.**

GOAL III: STRENGTHEN THE AGENCY'S FINANCIAL POSITION AND ITS ABILITY TO RESPOND TO SHIFTING ECONOMIC CONDITIONS.

ACTION STEPS

1. **Control expenditures and seek other revenue sources to sustain and develop new housing programs.**
2. **Develop and/or improve existing long-term capital plan for all properties**
 - Upon completion of the repositioning of the HUD-assisted Public Housing inventory through the Rental Assistance Demonstration program (RAD), conduct a cost allocation study to establish baseline allocation plan for all agency cost centers.
3. **Promote HACSB's fiscal stability by maintaining a healthy economic mix of lower income (and otherwise eligible) residents in our various housing programs.**
4. **Periodically assess staffing and business needs and implement changes as necessary.**

GOAL IV: PROMOTE AND SECURE SERVICES FOR HOUSING AUTHORITY RESIDENTS AND PARTICIPANTS.

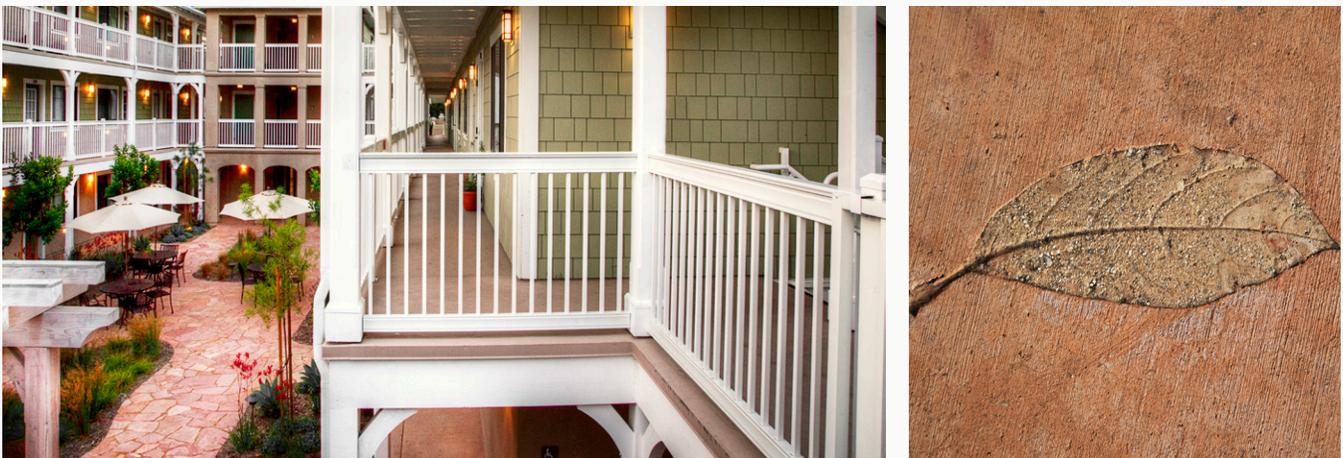
ACTION STEPS

1. Actively research and access available federal, state, local and private foundation resources for the delivery and enhancement of resident services both through HACSB and 2nd Story Associates.
2. Collaborate with partners who are able to expand our reach and effectiveness by providing services, education and economic opportunities that help residents advance out of poverty.
3. Assess and identify the quality of life concerns for senior, disabled, and special needs residents.
 - Expand service-enriched housing opportunities for senior and special needs residents in order to allow residents and participants to live independently as long as possible. Identify and implement programs to create a continuum of care for those aging in place.
4. Promote open and effective communication with HACSB residents to encourage their input and involvement; incorporate practices such as surveys to identify the need for additional services, including ways to improve, expand or develop new programs.
5. Increase economic and self sufficiency opportunities for residents.
 - Promote an expectation of success among HACSB tenants and voucher holders.
 - Increase enrollment in the HA's Family Self-Sufficiency program and conduct an internal assessment of FSS program efficacy on an annual basis.
 - Develop and refine systems to track participant success, including statistics such as the number of residents who move to unsubsidized housing.
 - Expand current partnerships, resources and referrals, to create more education and job training programs tailored to the needs of participants.
6. Provide a variety of opportunities and pathways to success for youth.
 - Ensure educational access and success for HA youth from pre-school through college: meet goal of 95% of our housing stock's youth graduating from high school; increase number of youth applying for scholarships and attending college.
 - Create a culture of high expectations in which completion of high school and entry into the workforce is the norm.
 - Partner with community organizations and businesses to connect youth with positive enrichment opportunities - internships, mentorships, skilled trade instruction, etc.
6. Maintain a Resident Council that includes senior, family and disabled residents and secure input from the Council on needed services for residents on an ongoing basis.

GOAL V: FOSTER A CULTURE OF EXCELLENCE AND INNOVATION IN OUR WORK ENVIRONMENT.

ACTION STEPS

1. Continue to incorporate our core values or 5 C's—Compassion, Commitment, Cooperation, Competence and Communication in all aspects of our work.
2. Continue to review the method and manner in which we do our work in order to accomplish our mission, embrace our vision and be open to change.
3. Reward innovation, initiative and promote team building.
 - Provide a fair and equitable compensation and benefits package to attract and retain high performing employees.
 - Enhance employee training and educational opportunities for staff growth.
 - Require management staff to continually monitor and update their annual management performance evaluations to optimize their management function and value to the organization.
 - Continue to identify staff's talents and interests so that work is assigned in a manner that motivates staff and capitalizes on their strengths.
4. Maximize the use of technology for innovation and efficiencies.
5. Continue excellence in customer service.
 - Provide respectful, empathic, timely and effective service to all, regardless of race, nationality, physical or mental ability, age, gender, family status, sexual preference or language proficiency.



GOAL VI: PROMOTE HACSB'S ROLE IN A "SUSTAINABLE COMMUNITY".

ACTION STEPS

1. Pursue and utilize all proven/practical "Green Building" techniques and strategies with respect to all construction related activities.
2. Identify and implement sustainable practices throughout the agency to minimize impact on the environment.
 - As vehicle fleet replacement occurs, replace with fuel-efficient hybrids or zero emission vehicles when practical.
3. Promote and encourage conservation, recycling and use of recycled materials with contractors, residents and vendors.
4. Continue HACSB's high visibility and positive image through increased involvement by Commissioners, staff and residents in community issues and concerns and through service on boards, task forces and commissions related to the promotion of a sustainable community.
5. Encourage and participate in regional solutions to housing and transportation issues.

GOAL VII: STRENGTHEN PARTNERSHIP WITH THE CITY TO DEVELOP AND MAINTAIN AFFORDABLE HOUSING, FURTHERING HACSB'S MISSION.

ACTION STEPS

1. Institute joint meetings between HACSB's Commission, the City Planning Commission and the City Council to discuss affordable housing policy.
 - Enhance the communication and partnership HACSB staff has developed with City staff.
 - Evaluate and reassess City/HACSB function overlap.
2. Have HACSB Commissioners build strong relationships with the Housing Authority's City Council liaison so City Council remains well informed on the business of the Housing Authority as well as its future projects.
3. HACSB staff to continue to work closely with City staff on the City's annual Consolidated Plan and Housing Element updates to ensure affordable housing elements are in line with policy.



CONCLUSION

During the next 5 years (2014 to 2019), the Housing Authority will continue to dedicate itself to being more than just housing. We shall work to match the programs we operate and the projects we build to the identified needs of the community. Our past successes such as Garden Court for frail low-income seniors, Casa de Las Fuentes for downtown worker, and El Carrillo, Artisan Court and Bradley Studios that successfully house and re-engage the chronically homeless, will help guide our future endeavors. The Housing Authority's future is bright. Upcoming endeavors include the development of a second Garden Court (congregate care living for frail low income seniors) and major rehabilitation and funding platform change for the Authority's remaining 316 units of HUD-assisted Public Housing. This latter effort will be accomplished through HUD's new Rental Assistance Demonstration (RAD) program.

In a decade of enormous ups and downs in the housing market, one fact remains constant: the number of low-income households with excessive housing cost burdens continues its inexorable climb. While increasingly prevalent at all income levels, severe housing cost burdens are much more common among households with the lowest incomes. With income inequality worsening over the past decade, the share of households with these low incomes has continued to grow. Meanwhile the stock of low-cost housing that these households can afford and available federal rental assistance continues to shrink. This turbulence, while disturbing, underscores the importance of our core mission - **the provision of high quality and affordable rental housing to Santa Barbara residents in need.**

For the Housing Authority Commission and staff, the words "community", "family", "opportunity", "success", "hope", "change" are not simply idealistic catchphrases. We embrace their meaning and make sure they are integrated with our core values of competence, cooperation, commitment, communication and compassion. They are our "5-C's". These words define what we feel are necessary values for the operation of an organization such as ours where excellence in customer service to the client and the community is our foundation.

This 5 Year Action Plan is an important and necessary planning tool if we are to seriously examine and address the affordable housing needs of our community in a successful manner.

The Housing Authority carries out its work not as a governmental bureaucracy administering programs, but as developers, operators and stewards of yet another one of Santa Barbara's most prized assets - its affordable housing. To those that embrace our work and respect our approach and track record, we say thank you. We could not have accomplished all that we have, nor tend to what lies ahead, without your support, encouragement and recognition of the importance of affordable housing in sustaining and protecting the diversity of the Santa Barbara we all know and embrace.

INFORMATIONAL GRAPHICS AND STATISTICS

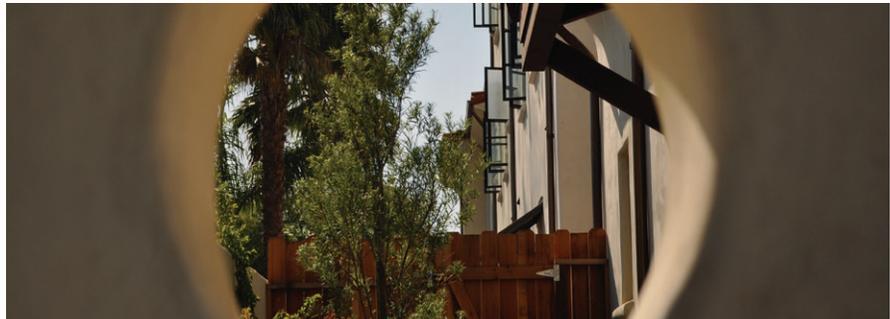
TABLE I: PUBLIC HOUSING AND SECTION 8 HOUSING CHOICE VOUCHER COMPARISON BETWEEN NATIONAL, STATE AND LOCAL PROGRAMS

	NATIONAL		STATE		HACSB	
	Public Housing	Section 8	Public Housing	Section 8	Public Housing	Section 8
Total Number of Households (ACC)	1,152,184	2,404,011	37,296	322,258	316	2,366
RACE (PERCENTAGES)						
White Only	51%	49%	66%	56%	94%	88%
Black non-Hispanic	45%	46%	25%	33%	3%	6%
Native American	1%	1%	1%	1%	1%	4%
Asian	2%	2%	7%	10%	1%	0%
Native Hawaiian / Pacific Islander	0%	1%	1%	0%	0%	1%
ETHNICITY (PERCENTAGES)						
Hispanic	24%	15%	46%	26%	87%	39%
Non-Hispanic	76%	85%	54%	74%	13%	61%
HOUSEHOLD COMPOSITION (PERCENTAGES)						
Families with Children	40%	48%	50%	38%	67%	23%
All Female Headed Household with Children	36%	44%	40%	32%	52%	20%
Elderly	31%	21%	27%	32%	18%	43%
Disabled	36%	43%	37%	50%	22%	44%
DISTRIBUTION OF HOUSEHOLD MEMBERS AGE (PERCENTAGES)						
0 - 5 Years	14%	12%	12%	9%	11%	6%
6 - 17 Years	24%	32%	29%	27%	27%	20%
18 - 50 Years	36%	36%	37%	36%	45%	34%
51 - 61 Years	11%	10%	10%	13%	10%	14%
62 - 82 Years	13%	9%	10%	13%	6%	22%
83+ Years	2%	1%	2%	2%	1%	4%
DISTRIBUTION BY TENURE OF RESIDENCE (PERCENTAGES)						
Moved in Past Year	21%	13%	13%	8%	7%	18%
1+ to 2 years ago	10%	8%	8%	7%	3%	6%
2+ to 5 years ago	20%	22%	21%	17%	9%	18%
5+ to 10 years ago	19%	27%	24%	26%	29%	27%
10+ to 20 years ago	17%	25%	21%	35%	31%	24%
Over 20 years ago	13%	5%	13%	7%	21%	7%
DISTRIBUTION BY HOUSEHOLD SIZE (PERCENTAGES)						
1 person	46%	40%	33%	43%	4%	63%
2 persons	21%	21%	22%	22%	25%	15%
3 persons	15%	17%	17%	14%	23%	11%
4 persons	10%	12%	13%	11%	18%	6%
5 persons	5%	6%	8%	6%	19%	5%
6 persons	2%	3%	4%	3%	9%	4%
7 persons	1%	1%	2%	1%	2%	1%
8+ persons	0%	0%	1%	0%	1%	0%
AVERAGE HOUSEHOLD SIZE	2.2	2.4	2.7	2.3	3.7	1.8

(source: HUD Public and Indian Housing Information Center (PIC) System - Resident Characteristics Report as of February 28, 2014)

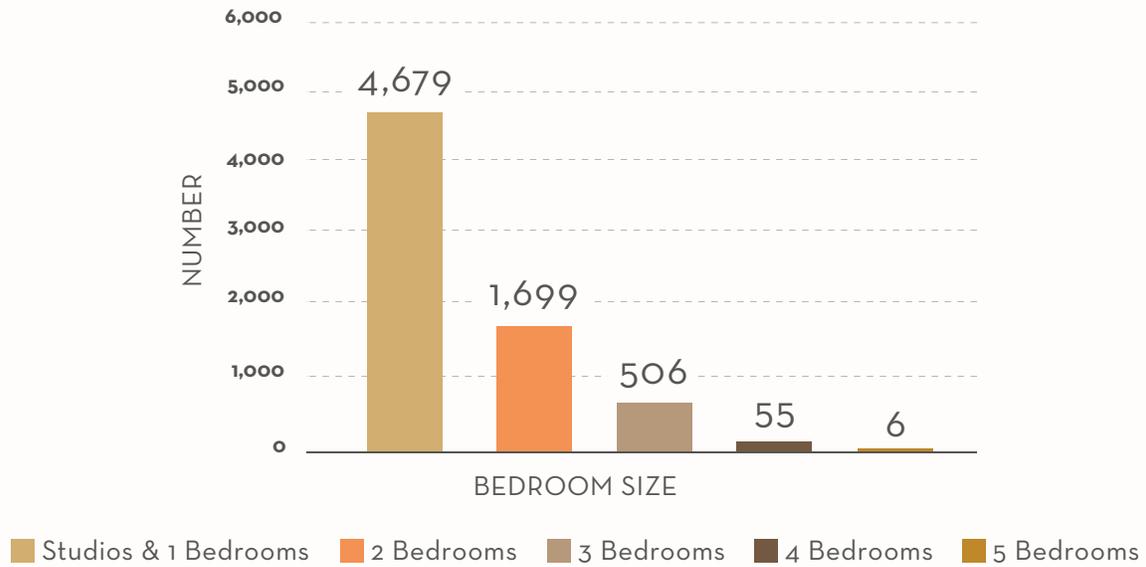
	NATIONAL		STATE		HACSB	
	Public Housing	Section 8	Public Housing	Section 8	Public Housing	Section 8
DISTRIBUTION BY NUMBER OF BEDROOMS (PERCENTAGES)						
0 Bedrooms	7%	2%	7%	3%	0%	16%
1 Bedrooms	34%	25%	23%	33%	4%	50%
2 Bedrooms	31%	36%	36%	37%	48%	25%
3 Bedrooms	22%	30%	25%	20%	40%	8%
4 Bedrooms	5%	6%	8%	6%	7%	1%
5+ Bedrooms	1%	1%	1%	1%	1%	0%
DISTRIBUTION BY AVERAGE ANNUAL INCOME (PERCENTAGES)						
Extremely Low Income - Below 30% of Median	68%	71%	76%	77%	35%	61%
Very Low Income - 50% of Median	19%	19%	16%	17%	30%	26%
Low Income - 80% of Median	8%	3%	5%	3%	24%	10%
Above Low Income	3%	0%	1%	0%	11%	2%
Income Limit Unavailable	2%	7%	2%	3%	0%	1%
DISTRIBUTION BY INCOME (PERCENTAGES)						
No Income \$0	5%	2%	1%	2%	1%	1%
\$1 - \$5,000	13%	10%	8%	7%	3%	3%
\$5,000 - \$10,000	31%	30%	18%	14%	7%	7%
\$10,001 - \$15,000	20%	24%	36%	42%	14%	45%
\$15,001 - \$20,000	12%	14%	14%	16%	8%	16%
\$20,001 - \$25,001	7%	8%	8%	9%	11%	9%
Above \$25,000	12%	10%	15%	10%	56%	19%
AVERAGE ANNUAL INCOME (\$)	\$13,853	\$13,049	\$15,696	\$14,842	\$32,246	\$17,681
DISTRIBUTION OF SOURCE INCOME (PERCENTAGES)						
Wages	33%	34%	40%	32%	78%	34%
TANF (Public Assistance)	32%	43%	33%	30%	8%	4%
SSI/SS/Pension	55%	57%	51%	62%	34%	72%
Other Income	20%	28%	22%	22%	31%	17%
No Income	2%	2%	1%	1%	0%	1%
AVERAGE MONTHLY RENT (\$)	\$327	\$306	\$370	\$352	\$777	\$416
OVERALL AVERAGE ASSISTANCE PAYMENT (HAP)		\$624		\$793		\$922

Note: Data obtained from the Department of Housing and Urban Development's Public and Indian Housing Information Center. In certain of the above categories, HACSB deviations over state and national distributions result from the following facts: (1) Santa Barbara has a relatively small Black population and large Hispanic population; (2) a large percentage of HACSB's client population is made-up of senior and/or disabled households; (3) most family households work; and (4) a very small percentage of HACSB's client base receive public assistance in the form of Temporary Assistance for Needy Families and General Relief.



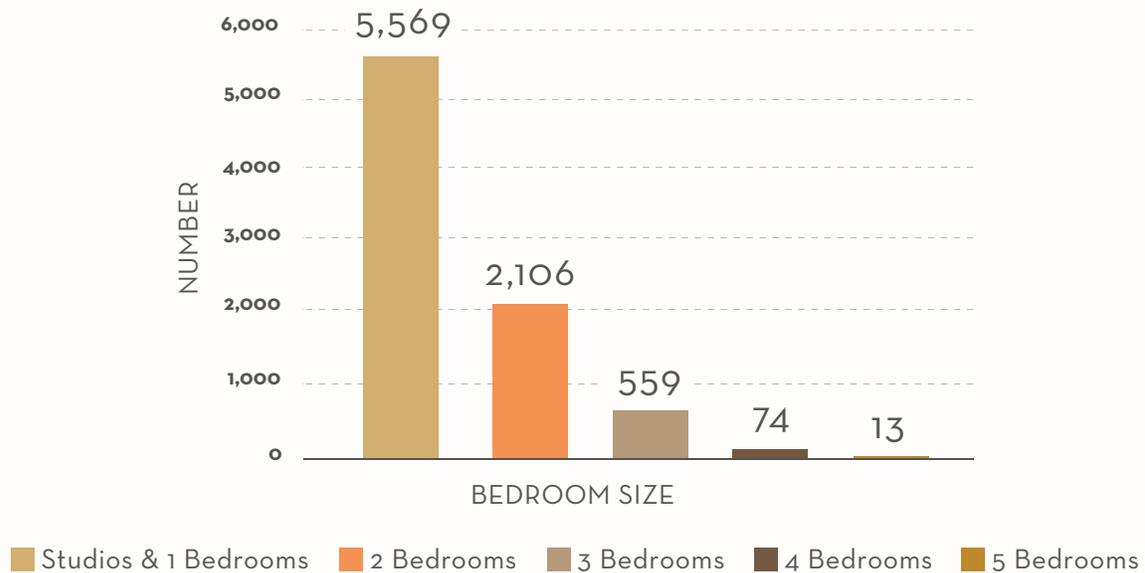
PUBLIC HOUSING WAITING LIST NEED BY BEDROOM SIZE

FIGURE 1: Public Housing Waiting List Need By Bedroom Size



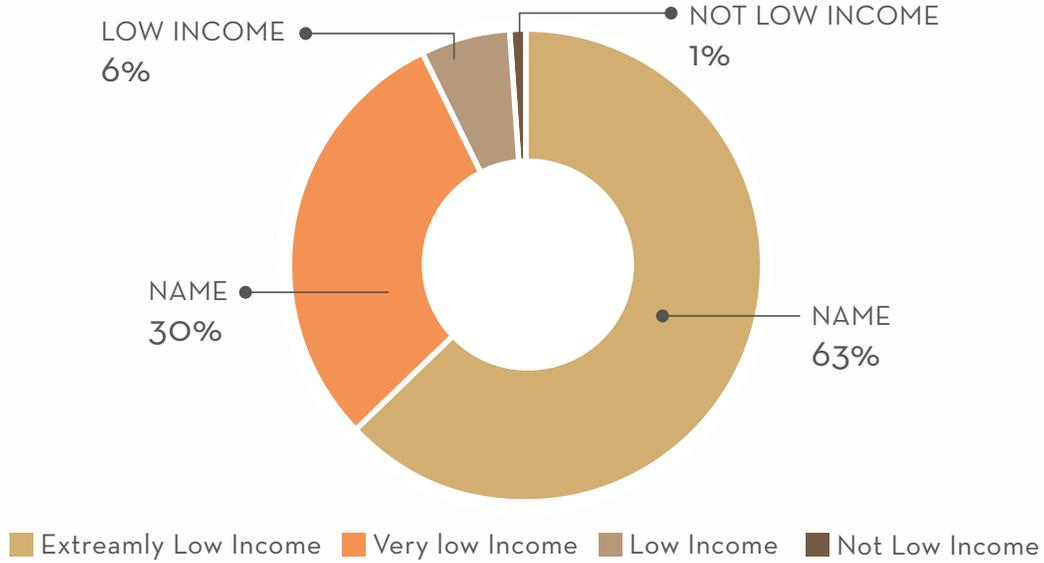
SECTION 8 HOUSING CHOICE VOUCHER WAITING LIST NEED BY BEDROOM SIZE

FIGURE 2: Section 8 Housing Choice Voucher Program Waiting List by Need - Waiting List as of March 22, 2014



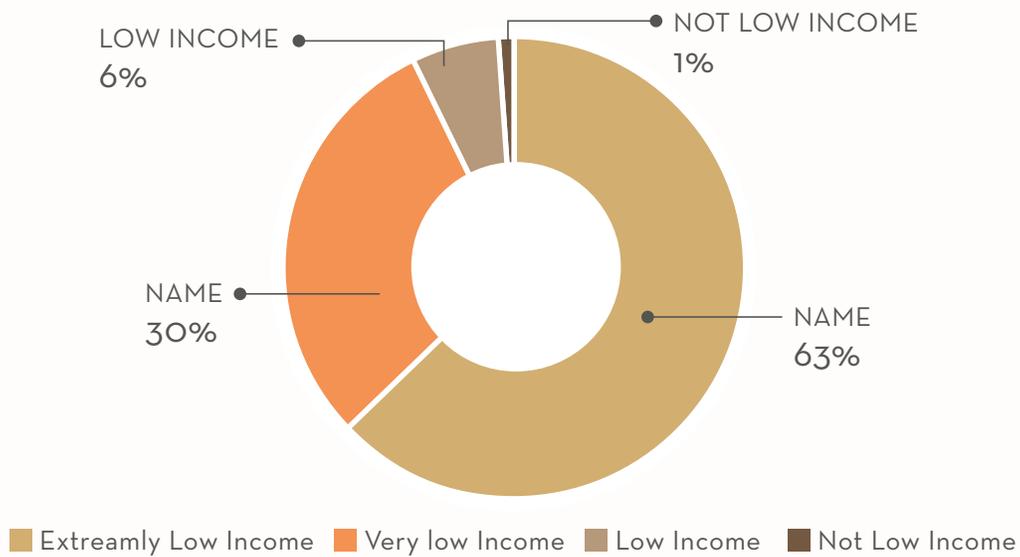
PUBLIC HOUSING WAITING LIST DISTRIBUTION BY INCOME

FIGURE 3: Public Housing Waiting List Distribution by Income - Wait List as of March 22, 2014



SECTION 8 HOUSING CHOICE VOUCHER INCOME RANGE

FIGURE 4: Section 8 Housing Choice Voucher Waitling List Distribution by Income - Wait List as of March 22, 2014



**TABLE II: SUMMARY OF S8 HCV PRORAM WAIT LIST -
COMPARISON TO 2009 WAIT LIST FIGURES**

Summary Waiting List Needs Chart -
Comparison with levels 5 years ago Public Housing Program

DESCRIPTION	S8 HCV Wait List 2009	S8 HCV Wait List 2014	Percentage Change
Total Applicants	3,855	8,321	115.85%
Number of Elderly Families	582	1,482	154.64%
Families with Children	1,342 2,554 Children	3,081 5,849 Children	129.58%
Families with Disabilities	987	2,477	150.96%

**TABLE III: SUMMARY OF PUBLIC HOUSING PROGRAM WAIT LIST -
COMPARISON TO 2009 WAIT LIST FIGURES**

Summary of Public Housing Program Wait List -
Comparison to 2009 Wait List Figures

DESCRIPTION	Public Housing Wait List 2009	Public Housing Wait List 2014	Percentage Change
Total Applicants	4,383	7,035	60.51%
Number of Elderly Families	791	1,453	83.69%
Families with Children	1,569 3,009 Children	2,589 4,902 Children	65.01%
Families with Disabilities	1,184	2,224	87.84%

TABLE III: STATEMENT OF INVENTORY

UNITS PER ADDRESS		NAME	TYPE
PUBLIC HOUSING			
4	305 RANCHERIA ST.	MONTERIA VILLAGE	FAMILY
24	512-524 W. MONTECITO ST.	MONTERIA VILLAGE	FAMILY
2	630 BATH ST.	N/A	FAMILY
4	231-233 W. ORTEGA ST.	N/A	FAMILY
9	323-327 S. VOLUNTARIO ST.	N/A	FAMILY
1	606 W. MICHELTORENA ST.	N/A	FAMILY
2	1507 SAN PASCUAL ST.	N/A	FAMILY
15	13-21 S. SOLEDAD ST.	PEARL GARDENS	FAMILY
18	219-231 MEIGS RD.	N/A	FAMILY
1	810 VINE ST.	N/A	FAMILY
4	519-521 N. ALISOS ST.	N/A	FAMILY
3	809-811 OLIVE ST.	N/A	FAMILY
16	1934-1938 ELISE WAY	N/A	FAMILY
8	818-826 LAGUNA ST.	PRESIDIO GARDENS	FAMILY
6	821 VINE AVE.	PRESIDIO GARDENS	FAMILY
4	820-824 VINE AVE.	PRESIDIO GARDENS	FAMILY
4	825 OLIVE ST.	PRESIDIO GARDENS	FAMILY
12	511-515 E. ORTEGA ST.	PRESIDIO GARDENS	FAMILY
12	714-720 OLIVE ST.	PRESIDIO GARDENS	FAMILY
10	1913 SAN PASCUAL ST.	N/A	FAMILY
4	602 EUCALYPTUS AVE.	N/A	FAMILY
5	422 OLD COAST HWY.	OLD COAST TOWNHOUSES	FAMILY
7	610-616 W. CARRILLO ST.	CASA CARRILLO	FAMILY
16	1203-1215 CASTILLO ST.	WILSON COTTAGES	FAMILY
8	416-422 W. ANAPAMU ST.	WILSON COTTAGES	FAMILY
6	902 OLIVE ST.	OLIVE TOWNHOUSES	FAMILY
6	28-38 N. VOLUNTARIO ST.	HOIT GARDENS	FAMILY
4	1112-1120 E. MASON ST.	HOIT GARDENS	FAMILY
17	620-652 CASTILLO ST.	LA CASA CASTILLO	FAMILY
24	3931-3937 VIA DIEGO	N/A	FAMILY
20	211-221 SYCAMORE LN.	SYCAMORE GARDENS	FAMILY
10	217-227 S. SALINAS ST.	N/A	FAMILY
12	221-223 W. VICTORIA ST.	N/A	FAMILY
3	125 S. VOLUNTARIO ST.	N/A	FAMILY
2	716 N. SALSIPUEDES ST.	N/A	FAMILY
2	602 PICO AVE.	N/A	FAMILY
11	82 N. LA CUMBRE RD.	N/A	FAMILY
TOTAL = 316			

TABLE III: STATEMENT OF INVENTORY

UNITS PER ADDRESS	ADDRESS	NAME	TYPE
LOCALLY OWNED OR MANAGED			
NON-HUD			
11	509-515 W. VICTORIA ST.	N/A	FAMILY
8	633 DE LA VINA ST.	N/A	FAMILY
6	2941 STATE ST.	N/A	FAMILY
8	2904 STATE ST.	N/A	FAMILY
3	425-431 E. ORTEGA ST.	N/A	FAMILY
3	705 OLIVE ST.	N/A	FAMILY
18	801-835 OLIVE ST.	N/A	FAMILY
4	630 W. ARRELLAGA ST.	N/A	FAMILY
18	309-319 S. VOLUNTARIO ST.	PASEO VOLUNTARIO	FAMILY
10	2721 MIRADERO DR.	ARROYO MIRADERO	ELDERLY
36	175 S. LA CUMBRE LN.	VISTA LA CUMBRE	ELDERLY
8	401-404 TRANSFER AVE.	CASTILLO COURT	ELDERLY
122	721 LAGUNA ST.	PRESIDIO SPRINGS	ELDERLY
6	1027 E. ORTEGA ST.	N/A	ELDERLY
6	224 W. ORTEGA ST.	N/A	ELDERLY
6	816 VINE AVE.	N/A	ELDERLY
1	817 OLIVE ST.	N/A	ELDERLY
4	1831 DE LA VINA ST.	N/A	ELDERLY
6	821 E. FIGUEROA ST.	N/A	FAMILY/ELDERLY
15	1012-1024 E. DE LA GUERRA ST.	CASITAS DE LA GUERRA	FAMILY/ELDERLY
6	2525 DE LA VINA ST.	N/A	FAMILY/ELDERLY
6	616 W. MISSION ST.	N/A	FAMILY/ELDERLY
12	1910 SAN PASCUAL ST.	N/A	FAMILY/ELDERLY
6	1022 GARDEN ST.	N/A	FAMILY/ELDERLY
42	922 CASTILLO ST.	CASA DE LAS FUENTES	DOWNTOWN WKR
LOW INCOME HOUSING TAX CREDIT/LEASED			
56	422 E. COTA ST.	ARTISAN COURT	HMLESS/DOWNTOWN WKR
62	315 W. CARRILLO ST.	EL CARRILLO	HMLESS/DOWNTOWN WKR
54	512 BATH ST.	BRADLEY STUDIOS	HMLESS/DOWNTOWN WKR
17	227 W. DE LA GUERRA ST.	COTTAGE GARDENS	ELDERLY
98	1116 DE LA VINA ST.	GARDEN COURT	ELDERLY
107	401-419 SANTA FE PLACE	VILLA SANTA FE I	ELDERLY
	1433-1443 LA VISTA DEL OCEANO	VILLA SANTA FE I	ELDERLY
	1420-1430 CLIFF DR.	VILLA SANTA FE I	ELDERLY
60	521 N. LA CUMBRE RD.	VILLA SANTA FE II	ELDERLY

TABLE III: STATEMENT OF INVENTORY

UNITS PER ADDRESS	ADDRESS	NAME	TYPE
COMMUNITY-BASED SUPPORTIVE HOUSING			
16	3030 DE LA VINA ST.	FIREHOUSE	16 BED TRANSIT
11	2612 MODOC RD.	SARAH HOUSE	GROUP HM/FAM
12	1020 PLACIDO AVE.	N/A	12 BED DETOX
TOTAL = 864			
HOUSING CHOICE VOUCHER/SHELTER PLUS CARE			
2366	DISPERSED THROUGHOUT THE CITY	SECTION 8 RENTAL ASSISTANCE	FAMILY/ELDERLY
59	DISPERSED THROUGHOUT THE CITY	SHELTER PLUS CARE	FAMILY/ELDERLY
TOTAL = 2425			
TOTAL HOUSING UNITS = 3605			



DATA SOURCES & REFERENCES

1. Center on Budget and Policy Priorities, Chart Book: the Legacy of the Great Recession, March 11, 2014
2. Joint Center for Housing Studies of Harvard, "America's Rental Housing, Evolving Markets and Needs", 2013
3. National Low Income Housing Coalition, Housing Spotlight, February 2013
4. Joint Center for Housing Studies of Harvard University, "America's Rental Housing, Evolving Markets and Needs.
5. Department of Housing and Urban Development, "Worst Case Housing Needs 2011, Report to Congress".
6. Trulia.com, Market Trends - Santa Barbara CA
7. Independently derived by HACSB staff using typical lending standards and current fixed interest rate terms (No more than 30% of total income to pay towards principal, interest, insurance and taxes (1.2% of sales price figured for taxes and insurance))
8. 2010-2012 American Community Survey Data Set - Geographic Area - Santa Barbara City, California
9. UCSB Economic Forecast Outlook Project Survey 2013 and current HACSB rental data
10. Assuming current market rent of 2 Bedroom at \$1,950, paying no more than 30% of income on rent and assuming a 40 hour work week with 52 weeks per year.
11. Dyer Sheehan Group Inc., Spring 2013 Santa Barbara County - South Coast Multi-Family Housing Forecast
12. 2008-2012 American Fact Finder - American Community Survey, U.S Census (DP04)
13. Housing Trust Fund of Santa Barbara County 2013

HOUSING AUTHORITY
OF THE CITY OF SANTA BARBARA



Housing Authority of the City of Santa Barbara
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CORE VALUES OF THE HOUSING AUTHORITY

COMMITMENT

We are dedicated to our mission and values with an overall attitude of ownership. We act accountably and productively; we are efficient and responsible. We bring passion and enthusiasm to the work that we do.

COMPASSION

We act in a friendly and respectful way. We practice the human virtues of kindness and forgiveness. We remain open and calm.

COMPETENCY

We are knowledgeable and feel confident about the work that we do. We are creative and courageous, taking on new things and being self-motivated. Our positive and upbeat staff act honestly and morally - with integrity.

COOPERATION

We work together as one team, showing respect and appreciation for each person. We are open and receptive to others' contributions and efforts, and we strive to create and achieve common goals. Humor and happiness are part of our work life.

COMMUNICATION

We strive to understand each other, as well as to be understood. We recognize that effective and professional communication and good listening play an important role in the work that we do, and we endeavor to communicate in an open, direct and honest manner, with each other, and with our clients. We embrace an attitude of helpfulness.



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