



Orcutt Bluffs
217 Rice Ranch Road
Orcutt, CA

Buyer's Information Packet

PLEASE READ THIS INFORMATION PACKET THOROUGHLY

The Housing and Community Development Division of The Community Services Department for the County of Santa Barbara is pleased to announce the availability of one affordable attached condominium for sale in the Orcutt Bluffs Development located in Orcutt, CA. The condominium is available for purchase by households in the "Lower-Moderate" income category based on the policies of the Santa Barbara County Inclusionary Housing Ordinance and administered by the County's Housing and Community Development Division (HCD).

The Buyer's Information Packet describes the procedures for determining applicant eligibility to participate in the County of Santa Barbara's affordable housing program. A prospective applicant to purchase an affordable unit must receive certification of eligibility from the County of Santa Barbara prior to proceeding with the purchase.

Affordable Eligibility Restrictions:

In order to be eligible to purchase an affordable unit, County HCD must certify that the applicant meets the following criteria:

- ⇒ Applicants may not currently own real estate or have an interest in other residential real estate within the past 3 years prior to application. This consideration includes mobile home ownership if the owner of the mobile home owns the space in which the mobile home is parked.
- ⇒ Applicant's combined gross household income must fall below the maximum allowable household income in the "Lower Moderate" income category. All members of a household that are at least 18 years of age are considered applicants for purposes of applying for an affordable housing unit. The County will certify all adult household members (18 years of age and older) in calculating total household income. **See page 2 for income limits.*
- ⇒ At least one member of the household must provide proof of residency or proof of full-time employment in Santa Barbara County.
- ⇒ Applicant's household must meet the minimum household size requirements and must be within the maximum household size requirements.
- ⇒ The household's assets cannot exceed one-half of the purchase price of the affordable unit **See section on Income and Asset Restrictions on page 2.*
- ⇒ Maximum Allowable Gift is 20% of the Purchase Price.

- ⇒ All household members must provide proof of the right to permanently reside in the United States and provide proof such as a Birth Certificate, Certificate of Naturalization or a Permanent Resident Card.
- ⇒ At least one household member must be currently employed full-time (some exceptions may apply).
- ⇒ Applicants must demonstrate they satisfy the County’s “financially independence” requirement for at least the past year. **See section on Financial Independence on page 5.*
- ⇒ Applicants must agree to reside in the unit as their principal place of residence.
- ⇒ Sign and abide by the Grant of Preemptive Right: Resale Restrictive Covenant and Option to Purchase Secured by a Deed of Trust
- ⇒ Applicants must have funds available for minimum of 5% down payment (exception made for VA Financing). All financing must be approved by Housing and Community Development and must be a fully amortized, fixed rate loan.
- ⇒ Applicants must demonstrate that they have been living together as a housekeeping unit for a period of at least six (6) months prior to submitting an application, where a housekeeping unit shall mean two or more persons, related or not, but living together, and sharing assets or not. Proof of household status will be required at the time of certification.

HOUSEHOLD SIZE RESTRICTIONS

In order to efficiently allocate affordable housing resources, the condominium is restricted to households with a minimum of two (2) people and a maximum of five (5).

INCOME AND ASSET RESTRICTIONS

The affordable unit is offered for sale to households whose gross income and assets are within Santa Barbara County’s “Lower-Moderate” (81% to 100% AMI) income category. Please see Determination of Income guidelines on page 4 for help determining your income and page 5 for determining your assets. The income and asset restrictions released for the 2015 year are provided below. These figures are subject to change annually; next change will be Spring 2016.

Household size	Maximum Allowable Household Income	Maximum Allowable Assets
2	\$60,300	(1/2 of Purchase Price)
3	\$67,850	
4	\$75,400	
5	\$81,450	

AFFORDABILITY TERM

The County’s Affordable Housing Program requires this affordable condominium to remain subject to affordability restrictions until September, 2024.



EQUAL HOUSING OPPORTUNITY

The County of Santa Barbara is committed to providing equal housing opportunity for all people regardless of race, color, gender, religion, national origin, familial status or disability. If you believe you have been a victim of discrimination, contact the U.S. Department of Housing and Urban Development’s Fair Housing Hotline at (800) 669-9777.

Housing and Community Development will make reasonable accommodations in rules, policies, practices or services at the request of persons with disabilities when these accommodations are reasonable and necessary to give disabled persons equal opportunity to apply for an affordable home. If you require such accommodations due to a disability, please submit a request in writing at the time you submit your application the accommodation you request and the reasons for it. Please also include a signed letter from your physician verifying the need for the accommodation requested.

APPLICATION REVIEW PROCEDURES

- 1) Read the above qualification requirements to determine if you meet HCD's Certification guidelines if you are eligible and qualify for this affordable unit.
- 2) Applicant must complete and submit a Bidding Application, a Pre-Approval Letter from their lender, an HCD Home Ownership Application, and all relevant attachments together with the non-refundable application fee of \$75.00 (only one fee per household) (cashier's check or money order made payable to the County of Santa Barbara) to begin the certification process.
- 3) HCD Staff will review the application for completeness. **Incomplete applications will not be accepted.**
- 4) HCD Staff will have up to two weeks to review each application, starting the date your application is deemed complete – that is, once we receive any additional requested items, explanations, and supporting documentation. Please note that all information provided in the application is subject to third party verification.
- 5) Once Housing and Community Development (HCD) receives a complete application, including all required supporting documentation, HCD staff will review the application and supporting materials and notify the applicant when a final determination is reached. All decisions remain subject to third-party verification.
- 6) Certifications are valid for a 90-day time period. If the applicant has not completed the purchase of this affordable condominium within this period, a new application or updated information may be requested or required past the 90 days.
- 7) The property will be sold to the eligible buyer who submits the highest offer. In the event of multiple offers from eligible buyers are received at the maximum sales price, the random number selection process will be employed to select the buyer.

NOTE: Applicants must complete and submit the application checklist to help ensure that the application package is complete to the best of your knowledge and all required supporting documentation is provided to HCD. Incomplete applications will not be considered for certification.

DETERMINATION OF INCOME

Housing and Community Development (HCD) will review applications to verify the applicant's combined annual household income does not exceed the designated "Lower-Moderate" income category. The determination of income is not based on last year's gross income, or the average of more than one prior year's income, but on a projection of the annual household income potential. HCD reserves the right to average prior year incomes as necessary to project income for self-employed people, and to project income based upon earning potential rather than just past income. These are HCD's guidelines; in some cases, HCD will make its final decision based on existing policies and practices and on staff member's professional judgment.

INCOME INCLUSIONS

- The **gross** amount of wages, salaries, **overtime** pay, commissions, fees, tips, bonuses and other compensation for personal services. Gross means before **any** payroll deductions including 401K contributions.
- The net income from the operation of a business, profession or active farming. Housing and Community Development staff will not make allowances for depreciation of capital assets in determining the net business income. Housing and Community Development also reserves the right to review additional business expenses and to exclude any, which are not likely to continue or are unnecessary.
- **Interest**, dividends and other net income of any kind from real or personal property (expenditures for amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be deducted to determine the net income from real or personal property).
- The gross amount of periodic payments received from Social Security for all household members, regardless of age.
- The gross amount of periodic payments from annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment.
- Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay.
- Periodic allowances such as alimony and separate maintenance, child support payments received, housing allowances received and regular contributions or gifts received from persons not residing in the dwelling.
- That portion of scholarships provided for general living expenses, transportation and miscellaneous personal expenses.
- Lump-sum assets (gifts, inheritances, etc.) received in the previous two years prior to application unless the applicant is disabled or retired.

INCOME EXCLUSIONS

- Amounts that are specifically for or in reimbursement of the cost of medical expenses. Amounts that are expended and designated for large and continuing medical expenses of a member of the household are excluded.
- Lump-sum settlements for personal or property losses.
- That portion of scholarships that are provided for tuition, fees, books, equipment, materials, and supplies.
- Earned Income from the employment of children under the age of 18.
- Payments received for the care of foster children.
- The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977.

- The income of a live in aide, defined as a person who resides with an elderly, disabled, or handicapped person and:
 - is determined to be essential to the care and well-being of the person is not obligated to support the person, and would not be living in the home except to provide supportive service

DETERMINING ASSETS

In general terms, an asset is a cash or non-cash item that can be converted to cash.

ASSET INCLUSIONS

- Balances of Savings accounts and checking accounts.
- Stocks, bonds, savings certificates, money market funds, and other investment accounts.
- Cash value of trusts available to the household.
- Physical, monetary, and real property assets, which, although owned by more than one person, allow unrestricted, access by the applicant.
- Lump sum receipts, such as inheritances, capital gains, lottery winnings, insurance settlements and other claims.
- Equity in automobiles will be included in consideration of assets. Copies of all owned automobile registration, and related loan documents must be included in the Certification application.
- Cash value of life insurance policies.
- Assets disposed of for less than fair market value during 2 years preceding certification
- Contributions to company retirement/pension funds that can be withdrawn without retiring or terminating employment.
- An applicant with total assets disposed of in the prior 12 months in excess of \$2,500 will have those assets counted.

ASSET EXCLUSIONS

- Assets not accessible to the household and that do not provide any income for the family.
- Assets that are a part of an active business or farming operation. NOTE: This asset exclusion is not applicable to individuals that operate a business out of residential real estate they own.
- IRA, Keogh, and similar retirement savings accounts, if withdrawal would result in a penalty.

FINANCIAL INDEPENDENCE

In order to be financially independent you must demonstrate you have not been claimed as a dependent on anyone's tax returns in the previous two years and are capable of maintaining your cost of living on your own through the income earned from your employer(s) without support from any other individual. Loans or gifts from relatives, associates, friends, etc., regardless of the terms, are considered financial assets and also may be considered income.

IF, AFTER READING THIS PACKET YOU STILL HAVE ADDITIONAL QUESTIONS, PLEASE EMAIL US AND A HOUSING SPECIALIST WILL CONTACT YOU.

County of Santa Barbara Housing and Community Development Division of Community Services Department:
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