

**SUMMARY OF BUYER ELIGIBILITY
CITY OF SANTA BARBARA - AFFORDABLE HOUSING PROGRAMS**

Effective January 1, 2012

For affordable projects without City, Agency, or other public financing, preference is given to buyers who currently live and/or work in the South Coast area of Santa Barbara County (from Gaviota to the Ventura County line). For affordable projects where the City has provided financial assistance, the City will endeavor to apply a local preference to the extent such preferences are permitted by federal and state law.

Each buyer must occupy the property full-time as his or her principal residence.

Buyer may not own other real property at time of application to purchase a property. A buyer's total equity in residential real property held at any time during the *two years* prior to purchase of an affordable unit shall not have exceeded fifty percent (50%) of the purchase price of the affordable unit.

The combined annual gross income for moderate-income Buyers may not exceed one hundred twenty percent (120%) of the median annual income in Santa Barbara County, adjusted for household size. As of January 2012 the maximum incomes for various household sizes are:

1	2	3	4	5	6
\$61,600	\$70,350	\$79,200	\$87,950	\$95,000	\$102,000

Note: Although the vast majority of units in our program are for "MODERATE INCOME" households (see above), some developments may provide for both "MIDDLE INCOME" and/or "UPPER MIDDLE INCOME" households.

Middle	160%	\$82,100	\$93,850	\$105,100	\$117,300	\$126,700	\$136,000
Upper Middle	200%	\$102,600	\$117,300	\$131,900	\$146,600	\$158,300	\$170,000

If a Buyer has investment assets (except qualified retirement accounts) that are not used for the down payment, income from such assets will be counted or imputed.

To assure affordability to the Buyer, Buyer's gross monthly income shall be sufficient so that no less than twenty eight percent (28%) and no more than forty percent (40%) of such income is required to pay for monthly housing expenses. These include loan payments, homeowner's association fees, insurance, and taxes. Buyers are required to provide a down payment of at least five percent (5%) of the purchase price and have "good" credit (typically a FICO score of at least 620). A buyer's down payment must not exceed 40% of the purchase price, and consequently a buyer's income must be sufficient to support the mortgage payment on a mortgage for 60% of the purchase price. The mortgage loan payment for this calculation shall be based on the fully indexed interest rate rather than an introductory or "teaser" rate.

Co-signers are allowed for purposes of helping Buyers qualify for a loan, so long as they hold title with owner/occupant as tenants in common with a maximum 1% equity interest. They may not occupy the property. Down payment gifts by family members (up to the maximum amount of 20% of the purchase price) are allowed with a "gift letter".

The Community Development Director may waive some of these requirements in extraordinary circumstances.