



Bella Riviera Overview

City of Santa Barbara Housing Task Force

June 7, 2017



Cottage Health

- Single not-for-profit provider of acute hospital care in the greater Santa Barbara region
- One of the regions's largest employers
 - 3500 employees



Vision for Workforce Homes

- Best use of former hospital property
- Collaboration with the City of Santa Barbara
- Integrated with neighborhood
- Retention of employees
- Reduce turnover due to housing
- Create opportunity for ownership (vs. rent)
- Employees can live near where they work
- Long term commitment to affordability



Villa Riviera Real Estate Company, Inc. ("VRE")

- VRE formed in 2010 to develop Bella Riviera
- For-profit subsidiary of SBCH Foundation
- Five independent Board Members
- Provides financial oversight to management
- Ensures affordability of professional units per the City of Santa Barbara's Conditions of Approval
- VRE project funded via loan from SBCH Foundation

BELLA RIVIERA





Balance of Market and Professional Homes

- 115 townhomes
- 34 market units
- 81 sold as 'professional homes' for Cottage Health employees:
 - 26 by clinical staff
 - 25 by registered nurses
 - 21 by non-clinical staff
 - 9 by medical residents





Key Policies (Professional Units)

- Priority established by lottery (Interest List)
- Affordability Covenant signed with City of SB
- 5% down payment required
- SBCH Foundation – Mortgage Assistance
- Employees required to sell-back when they leave
- Sales prices based on SB County AMI



Employee Waitlist

- Employees must be in good standing – benefit eligible
- Employees must prequalify for 80% purchase price
 - Good for 6-months, then must be renewed
- 60 employees currently on Waitlist



Financial Summary

- Net Sales revenue \$47M
- Net cost to build \$59M (\$12M subsidy)
 - Approximately \$150K/unit
- \$12 million investment over 90 years



What We've Learned

- All first-time buyers (mostly SB area)
- Predominantly Moderate and Middle Income Buyers (>90%)
- Education about home ownership
 - SB Affordability Guidelines (David Rowell)
- Professionals Buyers use 2nd Trust Deed Program
- Clear Buy-back Policy
- Significant financial subsidy per unit



What We've Learned

- Employees OK living near other employees
- Neighbor issues managed by HOA, not HR
 - VRE, 2 Employees & 2 Market Units
- VRE maintains a 'service program'
- VRE experiencing 2 sales/Quarter (25 to-date)
 - 56% same income category; 32% lower income category
- Need for strong partnerships (City Staff, Real Estate Professionals, Escrow Officer & Lenders)



TIME FOR QUESTIONS