

# Home-buying help hard to come by

Programs for first-time buyers have requirements few can meet

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Bill Lovejoy/Sentinel

Matt Gibson was lucky enough to qualify for financial help from the county and find a house that was affordable enough to buy.

Housing - 2000

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SENTINEL STAFF WRITER

SANTA CRUZ — Matt Gibson is a rare bird in Santa Cruz County. He is a successful first-time home buyer.

"It's been a dream of mine to own a house since I was 15," said Gibson, a 26-year-old program director for a local social-service agency that serves developmentally disabled adults.

With an annual income of \$30,900, he started looking for a home he could afford in 1999. In June, he finally found a \$133,000, one-bedroom condominium in Live Oak with the help of officials from the county's first-time home buyer and affordable housing programs.

"If you want something bad enough, you can make it happen," he said.

But for many would-be home buyers determination is not enough. Despite a number of city- and county-administered programs aimed at helping first-time buyers, much of the money sits unused because of caps on how much the buyers can earn annually and the lack of homes for sale under purchase-price limits.

In other words, lots of people struggling to buy homes here make too much money to qualify for the help they need, and there

## THROUGH THE ROOF

An occasional series on the housing crisis in Santa Cruz County.

**TODAY:** The combination of meeting income requirements for local assistance and then finding an affordable home is becoming more difficult to achieve.

are only a few homes to choose from.

According to figures released earlier this month by the California Association of Realtors, just 16 percent of county households can afford a median-priced home. The county's median home price in January was \$467,500, up from \$371,428 a year earlier.

The city of Watsonville, the County Redevelopment Agency and County Housing Authority each offer first-time home-buyer programs. The programs offer down-payment assistance to qualified buyers, generally 15 percent of a home's purchase price.

Much of the money comes from federal programs and the county redevelopment agency, and participants must meet specific income requirements.

Eligibility is based on family size and income. A family of two, for example, must earn between \$39,500 and \$59,250. For a family of four the income limits are between

\$49,350 and \$74,050. The income limits are slightly less in Watsonville.

The county has made 40 loans since 1996, but none in the past six months.

"It isn't very viable right now," said Rob McBurney, housing program administrator for the redevelopment agency.

The Housing Authority, which administers the program for Santa Cruz, Capitola and Scotts Valley, has processed only a handful of loans in the past year.

Joyce Stanton, a real estate lender with Aptos Mortgage, is listed as a participating lender with the housing authority, but she said she is no longer active in the program because too few people qualify.

"There's basically no inventory to service these programs," she said. "We decided it's not worth it."

Because of lower home prices, Watsonville's program has been the most successful. Since 1996, the agency has approved 108 loans. But with the recent spike in home prices, the numbers have dropped off.

In 1999, 31 people participated. In 2000, only 13. So far this year there have been five.

"There's not a lot of product out there," said Jan Davison, director of Watsonville's Housing and Economic Development Department, the agency that administers

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### First-time buyer programs

■ Watsonville Housing and Economic Development Department, 728-6014.

■ Santa Cruz County Redevelopment Agency, 454-2280.

■ Santa Cruz County Housing Authority, 464-0170.

## Housing

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the program. In the Watsonville program, the price of a qualifying home is limited to 95 percent of the city's median home price, which means qualifying homes must cost about \$258,400 or less.

Santa Cruz Mortgage Co. lender Steve Clifton specializes in first-time home-buyer loans and has had success qualifying buyers in Watsonville,

but he admits his clients' first homes are now usually condominiums or mobile homes. But home ownership is still possible, he said.

"If you don't come and try, you'll never know," he said.

He made a believer out of Watsonville resident Amanda Meyers. She and her husband didn't think they could afford a home, but with the help of Watsonville's first-time home-buyer program they did it. They bought a condominium near the Green Valley Cinema in 1998 for \$111,500, selling it three years later for \$225,000.

"In three years time we more than

doubled our money," she said. "If it hadn't been for that program, we wouldn't have gotten in."

They purchased a bigger townhouse in a quieter neighborhood in February for \$290,000 and have already built more equity. A neighbor just sold a similar home for \$315,000.

If she was a first-time home buyer today, however, Meyers said it wouldn't be possible.

"We just got in the nick of time," she said. "We were so lucky."

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