



Stylish Affordability Bella Riviera gives some of Cottage's employees the option to live close to where they work.

GAME CHANGER

Workforce Housing

Cottage Health System cushions the impact of rising prices in Northern California.

Eleven years ago, Cottage Health System, the third-largest employer in Santa Barbara—one of California's most sought-after real estate markets—started thinking about how it might offer affordable housing to some of its workers at a time when home prices in that area were escalating.

An opportunity arose in 2003, when Cottage acquired the assets of another local hospital, St. Francis Medical Center. It used the 6 acres on which St. Francis sat to develop Bella Riviera, a landmark townhouse community where 81 of 115 units are now dedicated to workforce housing.

In typical California fashion, that project took a decade to complete and tested the resolve of the health care provider and its designer and builder partners. Santa Barbara has a strict review process and this project—the largest infill project ever for the city—“was appealed at every step of the way,” recalls Joe Andrulaitis, a partner with the architectural firm Cearnal Andrulaitis, which Cottage hired to design Bella Riviera.

The City Council approved the project in late November 2006, but not without density, noise, and traffic restrictions spelled out in a 64-page Conditions of Approval document. (For example: subcontractors had to park off-site so their trucks didn't block local residents' parking or traffic.)

Matching Style Options Bella Riviera then went through a two-year design review with Cottage, its designer, and city officials finally agreeing, after more than 20 meetings, on two styles—Santa Barbara Mission and California Craftsman—that matched the 1930s-style bungalows in the surrounding neighborhood.

Greg Sadick, vice president of residential for the builder SL Residential, says Bella Riviera posed several challenges, including the site's 100-foot “fall” from top to bottom, which required special siting and stepping to ensure a majority of the townhouses had an unobstructed ocean view.

The one- to three-bedroom units range from 763 to 1,362 square feet. The 81 Profes-

sional Series workforce homes, which Cottage's nonprofit foundation subsidizes, sold from the high \$100s to the mid \$400s, and 34 Traditional Series market-rate townhouses were priced from the \$700s to the \$900s.

Ronald Biscaro, Cottage's vice president for project management, says the hospital system used a lottery to select which employees could purchase workforce homes. Most of the workforce houses were sold to employees earning \$55,000 to \$100,000, or 80 percent to 160 percent of the Santa Barbara area's median income. The sales program kicked off in February 2012, and the townhouses were sold out in less than a year.

Biscaro says Cottage Health System, which is in the midst of an expansion and renovation program, has no current plans to build more workforce housing. But having whetted their appetites on Bella Riviera, SL Residential and Cearnal Andrulaitis are eager to pursue other workforce projects, although Sadick admits that “you don't find these opportunities on every street corner.”

— JOHN CAULFIELD



Building the highest quality communities for our clients and their residents.

www.snyderlangston.com