

TO: James App, City Manager

FROM: Ron Whisenand, Community Development Director

SUBJECT: San Luis Obispo Housing Trust Fund: Request for Grant for Operating Funds

DATE: July 5, 2006

NEEDS: For the City Council and Redevelopment Agency to consider a request from the San Luis Obispo County Housing Trust Fund (HTF) for a grant of \$5,000 to assist them with their operating funds for Calendar Year 2006.

FACTS:

1. Attached is a letter from HTF, dated April 21, 2006, requesting a grant \$5,000 to assist them with their operating funds for Calendar Year 2006. The letter includes supporting documentation of the services provided by HTF, their budget, and their organization.
2. HTF made a similar request in 2005, which was considered by the City Council as part of the budget process, but was not included in the adopted budget.
3. As noted in their letter of request, HTF provides technical assistance on affordable housing matters to local jurisdictions. They also provide short term financing (loans) for affordable housing projects.
4. In response to a request from City staff, HTF also provided an email memorandum, dated May 19, 2006, which proposes technical assistance services that may be provided in return for the \$5,000 grant. These services would include the following:
  - Assisting the City with the development of its Workforce Housing Strategy;
  - Assisting the Housing Authority with plans for upgrading the Oak Park project;
  - Providing financing and technical assistance to the Paso Robles Nonprofit Housing Corporation's projects;
  - Assisting the City and local housing sponsors to secure state and/of federal funds for their projects.
5. HTF has already assisted the City staff research affordable housing issues such as real estate transfer tax and inclusionary housing. The Paso Robles Nonprofit Housing Corp. and Housing Authority have requested that Jerry Rioux, Executive Director of HTF, sit on a task force for the master planning of Oak Park Public Housing, which is expected to convene in August 2006.
6. The City Attorney has advised that, since the HTF provides technical assistance, and potentially, future financial assistance to City affordable housing projects, Redevelopment Low and Moderate Income Housing (LMIH) funds may be used for the type of grant being requested.
7. A summary of the status of the LMIH Fund, including projections of fund balances for the next 10 years is attached.
8. At its meeting of June 21, 2006, the Project Area Committee (PAC) reviewed this request and unanimously recommended its approval by the Redevelopment Agency.

ANALYSIS AND

CONCLUSION: Policy H-1B of the Housing Element calls for the City to “cooperate with private housing developers, nonprofit housing sponsors and public agencies to promote and expand housing opportunities for all segments of the community...” HTF is a nonprofit sponsor.

The recently-adopted Economic Strategy calls for the City to “identify and evaluate alternatives to increase the labor force resident in the City” and to “increase intensifications, supply, and range of housing to attract and accommodate a skilled labor force”. As an implementation of the Economic Strategy, the City has begun preparing a Workforce Housing Strategy to articulate the City’s vision for housing its workforce. Technical assistance will be needed in this effort.

The 2004 Redevelopment Implementation Plan establishes priorities for use of LMIH funds. Briefly, these priorities are as follows:

1. Promote the development of rental units throughout the City;
2. Provide first-time homebuyer assistance;
3. Preserve existing subsidized housing from conversion to market rate;
4. Provide assistance for rehabilitating existing housing.

The 2004 Redevelopment Implementation Plan also states that there are numerous other eligible uses of LMIH funds for assisting affordable housing projects that may be pursued.

As an effort to continue pursuit of the vision set forth in the 2006 Economic Strategy, the City will be preparing a Workforce Housing Strategy. HTF has knowledge and resources that should be valuable in assisting the City in this effort. The other services (bulleted items) listed in HTF’s May 19 email would also appear to be of value in implementing the General Plan, Redevelopment Implementation Plan, and Economic Strategy.

As noted in the enclosures with HTF’s letter, all other jurisdictions in the County have contributed funds to HTF’s operations. Sources of funds used by those jurisdictions have included LMIH, General, and in-lieu fees from inclusionary housing ordinances.

Should the Agency decide to approve the requested assistance, a grant agreement will be required. The attached resolution provides that the Agency authorize the Agency Secretary (City Manager) to execute such an agreement.

REFERENCE: 2003 General Plan; 2004 Housing Element; 2004 Redevelopment Implementation Plan; 2006 Economic Strategy

FISCAL IMPACT: Should the Redevelopment Agency wish to contribute to HTF, eligible sources of funds would include LMIH and/or General funds. CDBG funds could be used for such assistance, however, the services provided by HTF would be categorized by federal regulations as a form of “planning and capacity building”, for which only the 20% of CDBG funds set aside for administration could be used. To the degree that CDBG funds would be used for such a request, either General or LMIH funds would then have to be used to “backfill” the administrative CDBG funds that would not be available for Housing Programs administration.

Attached is an LMIH Fund Status sheet, which shows that there is capacity in the present and future fiscal years for accommodating HTF’s request.

OPTIONS: After consideration of all public testimony, that the Redevelopment Agency consider the following options:

a. Approve the Housing Trust Fund's request via the following actions:

Adopt Resolution No. RA 06-XX approving a grant of \$5,000 in Redevelopment Low and Moderate Income Housing funds to the San Luis Obispo County Housing Trust Fund for their Calendar Year 2006 operating costs.

b. Amend, modify, or reject the above option.

Prepared By:

Ed Gallagher  
Housing Programs Manager

ATTACHMENTS:

1. Resolution RA 06-XX
2. Letter from Housing Trust Fund dated April 21, 2006
3. Email memorandum from Housing Trust Fund dated May 19, 2006
4. LMIH Fund Status

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**HOUSING  
TRUST FUND**

April 21, 2006

RECEIVED  
CITY MANAGER

APR 24 2006

Mayor Frank Mecham and Members of the City Council  
City of Paso Robles  
1000 Spring Street  
Paso Robles, CA 93446

**CITY OF PASO ROBLES**

Dear Mayor Mecham and Members of the City Council,

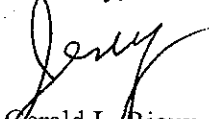
The San Luis Obispo County Housing Trust Fund is requesting a \$5,000 grant from the City of Paso Robles. We hope that you will support this request so that we can continue to offer financing and technical assistance to address the local housing affordability crisis.

We also request an opportunity to make a presentation to the City Council on our organization and the housing crisis. The lack of affordable housing continues to be the number one problem faced by residents, employees and employers throughout San Luis Obispo County. A recent survey conducted by the City of San Luis Obispo found that 93% of likely voters rated the lack of affordable housing as a serious or very serious problem. In a county-wide survey, 62% of the respondents ranked the lack of affordable housing as an "extremely serious problem." In another survey, the San Luis Obispo Chamber of Commerce found that 87% of its members had difficulty recruiting or retaining employees due to the lack of affordable housing.

Thanks to the support we received from the County of San Luis Obispo, six of the cities in this county, local businesses and others, the Housing Trust Fund has raised nearly \$4 million in private lending capital to finance affordable housing. We also financed two affordable housing projects during 2006, including the construction of 19 units of senior housing in Atascadero, and we assisted a nonprofit corporation to structure their financing for the purchase of a 65-space mobile home park as tax exempt 501(c)(3) notes. In addition, we provided technical assistance to the developers, local governments and nonprofit agencies to help address local housing needs.

We hope that the City of Paso Robles can support us during the coming year so that we can continue to offer services in your community and throughout the county. We also look forward to making a presentation at one of your upcoming meetings.

Sincerely,



Gerald L. Rioux  
Executive Director

Cc: Jim App  
Ron Wisenand  
Ed Gallagher

enclosures

# San Luis Obispo County Housing Trust Fund

The San Luis Obispo County Housing Trust Fund (the "Fund") is a private non-profit corporation that was created through a cooperative effort by local health and social service providers, businesses and government agencies to address local housing needs. The Fund's mission is to:

"increase the supply of affordable housing for very low, low and moderate income residents of San Luis Obispo County, including households with special needs." <sup>1</sup>

*Housing for All* is the Fund's vision statement. We strive for a day when all who live or work in San Luis Obispo County have decent housing that they can afford.

## Programs and Services

The Fund does not develop, own or operate affordable housing, but partners with others who do. The Fund offers two services to support the development and preservation of affordable housing in San Luis Obispo County – financing and technical assistance. <sup>2</sup> The Fund also advocates for affordable housing throughout the county.

The Fund offers low cost financing with flexible terms to eligible borrowers for eligible projects and technical assistance to eligible borrowers and local government agencies. One example of this assistance is helping eligible borrowers plan affordable housing projects. Another is helping borrowers to identify and secure other financing and subsidies for their projects. For local governments, the Fund's assistance focuses on developing local programs and policies that encourage and support the development and preservation of affordable housing.

## Eligible Borrowers

Individuals, partnerships, corporations and government bodies are eligible to borrow from the Fund to develop, rehabilitate or acquire affordable housing. <sup>3</sup> Corporations may either be non-profit or for-profit. The Fund does not require borrowers to have experience creating or operating affordable housing, just sound plans for undertaking their proposed project.

## Eligible Projects and Use of Funds

The Fund will finance both ownership and rental housing, including housing that will provide temporary or transitional shelter. Fund financing may be used to purchase, rehabilitate or develop affordable housing. Converting non-residential structures to housing is also eligible for Fund financing. Fund funds may be used for project planning and predevelopment, site acquisition, site development, construction and to bridge other gaps in the project's financing. For additional information, please check our website – [www.slochtf.org](http://www.slochtf.org) – or call us with questions concerning eligible projects and the use of funds.

<sup>1</sup> The current income limits and definition of special needs are posted on our website.

<sup>2</sup> Information on the services we currently offer are posted on our website – [www.slochtf.org](http://www.slochtf.org).

<sup>3</sup> Loans are not currently available for individuals to purchase or rehabilitate their own homes.

## Beneficiaries or Target Population

Housing that is assisted by the Fund must be affordable to and occupied by individuals with very low, low or moderate incomes, including households with special needs. While the Fund generally follows the HUD/HCD income limits, we have the flexibility to follow the income limits of other programs that finance or regulate the housing that the Fund assists. The current HUD/HCD income limits and definition of "special needs" are posted on our website – [www.sloctf.org](http://www.sloctf.org).

## Long Term Affordability

Housing that is assisted by the Fund must generally have long-term affordability covenants or guarantees. As an alternative, ownership units may have a recapture arrangement, such as equity sharing. These provisions or requirements prevent windfall profits and recapture the value of subsidies to assist additional housing units. The Fund generally follows the long-term affordability or recapture requirements of other programs that finance or regulate the housing that the Fund assists. Affordability covenants are typically enforced for 30 to 55 years.

## Loan Terms

The Fund typically provides short-term loans (less than five years) to assist affordable housing projects during the early stages of planning and development. Loans from the Fund tend to have lower interest rates and more flexible repayment terms than conventional financing. They must be secured by real estate or other collateral. They are generally recorded behind private loans and in front of government loans.

Since interest rates and loan terms vary depending upon the cost and availability of funds, the type of loan requested and market conditions, we encourage potential borrowers to check our website or call us at (805) 543-5970 for current rates and terms.

## Application Process

We encourage prospective borrowers to call us first to discuss their project. We then ask that a preliminary application be submitted to our office. If the preliminary application meets our criteria and sufficient funds are available, we will request a full application.

Rather than focus on the borrower's experience with affordable housing, we are more concerned about their financial status, related experience and ability to successfully complete the project. The Fund is also concerned about the number and affordability of the units that will be produced or preserved. Additional information on our application process is available online at [www.sloctf.org](http://www.sloctf.org).

## Contributions and Investments Encouraged

The Fund actively seeks contributions and investments from individuals, firms and government agencies that are concerned about affordable housing and support our mission. Contributions to the Fund are tax deductible and certain investments may qualify for state income tax credits. For more information on contributing to and investing in the Fund, please call us at (805) 543-5970 or visit our website – [www.sloctf.org](http://www.sloctf.org). Your support is greatly appreciated.

San Luis Obispo County Housing Trust Fund  
4111 Broad Street, Suite A-6  
San Luis Obispo, CA 93401  
phone: (805) 543-5970; fax: (805) 543-5972  
e-mail: [info@sloctf.org](mailto:info@sloctf.org); website: [www.sloctf.org](http://www.sloctf.org)



# San Luis Obispo County Housing Trust Fund

The San Luis Obispo County Housing Trust Fund (the "Fund") was created to increase the supply of affordable housing in one of the nation's least affordable housing markets. Rather than build or operate housing, we provide financing and technical assistance to private developers, nonprofit corporations and local governments. Since incorporating in 2003, we have raised more than \$470,000 in operating funds and nearly \$4 million in private lending capital. We made our first loan in March 2005 and closed our second loan in December. Together, these loans helped to create 24 units of affordable housing for very low and low income households. Our technical assistance enabled a nonprofit corporation to purchase and preserve the long-term affordability of a 65-space mobile home park.

## Introduction

San Luis Obispo (SLO) is located on California's central coast half way between Los Angeles and San Francisco. The City of San Luis Obispo has about 45,000 residents and the county population is just over 260,000. Our local economy is based largely on tourism and agriculture. We are also home to a state university, prison and mental hospital. These three institutions plus the County of San Luis Obispo are the four largest employers in our region.

The Fund is a nonprofit 501(c)(3) corporation. Our mission is to increase the supply of affordable housing throughout this county for very low, low and moderate income households, including households with special needs. We assist private developers, nonprofit corporations and government agencies to create and preserve affordable rental and ownership housing. Forty percent of our resources are committed for housing – including transitional housing – that serves households with special needs or very low incomes. We also strive to create housing that will remain permanently affordable.

The Fund evolved from years of planning and organizing by a broad-based coalition of health and human service providers, businesses and local governments. Members of the Supportive Housing Consortium started this effort because the lack of affordable housing severely impacted the health and quality of life of their clients. As local housing costs increased, businesses joined the effort because they found it increasingly difficult to recruit and retain employees. Local governments joined the effort to create the Fund because we help them to address the local housing crisis.

## Problem

San Luis Obispo County is one of the least affordable housing markets in California and the United States. The California Association of Realtors reported that the county's median home sales price was \$605,160 in November 2005. According to the Realtors, only 7% of the county's residents could afford the area's median priced home – the lowest percent in the state. The National Low Income Housing Coalition calculated that a minimum wage earner must work 102 hours per week to afford the rent for a modest two-bedroom apartment in this county and 148 hours per week for a three-bedroom unit. The state Employment Development Department projects that most of the jobs that will be created in this county are in classifications that, on average, pay less than \$10 per hour.

The local housing affordability crisis impacts nearly everyone who lives or works in this county. In a 2005 survey, 93% of City residents ranked the lack of affordable housing as a serious or very serious problem and 39% ranked the lack of affordable housing as the single most important problem that the City faces. The Chamber of Commerce has ranked the lack of affordable housing as this community's top business problem each year for the last five years. Last year, 87% of the Chamber members reported that they had difficulty attracting or retaining employees due to the lack of affordable housing.

The local housing crisis has many consequences for individuals, families, businesses and our community as a whole. High housing costs leave many residents with insufficient money to pay for other necessities and limits opportunities for improving their lives. Employers face high turn over rates and staffing shortages. A number of local businesses have already been forced to leave the community or expand their operations in other areas of the state or nation.

## San Luis Obispo County Housing Trust Fund

### Goals & Objectives

The Fund's mission is to increase the supply of affordable housing in San Luis Obispo County. We have operational goals of raising \$5 million in lending capital by the end of 2006 and \$9 million by the end of 2008. We also plan to increase our financial self-sufficiency each year. In addition, we have an objective to create and/or preserve 100 homes through our lending and technical assistance each year.

### Strategy

The causes of San Luis Obispo's affordable housing crisis are many and varied. Chief among them are state and national economic trends, which have increased housing costs throughout California. They also include local planning and slow growth policies that restrict development within this region. Additional factors include a local building industry, nonprofit agencies and public sector that are less familiar than those in urban centers with new approaches to planning, designing and financing affordable housing.

We provide short-term financing for affordable housing projects and technical assistance to the owners and sponsors of these projects. Our loans help affordable housing projects move forward and improve their financial viability. Our technical assistance helps private developers, nonprofit corporations and local governments identify new ways to create, preserve and finance affordable housing. It also influences local policies and brings financial resources into the community to support affordable housing.

### Funding and Financial Sustainability

The County of San Luis Obispo provided roughly half of the monies to implement the Fund and finance our first two years of operation. Cities, banks and real estate lenders, community organizations and individuals contributed the balance. During 2005, our interest and loan fee income covered nearly 10% of our operating costs.

Our 2006 operating budget is summarized below. We continue to seek grants and contributions from local government, businesses, individuals and others to cover most of our operating costs. Our goal is to reduce our dependence on grants and contributions every year by increasing our lending activities and earned income.

The sources and amounts of our lending capital are also listed below. Seven of these are lending funds to or investing in the HTF. First Bank has committed to lend directly to our clients. The California Association of Realtors provided a \$100,000 grant. The George Moylan Affordable Housing Fund receives contributions for our loan fund from individuals, firms and organizations in memory of one of our founding directors.

2006 Operating Budget	
Expense Categories	Amounts
Employee Salaries & Benefits	\$125,942
Legal, Acct & Prof Services	\$52,000
Non-Personnel Costs	\$24,285
Operating Reserves	\$13,190
Interest & Loan Fund Expenses	\$44,583
Total Operating Budget	\$260,000

Sources of Lending Capital	Amount
Mission Community Bank	\$1,000,000
Mid-State Bank & Trust	\$1,000,000
First Bank of San Luis Obispo	\$1,000,000
Catholic Healthcare West	\$500,000
Erich & Hannah Sachs Foundation	\$200,000
Three Religious Communities	\$135,000
California Association of Realtors*	\$100,000
George Moylan Affordable Housing Fund*	\$23,000
Total Lending Capital	\$3,958,000

\* Grants and contributions

### For Additional Information Contact:

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San Luis Obispo County Housing Trust Fund  
4111 Broad Street, Suite A-6, San Luis Obispo, CA 93401  
phone: (805) 543-5970; e-mail: [jerry@sloctf.org](mailto:jerry@sloctf.org); website: [www.sloctf.org](http://www.sloctf.org)



# Designed for Affordability

SLO County planners are looking to Atascadero's four-year-old law as a model as they craft regulations they say would put better housing in more residents' reach

By Stephen Curran, [scurran@thetribunenews.com](mailto:scurran@thetribunenews.com)

To most casual passers-by, the 19-unit apartment complex being built on Atascadero's busiest thoroughfare looks like the scores of other small projects cropping up in the growing city.

To planners and affordable housing advocates, though, the Atascadero Senior Apartments are a tangible result of a city law that provides a model for attacking San Luis Obispo County's housing affordability issue.

The project at 9705 El Camino Real will serve seniors of limited means. It's one of several projects at least partially geared to low- to moderate-income renters and buyers in Atascadero.

And it's prompted by a 4-year-old law requiring all developments of more than 11 units to set some aside for low- and moderate-income residents — people who otherwise might be unable to afford to live there.

Some nonprofit leaders and county planners are following the lead of Atascadero's law as they seek ways to create cheaper housing in the county, where recent figures show that only 7 percent of residents can afford to buy a home.

Some developers, though, say the law unfairly passes along costs to people who can afford a home in the county at normal market values. And they say the approach may steer development to other communities that don't have such laws.

"It's transferring wealth through government," said Dick Willhoit, president of Paso Robles-based Estrella Associates. "It's saying, 'Those of you who can afford to pay more will pay for those who can't.' "

## 216 homes so far

The \$4.7 million Atascadero Senior Apartments are being built by the San Luis Obispo Non-Profit Housing Corp. Once complete, the complex will offer one-bedroom units to seniors for between \$578 and \$694 a month.

The nonprofit has built 15 subsidized rental projects, including the Atascadero Senior Apartments and is developing three more.

Both the nonprofit developments and the city mandate represent good first steps in treating what's become a chronic housing shortage on the Central Coast, said Jerry Rioux, executive director of the San Luis Obispo Housing Trust Fund, which lent money for the Atascadero Senior Apartments.

"There's a tremendous shortage of housing immediately around San Luis Obispo for people who work normal, everyday jobs," he said.

## Income levels

Warren Frace, Atascadero's community services director, said the city's ordinance blends successful elements of policies from around the county. Developers seeking a zone change to build a project of 11 units or more are required by the law to set aside 20 percent of their housing stock for low- to moderate-income buyers.

Those incomes are defined by the state Housing and Community Development Department as, for example, a family of four earning between \$30,850 and \$74,050 a year.

Those developers who don't want to set aside cheaper homes must pay what's called an "in-lieu fee" equal to 5 percent of construction value of the unit, to be deposited in a city account planners say may eventually subsidize other moderately priced properties.

Since July 2002, when the General Plan that ultimately set the stage for the policy was approved, 216 of the 1,644 total residential units approved were set aside for below-market-price housing. And more than \$258,000 has been deposited into an account designated for the fees.



Jerry Rioux, executive director with the San Luis Obispo County Housing Trust at the Atascadero Senior Apartments on El Camino Real. His agency financed the Atascadero project.

Atascadero leaders are reviewing the program and are expected in the next year to further plan for below-market-price housing and what to do with in-lieu fees, which so far have accumulated unused.

Being considered, Frace said, are plans for low-interest loans or future partnerships between the city and private developers.

"When you're talking about affordable housing, it's never simple," Frace said. "The project itself is only one part." The guidelines illustrate a shift of subsidized housing programs, once geared only toward the very poor, toward the 93 percent of residents a recent report found were priced out of the county market.

"(Affordable housing) has always been stigmatized as government barracks," Frace said. "When we're talking about affordable housing, we're talking about housing for that 93 percent."

The Atascadero City Council on Feb. 14 approved Paso Robles-based developer JRW Group Inc.'s zone change application and master plan for the El Camino Court project at 4705 El Camino Real.

Once built, planners said, the project is expected to include 40 residential units ranging from one to three bedrooms and 8,000 square feet of commercial space that could eventually house up to five yet-unnamed tenants. Construction on the project could wrap up late next year.

### **Providing a model**

Proponents say Atascadero's approach is setting an example for similarly innovative policies throughout the region. San Luis Obispo County officials are looking to Atascadero's law, and some in Santa Barbara County, as they craft uniform regulations they say would put better housing in more residents' reach, according to county Supervising Planner Dana Lilley.

Lilley said planners are looking to take a strategy to the Board of Supervisors as soon as this fall that moves the county in step with state law that already creates affordable housing areas along the coastal zone.

Like Atascadero, the county's plan would require builders to set aside an additional 20 percent of new development as "affordable" based on the county's median income.

Of that 20 percent, Lilley said, builders would have to set aside 5 percent each for very low-, low- and moderate-income buyers. New to the mix is a category of "workforce" housing, designated for those earning between 120 percent and 160 percent of the median income but who fall short of affording an average home.

Also unique to the county's plan would be a set of "housing linkage" guidelines that would require developers of commercial and other nonresidential properties to pay an in-lieu fee similar to that in Atascadero.

"Atascadero is pretty aggressive," Lilley said. "But our proposal is even more dramatic than the inclusionary policies that our cities have."

These policies, now in the environmental review stage, could appear before county supervisors as soon as this fall.

### **Shifting the burden**

Solving the county's housing crunch, say some developers and lobbying groups, may not be as simple as shifting the burden onto private companies.

Jerry Bunin, governmental affairs director for the Home Builders Association of the Central Coast, said requiring builders to artificially reduce the price of some units will only make the remaining homes more expensive and do little to answer the big-picture question.

"The subsidy is so huge that we simply cannot do it financially," Bunin said. "It becomes a loss on every home we build."

Instead, Bunin said, the answer lies in cities proactively zoning more land for residential use and increasing density incentives for developers.

But changing the zoning to hike residential units from the 12,000 or so acres already zoned for homes in Atascadero could prove tricky, Frace said, as much of the land is already spoken for.

Right now, he said, the city is focused on bringing in the roughly 1,650 homes slated for coming years.

"That's 200 more teachers, police officers and other people with moderate incomes," who would likely live in the affordable units, Frace said.

Willhoit said he has already curtailed residential projects based on the policies and is unsure if he would ever build a project in Atascadero or anywhere similar guidelines are in place.

So far, Willhoit said, it's kept him from having to choose between taking a financial loss or buying his way out of a program he doesn't believe in.

"If I were in a position where I had to choose one or the other, believing neither is successful, I would choose the in-lieu fees," he said. "... But I'm old enough to learn I would never say never."



## Sources of Operating Funds

The San Luis Obispo County Housing Trust Fund raised funds from a number of different sources to support our operations. The following table lists the grants, donations and contributions plus earned income that the Fund has received since incorporating in February 2003.<sup>1</sup>

<b>Grants, Donations And Contributions Received</b>	<b>Amount</b>
County of San Luis Obispo	\$225,200
City of San Luis Obispo	\$60,200
Economic Opportunity Commission <sup>2</sup>	\$50,000
Housing Authority of the City of San Luis Obispo	\$20,000
Mid-State Bank & Trust Foundation	\$10,150
Bank of America	\$10,000
Union Bank of California	\$10,000
City of Arroyo Grande	\$10,000
City of Pismo Beach	\$10,000
City of Atascadero	\$10,000
City of Grover Beach	\$10,000
San Luis Obispo County Community Foundation	\$8,200
United Way of San Luis Obispo County	\$7,515
Resident Owned Parks, Inc.	\$2,500
Los Padres Bank	\$2,150
First Bank of San Luis Obispo	\$2,000
Mission Community Bank	\$1,150
Anne and Fred Quinn	\$1,000
The Mortgage House, Inc.	\$1,000
City of Morro Bay	\$1,000
Santa Lucia Bank	\$1,000
Heritage Oaks Bank	\$1,000
San Luis Obispo Supportive Housing Consortium <sup>3</sup>	\$730
CalPoly Foundation	\$500
Others (various)	\$1,736
<b>Total Grants, Donations And Contributions</b>	<b>\$457,031</b>
Earned Income	\$31,969
<b>Combined Funds Raised</b>	<b>\$489,000</b>

As of 3-31-06

<sup>1</sup> Approximately \$123,000 in contributions to our revolving loan fund are not included in this list.

<sup>2</sup> Funded through a grant from the California Department of Community Services and Development.

<sup>3</sup> Monies received while the Womens Shelter Project acted as fiscal agent for the Fund.



## Sources of Lending Capital

The San Luis Obispo County Housing Trust Fund has raised nearly \$4 million in private capital to finance affordable housing projects.<sup>1</sup> These funds are primarily loans from local banks, a local hospital system, a family foundation and religious communities. We also received a \$100,000 grant from the California Association of Realtors thanks to support from local Realtors. In addition, more than 60 individuals, firms and organizations have contributed to our George Moylan Affordable Housing Fund.

Source of Loan Funds	Type of Funds	Amount
Mission Community Bank	Revolving line of credit	\$1,000,000
Mid-State Bank & Trust	Revolving line of credit	\$1,000,000
First Bank of San Luis Obispo	Guidance line of credit	\$1,000,000
Catholic Healthcare West	Balloon Payment Loan	\$500,000
Erik & Hannah Sachs Foundation	Balloon Payment Loan	\$200,000
California Association of Realtors	Grant	\$100,000
Seton Enablement Fund of the Sisters of Charity of Cincinnati	Amortizing Loan	\$50,000
Sisters of St. Francis of Philadelphia	Balloon Payment Loan	\$50,000
Adrian Dominican Sisters	Balloon Payment Loan	\$35,000
George Moylan Affordable Housing Fund	Contributions <sup>2</sup>	\$23,000
<b>Total Lending Capital</b>		<b>\$3,958,000</b>

As of 3-31-06

<sup>1</sup> This figure includes funds that have both been committed to the Housing Trust Fund and received. Funds will only be drawn on the Mission Community Bank and Mid-State Bank & Trust lines of credit and First Bank's guidance line of credit as they are used to fund loans.

<sup>2</sup> The George Moylan Affordable Housing Fund was established in October 2005 to honor and continue the work of a founding director of the Housing Trust Fund. Since then, more than 60 individuals, firms and organizations have contributed to the Moylan Fund.



## 2006 Adopted Budget

The Board of Directors for the San Luis Obispo County Housing Trust Fund adopted the following operating budget for Calendar Year 2006 at its January 20, 2006 meeting.

Expense Category	Budgeted Amounts	Percent of Total
<b>Personnel Expenses</b>		
Salaries and Wages	\$97,520	37.5%
Payroll Taxes & Employee Benefits	\$28,423	10.9%
Professional Services	\$36,700	14.1%
Legal and Accounting Services	\$15,300	5.9%
<b>Non-Personnel Expenses</b>		
Rent & Utilities	\$8,250	3.2%
Communications (Phone/Internet)	\$1,540	0.6%
Furnishings & Equipment	\$0	0.0%
Maintenance & Repairs	\$600	0.2%
Insurance	\$3,350	1.3%
License & Regulatory Fees	\$335	0.1%
Postage & Printing	\$2,000	0.8%
Supplies	\$1,200	0.5%
Memberships, Dues & Subscriptions	\$1,010	0.4%
Travel Expenses	\$3,400	1.3%
Education & Training	\$1,400	0.5%
Other Expenses	\$1,200	0.5%
<b>Operating Reserves</b>	\$13,190	5.1%
<b>Loan Fund Expenses</b>		
Interest Expenses	\$41,000	15.8%
Loan Origination Costs	\$1,000	0.4%
Loan Collection Costs Total Expenses	\$2,583	1.0%
<b>Total Operating Budget</b>	<b>\$260,000</b>	<b>100.0%</b>

Adopted 1-20-06

Celebrating the Life of

# George Moylan

George Moylan, a founding member of the Housing Trust Fund's Board of Directors, passed away on September 30, 2005. The George Moylan Affordable Housing Fund was created to honor his memory and continue his commitment to creating more affordable housing in San Luis Obispo County. The following individuals, firms and organizations have contributed more than \$23,000 to the George Moylan Affordable Housing Fund to date.

(4-21-06)

American Institute of Architects - CA Central Coast Chapter  
Adult Services Staff, SLO County Dept. of Social Services  
Scott Barnes & Joshua Barnes  
Marianne Kennedy & David Baumgarten  
Jerry Bunin & Mary Shaffer  
Congresswoman Lois Capps  
Glenn D. & Bernice A. Carlson  
Roxanne Carr & Rodney Levin  
Kathleen Copeland  
Jeff Dillon  
Joel Diringer, Diringer and Associates  
Michael and Dianne Drazo  
John & Sandy Dunn  
GMAC Mortgage (San Luis Obispo, Atascadero, Grover Beach  
and Paso Robles offices)  
Founder's National Bank  
James & Elaine Gardiner  
Leonard Grant, LIGIA  
Alex Gough  
Ken & Suzan Hampian  
Beverly B. James, The Landmark Company  
Joseph & Madeleine Johnson  
R. Thomas Jones & Elizabeth Johnson  
Lillian and Robert Judd  
Donna J. Kean  
Ken & Nita Kenyon  
Vivian Krug  
John Mandeville & Peggy Meneice  
Kevin Main, Kevin Main Jewelry Design  
Solutions by Marilyn Mayor  
Sam & Shirley Mednik  
Mission Community Bank

Mission Community Club  
Marilyn Moore & Sandra Taylor  
Eileen Nazar  
Janna & Bob Nichols  
Nancy & Thomas Norwood  
Shauna & Fred Novy  
Tom O'Malley  
Mary N. Parker  
Housing Authority of the City of Paso Robles  
Peoples' Self Help Housing  
Susan and James Polk  
Barbara & Gregory Pruitt  
Rea, Richmond & Luker Architects, LLP  
Residents for Quality Neighborhoods  
Jerry & Chris Rioux  
San Luis Obispo Association of Realtors  
Kenneth E. Schwartz  
Gary P. & Valerie J. Steenson  
Gilbert & Janice Stork  
The (San Luis Obispo) Tribune  
Anthony & Irene Toomey  
Ann Travers &  
Barbara Nordin  
Carmela Vignocchi  
Susan Schwartz Waag &  
Timothy M. Waag  
Richard & Cynthia Walker  
Janice Fong Wolf &  
Rex M. Wolf  
Fifteen Anonymous Donors



Photograph reprinted with permission from The Tribune.

We thank the Moylan Family for their generosity in requesting that donations in George's memory be given to the Housing Trust Fund.



## Board of Directors

The Board of Directors for the San Luis Obispo County Housing Trust Fund has six members. The names, offices and affiliations of the current Board members are:

Board Member	Office	Affiliation
Anita Robinson	Chair	President and CEO, Mission Community Bank
Rachel Richardson	Vice-Chair	Chair, San Luis Obispo Supportive Housing Consortium; Housing Coordinator, AIDS Support Network
Dr. Allen Haile	Secretary	Community & Government Relations Director, Cal Poly; Member, SLO County Economic Advisory Committee
Janna Nichols	Treasurer	Tri-Counties Blood Bank
R. Thomas "Tom" Jones	Member	Dean, Cal Poly College of Architecture and Environmental Design
Joseph M. "Chip" Visci	Member	President and Publisher, The (San Luis Obispo) Tribune

Affiliations are provided for information only.

Rev 9-16-05



## Housing Trust Fund Commission

The Commission serves as the loan committee for the San Luis Obispo County Housing Trust Fund. A majority of the Commissioners are appointed by local governments that provide financial support for the Fund. The current Commissioners and their appointing authorities are:

Commissioner	Appointing Authority
Chuck Ashton	City of Grover Beach
Doug Davidson	City of San Luis Obispo
Kelly Heffernon	City of Arroyo Grande
Dana Lilley	County of San Luis Obispo
John Stocksdale	City of Pismo Beach
Dave Rounds	SLOCHTF Board of Directors
Kerry Margason	City of Atascadero
Ann Travers	SLO Supportive Housing Consortium
Betty Winholtz	City of Morro Bay





**Gerald L. Rioux**  
**Executive Director**

Gerald L. (“Jerry”) Rioux, the San Luis Obispo County Housing Trust Fund’s executive director, has more than 30 years of professional experience in the housing and community development field. This experience includes developing, implementing and managing affordable housing programs for state and local governments, local and regional nonprofit corporations and as a private consultant and real estate broker. Mr. Rioux earned a Master of Planning (MPI) degree from the University of Southern California.

Position	Employer
Executive Director	San Luis Obispo County Housing Trust Fund
Project Manager	City of Watsonville, Redevelopment and Housing Department
Housing Program Manager	County of Santa Cruz, Planning Department
Principal & Broker	Housing and Community Development Services (Affordable housing consulting and real estate brokerage)
Division Director	Rural Community Assistance Corporation
Program Manager	State of California, Department of Housing and Community Development
Housing Rehabilitation Coordinator	City of Cudahy

Resume available upon request.

**PASO ROBLES REDEVELOPMENT AGENCY  
LMIH FUND STATUS**

May 4, 2006

**Estimated Fund Balance and Commitments Through June 30, 2006**

<b>Activity</b>	<b>Amount</b>	<b>Notes</b>
LMIH Fund balance as of 6/30/05	495,200	1
Projected LMIH Fund deposits as of 6/30/06	440,900	1
Estimated Investment Income as of 6/30/06	5,000	1
Oak Park Senior Housing Fee Offset	-520,000	1, 2
Canyon Creek Apartments	-268,000	3
Fiscal Year 05/06 Housing Programs Administration	-93,000	1
<b>Balance</b>	<b>60,100</b>	

**Commitments for Future Fiscal Years**

<b>Fiscal Year</b>	<b>Amount</b>	<b>Purpose</b>	<b>Notes</b>
06/07	23,000	Offset PILOT for Canyon Creek Apartments	3
07/08	23,000	Offset PILOT for Canyon Creek Apartments	3
07/08	300,000	Payment on CalHFA Loan for Oak Park Senior Housing	4
08/09	24,000	Offset PILOT for Canyon Creek Apartments	3
08/09	300,000	Payment on CalHFA Loan for Oak Park Senior Housing	4
09/10	24,000	Offset PILOT for Canyon Creek Apartments	3
09/10	300,000	Payment on CalHFA Loan for Oak Park Senior Housing	4
10/11	25,000	Offset PILOT for Canyon Creek Apartments	3
10/11	300,000	Payment on CalHFA Loan for Oak Park Senior Housing	4

**Notes:**

1. Mike Compton's 11/15/05 presentation to RDA; does not include loans receivable; figures rounded to nearest \$100.
2. Approved via Ordinance 852 N.S. and Resolution RA 03-02.
3. Approved via Ordinance 905 N.S. and Resolution RA 05-02.
4. Approved via Resolution RA 05-03.

**Projections for the Next 10 Years (not including investment income)**

<b>Fiscal Year</b>	<b>Estimated Deposits into LMIH Fund</b>	<b>Estimated Administrative Expense</b>	<b>Commitments</b>	<b>Estimated LMIH Fund Balance *</b>
05/06				60,000
06/07	465,900	96,300	23,000	407,000
07/08	493,000	99,700	323,000	477,000
08/09	521,400	103,200	324,000	571,000
09/10	550,800	106,800	324,000	691,000
10/11	581,500	110,500	325,000	837,000
11/12	613,500	114,400		1,336,000
12/13	646,800	118,400		1,864,000
13/14	681,400	122,500		2,423,000
14/15	717,500	126,800		3,014,000
15/16	755,100	131,200		3,638,000

\* Figures rounded to nearest \$1,000.

Sources: 2004 Redevelopment Implementation Plan - Appendix D and figures from Mike Compton 11/28/05

Estimated administrative expense assumes 3.5% inflation rate starting with \$93,000 for FY 05/06

## Ed Gallagher

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**From:** Jerry Rioux [jerry@sloctf.org]  
**Sent:** Friday, May 19, 2006 3:56 PM  
**To:** Ed Gallagher  
**Subject:** HTF Services

Ed,

To follow up on our conversation, the HTF will offer a variety of services to the City of Paso Robles and sponsors of affordable housing within Paso Robles city limits.

These services may include:

- Assisting the City with the development of its Workforce Housing Strategy.
- Assisting the Housing Authority with plans for upgrading the Oak Park project.
- Providing financing and technical assistance to the Paso Robles Nonprofit Housing Corporation's projects.
- Assisting the City and local housing sponsors to secure state and/of federal funds for their projects.

A representative of the City of Paso Robles will be invited to participate on the HTF Commission, which recommends loan policies and procedures and action on individual loan applications to our Board of Directors.

Jerry



Gerald L. "Jerry" Rioux, Executive Director  
San Luis Obispo County Housing Trust Fund  
4111 Broad Street, Suite A-6, San Luis Obispo, CA 93401  
phone: (805) 543-5970; fax: (805) 543-5972  
e-mail: [jerry@sloctf.org](mailto:jerry@sloctf.org); website: [www.sloctf.org](http://www.sloctf.org)

RESOLUTION RA 06- XX

RESOLUTION OF THE REDEVELOPMENT AGENCY OF  
THE CITY OF PASO ROBLES APPROVING A GRANT OF LOW AND MODERATE  
INCOME HOUSING FUNDS FOR SERVICES PROVIDED BY THE SAN LUIS OBISPO  
COUNTY HOUSING TRUST FUND

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WHEREAS, the San Luis Obispo County Housing Trust Fund (HTF), a California nonprofit corporation, has submitted a request for a grant of \$5,000 to assist them with their operating funds for Calendar Year 2006; and

WHEREAS, HTF provides technical assistance on affordable housing matters to local jurisdictions and short term financing for affordable housing projects; and

WHEREAS, HTF has technical knowledge and financial resources that should be valuable in assisting the City pursue objectives set forth in the General Plan, the Economic Strategy, and the Redevelopment Implementation Plan; and

WHEREAS, Policy H-1B of the Housing Element calls for the City to “cooperate with private housing developers, nonprofit housing sponsors and public agencies to promote and expand housing opportunities for all segments of the community...”; and

WHEREAS, The 2006 Economic Strategy calls for the City to “identify and evaluate alternatives to increase the labor force resident in the City”; as an implementation of the Economic Strategy, the City has begun preparing a Workforce Housing Strategy to articulate the City’s vision for housing its workforce; technical assistance will be needed in this effort; and

WHEREAS, the 2004 Redevelopment Implementation Plan establishes the following priorities for use of Low and Moderate Income Housing (LMIH) funds:

1. Promote the development of rental units throughout the City;
2. Provide first-time homebuyer assistance;
3. Preserve existing subsidized housing from conversion to market rate;
4. Provide assistance for rehabilitating existing housing; and

WHEREAS, the 2004 Redevelopment Implementation Plan also states that there are numerous other eligible uses of LMIH funds for assisting affordable housing projects that may be pursued; and

WHEREAS, at its meeting of June 21, 2006 the Redevelopment Project Area Committee reviewed this request and unanimously recommended its approval by the Redevelopment Agency;

NOW, THEREFORE, BE IT FOUND by the Paso Robles Redevelopment Agency that the services that can be provided by HTF in return for the requested grant would be consistent with and advance the policies and implementation/action items set forth in the 2004 Housing Element of the General Plan, the 2004 Redevelopment Implementation Plan and the 2006 Economic Strategy;

NOW, THEREFORE, BE IT RESOLVED BY THE PASO ROBLES REDEVELOPMENT AGENCY to approve HTF’s request in the following form and subject to the following conditions:

1. A one-time grant of LMIH funds to help fund HTF’s expenses for Calendar Year 2006 in the amount of \$5,000;

2. HTF shall provide four quarterly reports to the Redevelopment Agency explaining the services provided to the Agency in return for the grant funds.
3. A Grant Agreement shall be prepared, subject to approval of Agency General Counsel, and executed to address the above-stated forms of assistance prior to disbursement or transfer of LMIH Funds for said purposes.
4. The Agency Secretary/City Manager is hereby authorized to execute the Grant Agreement on behalf of the Agency within the above conditions to account for refinements in the estimates of funds available and actual PILOT payments.

PASSED AND ADOPTED by the Redevelopment Agency of the City of Paso Robles this 5th day of July, 2006 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

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Gary A. Nemeth, Chairman

ATTEST:

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James A. App, Agency Secretary