

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: February 3, 2009

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 2009.

FACTS:

1. Attached are two letters from HTF, dated October 21 and November 20, 2008, requesting a grant \$5,000 to assist them with their operating funds for Fiscal Year 2008/09. The letters include supporting documentation of the services provided by HTF, their budget, and their organization.
2. The Redevelopment Agency has approved two similar grant requests for the previous fiscal years: \$5,000 in FY 06/07 and \$7,500 in FY 07/08.
3. HTF provides technical assistance on affordable housing matters to local jurisdictions. In the previous fiscal years, Jerry Rioux, Executive Director, has been a regular participant on and contributor to the Oak Park Revitalization Concept Group and Uptown/Town Centre Specific Plans. Additionally, City staff has consulted with HTF on affordable housing issues relative to the update of the Housing Element.
4. HTF also provides short-term financing (loans) for affordable housing projects in San Luis Obispo County. They have indicated a willingness to participate in the financing of the proposed 84 unit low income housing complex at 80 S. River Road.
5. 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.
6. A summary of the status of the LMIH Fund, including projections of fund balances for the next 10 years is attached.
7. At its meeting of January 11, 2009, the Project Area Committee (PAC) reviewed this request and unanimously recommended that the grant be approved.
8. The Redevelopment Plan provides that the Redevelopment Budget and any amendments thereto must be adopted by Ordinance of the City Council.

#### 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 the Uptown Specific Plan and Town Centre Master Plan, which will include efforts to increase the amount of housing that is affordable to low and moderate income households in these areas. HTF has knowledge and resources that should be valuable in assisting the City 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.

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: 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.

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 for \$5,000.

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

Redevelopment Agency

- a. Adopt attached Resolution No. RA 09-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 2009 operating costs as recommended by the Project Area Committee.
- b. Amend, modify, or reject the above options.

City Council

- a. Assuming that the Redevelopment Agency approves Option a or b, above, introduce for first reading Ordinance No. XXX N.S. amending Chapter 3.40 Revenue and Finance of the Municipal Code to modify the Fiscal Year 2008/09 Budget for the Redevelopment Agency of the City of El Paso de Robles and set February 17, 2009, as the date for adoption of said Ordinance.

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

Prepared By: Ed Gallagher, City Planner

ATTACHMENTS:

1. Letter from Housing Trust Fund dated September 10, 2007 with enclosures
2. Letter from Housing Trust Fund dated September 10, 2007 with enclosures
3. Resolution RA 09-XX
4. Grant Agreement
5. Ordinance XXX N.S.
6. LMIH Fund Status

RESOLUTION RA 09- XX

RESOLUTION OF THE REDEVELOPMENT AGENCY OF  
THE CITY OF PASO ROBLES APPROVING A GRANT OF \$5,000 IN LOW  
AND MODERATE INCOME HOUSING FUNDS FOR SERVICES PROVIDED  
BY THE SAN LUIS OBISPO COUNTY HOUSING TRUST FUND

---

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 2009; 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 January 11, 2009 the Redevelopment Project Area Committee reviewed this request and recommended that the grant be approved;

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 2009 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 3rd day of February, 2009 by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

John Hamon, Chairman

ATTEST:

---

James A. App, Agency Secretary

## GRANT AGREEMENT

THIS GRANT AGREEMENT (this "Agreement") is made as of \_\_\_\_\_, 20\_\_, between the SAN LUIS OBISPO COUNTY HOUSING TRUST FUND, a California nonprofit public benefit corporation ("Grantee"), and the REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES, a public body, corporate and politic, exercising governmental functions and powers and organized and existing under the Community Redevelopment Law of the State of California (Health & Safety Code Section 33000 et seq.) ("Grantor").

A. Purpose of this Agreement. Grantee provides technical assistance on affordable housing matters to local jurisdictions, including Grantor, and also provides short-term funding for affordable housing projects within the County of San Luis Obispo. Pursuant to Section 33334.2 of the California Health and Safety Code, Grantor has set aside 20% of tax increment revenues allocated to it to improve and increase the supply of affordable housing in the City of El Paso de Robles ("City"). Grantor desires to use a portion of these monies to make a grant to the Grantee to assist Grantee with its operating funds for calendar year 2006. In exchange for such grant, Grantee will provide certain technical assistance to Grantor on affordable housing matters within the jurisdiction of Grantor.

B. The Amended Redevelopment Plan and Redevelopment Implementation Plan. This Agreement is subject to the provisions of the Redevelopment Plan for the Paso Robles Redevelopment Project adopted on November 30, 1987, by Ordinance No. 540 N.S., as amended to date (the "Redevelopment Plan") as well as Grantor's five year redevelopment implementation plan adopted in accordance with California Health & Safety Code Section 33490 (the "Implementation Plan"). The Redevelopment Plan and the Implementation Plan, as they now exist and as they may be subsequently amended, are incorporated herein by reference and made a part hereof as though fully set forth herein.

THEREFORE, Grantee and Grantor agree as follows:

### ARTICLE 1. GRANT

1.1. Grant. By and subject to the terms of this Agreement, Grantor agrees to make a grant to Grantee in the amount of FIVE THOUSAND DOLLARS (\$5,000) ("Grant"), to assist Grantee with its operating funds for calendar year 2009. The Grant shall be used by Grantee solely for payment of operating costs incurred by Grantee during the 2009 calendar year, and for no other purpose unless otherwise specifically approved by Grantor in writing.

1.2. Technical Assistance Services. In exchange for the Grant provided by Grantor pursuant to Section 1.1, above, Grantee shall provide certain technical assistance services to Grantor, including without limitation, assisting Grantor and the City with the development of its Workforce Housing Strategy; assisting the Housing Authority with plans for upgrading the Oak Park affordable housing project; providing financing and technical assistance to the Paso Robles Nonprofit Housing Corporation's projects; and assisting Grantor, the City and local housing sponsors to secure state and/or federal funds for their affordable housing projects (collectively, the "Technical Services").

1.3 Reporting. During the term of this Agreement, the Grantee shall submit quarterly progress reports to City describing the accomplishments of the Project, which shall consist of a narrative account of activities conducted supporting the technical services described in this Section 1.2 of this Agreement;

Quarters shall mean the following three-month periods: January 1 to March 31; April 1 to June 30; July 1 to September 30; and October 1 to December 31. Quarterly reports shall be submitted to the City no later than the thirtieth (30<sup>th</sup>) calendar day following the end of each quarter.

1.4. Effective Date. The effective date ("Effective Date") of this Agreement shall be the date of execution of this Agreement by Grantor.

## ARTICLE 2. DISBURSEMENTS

2.1 Disbursement. The Grant will be disbursed to Grantee on or about \_\_\_\_\_, 20\_\_.

2.2. Disbursed Funds. The disbursement shall be applied by Grantee solely for the purposes for which the funds have been disbursed. Grantor is not obligated to monitor or determine Grantee's use or application of the disbursement.

## ARTICLE 3. COVENANTS, REPRESENTATIONS AND WARRANTIES

Grantee makes the following covenants, representations and warranties which in all material respects are true and correct as of the Effective Date and continuing thereafter:

3.1. Authority. Grantee has complied with all laws and regulations concerning its organization, existence and transaction of business. Grantee has, or at all appropriate times shall have, properly obtained all permits and complied with all other applicable statutes, laws, regulations, codes and ordinances applicable to Grantee's operations.

3.2. Enforceability. Grantee is authorized to execute, deliver and perform under this Agreement and this Agreement is a valid, binding, and enforceable obligation of Grantee.

3.3. No Violation. Grantee's undertakings in this Agreement do not violate any applicable statute, law, regulation, code or ordinance or any order or ruling of any court or governmental entity, or conflict with, or constitute a breach or default under, any agreement by which Grantee is bound or regulated. Grantee is not in violation of any statute, law, regulation, code or ordinance, or of any order of any court or governmental entity. There are no claims, actions or proceedings pending or, to Grantee's knowledge, threatened against Grantee.

3.4. Accuracy. All reports, documents, instruments, information and forms of evidence delivered to Grantor by Grantee or at Grantee's direction, concerning the Grant or required by this Agreement are accurate, correct and sufficiently complete to give Grantor true and accurate knowledge of their subject matter, and do not contain any misrepresentation or omission.

3.5. Obligation to Refrain from Discrimination. Grantee covenants and agrees for itself, its successors, its assigns and every successor in interest, that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, marital status, ancestry or national origin in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of any property or in the provision of any Technical Services by Grantee hereunder, nor shall Grantee or any person claiming under or through Grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, or vendees of any property or in the provision of any Technical Services by Grantee hereunder.

#### ARTICLE 4. EVENT OF DEFAULT

4.1. Default. The following shall constitute an event of default (hereinafter "Event of Default") under this Agreement:

(a) There shall be a failure to comply with any term, obligation, covenant or condition contained herein or in this Agreement, provided, however, that Grantee shall not be in default if Grantee, after Grantor sends written notice demanding cure of such failure, (a) cures the failure within ten (10) days, or (b) if the cure requires more than ten (10) days, immediately commences to cure the failure and thereafter diligently prosecutes such cure to completion within thirty (30) days after giving notice of the default.

#### ARTICLE 5. MISCELLANEOUS PROVISIONS

5.1. Expenses. Grantee shall pay Grantor immediately upon demand all reasonable costs and expenses incurred by Grantor in connection with the enforcement or satisfaction by Grantor of any of Grantee's obligations under this Agreement.

5.2. Indemnity. Grantee hereby indemnifies Grantor, against, and holds Grantor, harmless from, any losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including attorneys' fees) which Grantor may incur as a direct or indirect consequence of: (i) the making of the Grant, or (ii) any failure at any time of any of Grantee's representations or warranties to be true and correct in any material respect, or (iii) any act or omission by Grantee, any contractor, subcontractor or material supplier, engineer, architect or other person or entity with respect to any of the Technical Services provided by Grantee hereunder. Grantee shall pay immediately upon Grantor's demand any amounts owing under this indemnity together with interest from the date the indebtedness arises until paid at the rate of interest which shall be the highest rate then allowed by law. The indemnity set forth herein shall not extend to losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses which Grantor, or any of them, incur to the extent that such are caused by any Grantor's gross negligence or willful misconduct.

5.3. Further Assurances. At Grantor's request and at Grantee's expense, Grantee shall execute, acknowledge and deliver any other instruments and perform any other acts necessary, desirable or proper (as determined by Grantor) to carry out the purposes of this Agreement or to perfect and preserve any liens created by this Agreement.



5.4. Form of Documents. The form and substance of all documents, instruments, and forms of evidence to be delivered to Grantor under the terms of this Agreement shall be subject to Grantor's approval and shall not be modified, superseded or terminated in any respect without Grantor's prior written approval.

5.5. No Third Parties Benefited. No person other than Grantor and Grantee and their successors and assigns shall have any right of action under this Agreement.

5.6. Notices. All written notices and demands under this Agreement shall be deemed served upon delivery or, if mailed, upon the date shown on the delivery receipt (or the date on which delivery was refused as shown on the delivery receipt) after deposit in United States Postal Service certified mail, postage prepaid, return receipt requested, or after delivery or attempted delivery by an express delivery service, and addressed to the address of Grantee or Grantor appearing below. Notice of change of address may be given in the same manner.

Grantor's Address:

Redevelopment Agency of the City of  
El Paso de Robles  
1000 Spring Street  
Paso Robles, CA 93446  
Attn: City Planner

Grantee's Address:

San Luis Obispo Housing Trust Fund  
4111 Broad Street, Suite A-4  
San Luis Obispo, CA 93401  
Attn: Gerald L. Rioux, Executive Director

5.7. Authority to File Notices. Grantee irrevocably appoints and authorizes Grantor, as Grantee's attorney-in-fact, which agency is coupled with an interest, to execute and/or record in Grantor's or Grantee's name any notices, instruments or documents that Grantor deems appropriate to protect Grantor's interests under this Agreement.

5.8. Actions. Following written notice to Grantee, Grantor may commence, appear in or defend any action or proceeding purporting to affect the this Agreement or any of the Technical Services to be provided by Grantee hereunder, or the rights, duties or liabilities of Grantee or Grantor under this Agreement. In exercising this right, Grantor may incur and pay costs and expenses including without limitation, attorneys' fees and court costs and Grantee agrees to pay all such expenses so incurred or paid with interest thereon from the date of such demand at the rate of interest which shall be the highest rate then allowed by law.

5.9. Relationship of Parties. The relationship of Grantee and Grantor under this Agreement is, and shall at all times remain, solely that of grantee and grantor. Grantor neither undertakes nor assumes any responsibility or duty to Grantee or to any third party with respect to the Grant or any Technical Services provided by Grantee hereunder, except as expressly provided in this Agreement. Nothing contained in this Agreement or in any other document or instrument made in connection with this Agreement shall be deemed or construed to create a partnership, tenancy-in-common, joint tenancy, joint venture or co-ownership by or between Grantor and Grantee. Grantor shall not be in any way responsible for the debts, losses, obligations or duties of Grantee.

5.10. Grantor's Delay. Grantor shall not be liable in any way for Grantor's failure to perform or delay in performing under this Agreement unless such failure or delay is the result of Grantor's gross negligence or willful misconduct, and Grantor may suspend or terminate all or any portion of Grantor's obligations under this Agreement if Grantor's delay or failure results directly or indirectly from, or is based upon, the action, inaction, or purported action, of any governmental or local authority, or any war (whether declared or not), rebellion, insurrection, strike, lock-out, boycott or blockade (whether presently in effect, announced or in the sole judgment of Grantor deemed probable), or any act of God, or any other cause or event beyond Grantor's control.

5.11. Attorneys' Fees; Enforcement. If any attorney is engaged by Grantor to enforce, construe or defend any provision of any of this Agreement, or as a consequence of any Event of Default under this Agreement, with or without the filing of any legal action or proceeding, Grantee shall pay to Grantor, immediately upon demand, the amount of all attorneys' fees and costs incurred by Grantor in connection therewith, together with interest thereon from the date of such demand at the rate of interest which shall be the lower of the highest rate then allowed by law or 10%.

5.12. Assignment. Grantee shall not assign Grantee's interest under this Agreement, or in any monies due or to become due thereunder, without Grantor's prior written consent. Any assignment made without Grantor's consent shall be void. Grantee recognizes that this is not an ordinary grant and that Grantor would not make this grant except in reliance on Grantee's expertise and reputation and Grantor's knowledge of Grantee. Grantor is relying on Grantee's expertise and prior experience to provide the Technical Services set forth herein in accordance with the terms of this Agreement.

5.13. Severability. If any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed from this Agreement and the remaining parts shall remain in full force as though the invalid, illegal, or unenforceable portion had never been part of this Agreement.

5.14. Heirs, Successors and Assigns. The terms of this Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties; provided however, that this Section does not waive the provisions of Section 5.13.

5.15. Rights Cumulative, No Waiver. All Grantor's rights and remedies provided in this Agreement, granted by law or otherwise, are cumulative and may be exercised by Grantor at any time. Grantor's exercise of any right or remedy shall not constitute a cure of any Event of Default unless all sums then due and payable to Grantor under this Agreement are repaid and Grantee has cured all other Event of Defaults. No waiver shall be implied from any failure of Grantor to take, or any delay by Grantor in taking, action concerning any Event of Default or failure of condition under this Agreement, or from any previous waiver of any similar or unrelated Event of Default or failure of condition. Any waiver or approval under this Agreement must be in writing and shall be limited to its specific terms.

5.16. Time. Time is of the essence of each term of this Agreement.

5.17. Headings. All headings appearing in any of this Agreement are for convenience only and shall be disregarded in construing this Agreement.

5.18. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. Grantee and all persons and entities in any manner obligated to Grantor under this Agreement consent to the jurisdiction of any state court within the State of California having proper venue and also consent to service of process by any means authorized by California law.

5.19. Integration; Interpretation. This Agreement contain or expressly incorporate by reference the entire agreement of the parties with respect to the matters contemplated herein and supersede all prior negotiations. This Agreement shall not be modified except by written instrument executed by all parties. Any reference in any of this Agreement to the Technical Services shall include all or any of the Technical Services anticipated to be provided by Grantee hereunder.

5.20. Execution in Counterparts. This Agreement, and other Grant Documents which expressly so provide, may be executed in any number of counterparts, each of which when executed and delivered will be deemed to be an original and all of which, taken together, will be deemed to be one and the same instrument.

5.21. Conflicts of Interest. No member, official or employee of Grantor shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested. The Grantee warrants that it has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

5.22. Nonliability of Grantor Officials and Employees. No member, official or employee of Grantor or the City shall be personally liable to the Grantee in the event of any default or breach by Grantor or for any amount which may become due to the Grantee or on any obligations under the terms of this Agreement.

5.23. Nonliability of Grantee Officials and Employees. No member, official or employee of the Grantee shall be personally liable to Grantor in the event of any default or breach by the Grantee or for any amount which may become due to Grantor or on any obligations under the terms of this Agreement.

[SIGNATURES ON THE NEXT PAGE]

Date: \_\_\_\_\_

REDEVELOPMENT AGENCY OF THE  
CITY OF EL PASO DE ROBLES

\_\_\_\_\_  
Executive Director

"GRANTOR"

Approved As To Form:

\_\_\_\_\_  
Agency Counsel

Date: \_\_\_\_\_

SAN LUIS OBISPO COUNTY  
HOUSING TRUST FUND

By: \_\_\_\_\_

Its: \_\_\_\_\_

"GRANTEE"

## **GRANT AGREEMENT**

by and between

THE REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES

and

SAN LUIS OBISPO COUNTY HOUSING TRUST FUND

ORDINANCE NO. \_\_\_\_\_ N.S.

AN ORDINANCE OF THE CITY OF EL PASO DE ROBLES  
AMENDING CHAPTER 3.40 REVENUE AND FINANCE OF THE MUNICIPAL CODE  
TO MODIFY THE FISCAL YEAR 2008/2009 BUDGET FOR THE  
REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES

The City Council of the City of El Paso de Robles, State of California, does hereby ordain as follows:

SECTION 1. That a budget amendment, for the Redevelopment Low and Moderate Income Housing (LMIH) Fund, in the amounts, and for the purposes set forth below, for the Redevelopment Agency of the City of El Paso de Robles for the fiscal year commencing July 1, 2007 and ending June 30, 2008 is hereby approved and adopted for said fiscal year.

- a. \$5,000 as authorized by Redevelopment Agency Resolution RA 09-0XX and the Grant Agreement to be executed in accordance with said resolution, to be used for Calendar Year 2009 operating costs for the San Luis Obispo County Housing Trust Fund, budget account number 701-710-5235-211; in return for technical assistance to the City of Paso Robles in affordable housing matters; and

SECTION 2. That the budget amendment for expenditures as proposed shall be and become appropriated to the Agency for the respective objects and purposes therein set forth below, subject to expenditures pursuant to the provisions of all applicable statutes of this State.

SECTION 3. That the Agency hereby finds and determines:

- a. That the proposed budget amendment is for a Redevelopment activity consistent with California Health and Safety Code Section 33678 in that they are for carrying out the Redevelopment Project and related development activities, as defined in California Health and Safety Code Sections 33020 and 33021, and primarily benefit the Redevelopment Project.
- b. That the proposed budget amendment is for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing pursuant to California Health and Safety Code Section 33334.2.
- c. That none of the funds are to be used for the purposes of paying for employee or for contractual services for the City of El Paso de Robles or any other local government agency, except for such services which are directly related to Redevelopment activities as defined in California Health and Safety Code Sections 33020 and 33021 and the powers established in Community Redevelopment Law.

SECTION 4. That the appropriation and expenditure of funds shall be consistent with the terms as established by cooperative agreement between the Redevelopment Agency of the City of El Paso de Robles and the City of El Paso de Robles per Agency and City adopting implementing resolutions.

SECTION 5. Publication. The City Clerk shall cause this ordinance to be published once within fifteen (15) days after its passage in a newspaper of general circulation, printed, published and circulated in the City in accordance with Section 36933 of the Government Code.

SECTION 6. Effective date. This ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the 31st day after its passage.

SECTION 7. Inconsistency. To the extent that the terms of provisions of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior City ordinance(s), motion, resolution, rule or regulation governing the same subject, the terms of this Ordinance shall prevail with respect to the subject matter thereof and such inconsistent and conflicting provisions of prior ordinances, motions, resolutions, rules and regulations are hereby repealed.

SECTION 8. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, found to be invalid or unconstitutional, such finding shall not affect the remaining portion of this Ordinance.

The City Council hereby declares that it would have passed this ordinance by section, subsection, sentence, clause or phrase irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases are declared invalid or unconstitutional.

Introduced at a regular meeting of the City Council held on February 3, 2009, and passed and adopted by the City Council of the City of El Paso de Robles on the 17<sup>th</sup> day of February, 2009, by the following roll call vote, to wit:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

---

Duane Picanco, Mayor

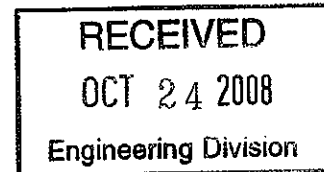
ATTEST:

---

Cathy David, Deputy City Clerk



October 21, 2008



Ed Gallagher  
City of Paso Robles  
Housing Division  
1000 Spring Street  
Paso Robles, CA 93446

Re: Funding for the Housing Trust Fund

Dear Mr. Gallagher,

Thank you for your support of the San Luis Obispo County Housing Trust Fund. Support from the City of Paso Robles has truly made our organization a county-wide partnership.

I am writing to request an award \$5,000 in redevelopment set-aside funds to the Housing Trust Fund for fiscal year 2008-9. Please place me on the agenda of the next PAC meeting so that they can consider this request.

I have enclosed our board roster, list of commissioners, 2008 adopted and 2009 proposed budgets, the sources of lending capital and our latest annual report with this request. Please let me know if you need any additional information or material to consider this request.

I look forward to working with you and the City of Paso Robles in the coming year.

Sincerely,

Gerald L. Rioux  
Executive Director

Cc: Dick Willhoit

\\server01\sloctf\data\shared\fundng\government\slo\paso robles\pr-rda 10-2008 request.doc





November 20, 2008

Ed Gallagher  
City of Paso Robles  
Housing Division  
1000 Spring Street  
Paso Robles, CA 93446

Dear Mr. Gallagher:

I am following up on your request for more information regarding the Housing Trust Fund's activities in Paso Robles and the benefits that your community will receive by continuing to support our efforts. The Housing Trust Fund provides for various services that support affordable housing, including financing, technical assistance and advocacy.

**1) Financing.**

The Housing Trust Fund was created specifically to provide financing for affordable housing projects that include units for very low, low and/or moderate income households. We currently have over \$3 million available to lend. Because of the limitations of our funds, we currently provide short-term and gap financing. We have loaned over \$2 million to date for projects that provide transitional housing for foster care youth, affordable rental housing for seniors and building sites for Habitat for Humanity.

While we have yet to make a loan in Paso Robles, we have tried and hope to make one in the near future. We have met with Habitat for Humanity, the Paso Robles Nonprofit Housing Corporation, Transitional Food and Shelter and HASLO about providing financing for projects in your community. We also met with a real estate broker who was looking into options for the former Alan Little project site on Experimental Station Road. We are hopeful that we can assist with the financing of HASLO's Hidden Creek Village apartment project.

We are currently seeking funds to establish a down payment assistance program for first time home buyers and hope to implement the program during 2009. We expect this program to be popular in Paso Robles due to the reasonable home prices in your community.

**2) Technical Assistance.**

Providing technical assistance to support both individual housing projects, and housing programs and policies is another important activity of the Housing Trust Fund. During 2007 and 2008, we participated in the planning for the redevelopment of the Oak Park public housing project. We look forward to the opportunity to help make the plan, or at least parts of the plan, a reality.

November 20, 2008

Page 2 of 2

We have also provided, and will continue to provide, technical assistance to Habitat for Humanity and various human service groups, including Transitional Food and Shelter, to increase their capacity to undertake and finance housing projects. While these efforts have been county-wide in scope, they should eventually result in more affordable housing in Paso Robles. I also expect that we will continue to provide technical assistance to the owners and potential buyers of the sites on Experimental Station Road concerning the potential to include affordable housing in future projects.

At this time, we also plan to undertake two important technical assistance initiatives in 2009. The first is providing information and assistance to local communities that are updating of their local housing elements. The second is working to establish a countywide Community Land Trust (CLT). CLTs create permanently affordable ownership housing by separating the ownership of individual homes from the ownership of the land beneath those homes. Both of these efforts could be of value to the City.

**3) Advocacy.**

We also advocate for affordable housing at the federal, state and local level. This advocacy includes speaking in support of affordable housing projects at planning commission and City Council meetings, such as we recently did for Hidden Creek Village. It also includes monitoring state and federal laws, and the implementation of state and federal housing programs, to ensure that the communities in San Luis Obispo County can benefit.

I look forward to working with you and the City of Paso Robles in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerry", written over a horizontal line.

Gerald L. Rioux  
Executive Director



## Board of Directors

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

Board Member and Office	Affiliation
R. Thomas “Tom” Jones, Chair	Dean, Cal Poly College of Architecture and Environmental Design
Rachel Richardson, Vice-Chair	Housing Coordinator, AIDS Support Network; Former Chair, San Luis Obispo Supportive Housing Consortium
Dick Willhoit, Treasurer	President, Estrella Associates, Inc. (developer and home builder)
Dr. Allen Haile, Secretary	Community & Government Relations Director (retired), Cal-Poly; Member, San Luis Obispo County Economic Advisory Committee
Anita Robinson	President and CEO, Mission Community Bancorp
Joseph M. “Chip” Visci	President and Publisher (retired), The (San Luis Obispo) Tribune
Dr. Julian Crocker	San Luis Obispo County Superintendent of Schools

*Affiliations are provided for information only.*

Rev 10-23-07



## 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 Housing Trust Fund. The current Commissioners and their appointing authorities are:

Commissioner	Appointing Authority	Position
Michael Codron	City of San Luis Obispo	Housing Program Manager
Ed Gallagher	City of Paso Robles	Housing Program Manager
Kelly Heffernon	City of Arroyo Grande	Associate Planner
Marianne Kennedy	SLO Supportive Housing Consortium	Executive Director, Women's Shelter Project
Dana Lilley	County of San Luis Obispo	Housing and Economic Development Manager
William "Bill" Nicholls	City of Grover Beach	City Council Member
John Stocksdales	City of Pismo Beach	Retired banker
Marty Tracey	City of Atascadero	Redevelopment Specialist
Betty Winholtz	City of Morro Bay	City Council Member

Rev 9-30-2008



## 2008 and 2009 Operating Budgets

The Board of Directors for the San Luis Obispo County Housing Trust Fund adopts operating budgets for each calendar year. The following 2008 Adapted Budget was adopted by the Board on January 18, 2008. The following 2009 Proposed Budget is currently under consideration.

Expenses	2009 Proposed Budget		2008 Adopted Budget	
	Expenses	Percent of Total	Expenses	Percent of Total
Salaries & Benefits	\$144,284	61.4%	\$128,351	53.5%
Legal, Accounting & Professional Services	\$19,000	8.1%	\$23,700	9.9%
Rent & Utilities	\$6,900	2.9%	\$10,140	4.2%
Operating Expenses	\$7,749	3.3%	\$13,225	5.5%
Loan Fund Expenses (Interest & Fees)	\$45,317	19.3%	\$52,584	21.9%
Operating Reserves	\$11,750	5.0%	\$12,000	5.0%
Total Expenses	\$235,000	100.0%	\$240,000	100.0%

Rev 10-21-08



## Sources of Lending Capital

The San Luis Obispo County Housing Trust Fund is a Community Development Financial Institution (CDFI) that provides financing and technical assistance to increase the supply of affordable housing throughout our community.

We have raised more than \$4 million in private lending capital to finance affordable housing projects.<sup>1</sup> These funds are primarily loans and loan commitments from local banks. Rabobank (formerly Mid-State Bank & Trust) also provided a \$100,000 loan under California's CDFI Tax Credit Program, which provides the Bank a 20% state income tax credit in exchange for charging no interest on this loan.

We have also received loans from Catholic Healthcare West, which owns two local hospitals, the Sachs Foundation and four religious communities. Local Realtors helped us to receive a \$100,000 grant from the California Association of Realtors. In addition, more than 300 individuals, firms and organizations have contributed more than \$75,000 to our George Moylan Affordable Housing Fund.<sup>2</sup>

Source of Loan Funds	Characteristics of Funds	Amount
Rabobank (formerly Mid-State Bank & Trust)	10 year revolving line of credit (5%)	\$1,000,000
	5 year CDFI Tax Credit Investment (0%)	\$100,000
Mission Community Bank	10 year revolving line of credit (3%)	\$1,000,000
First Bank of San Luis Obispo <sup>3</sup>	Guidance line of credit (variable rate)	\$1,000,000
Catholic Healthcare West	5 year balloon payment loan (3%)	\$500,000
Erik & Hannah Sachs Foundation	5 year balloon payment loan (3%)	\$200,000
California Association of Realtors	Grant	\$100,000
George Moylan Affordable Housing Fund	Contributions	\$75,000
Adrian Dominican Sisters	5 year balloon payment loan (3%)	\$65,000
Seton Enablement Fund, Sisters of Charity of Cincinnati	5 year amortizing loan (3%)	\$50,000
Sisters of St. Francis of Philadelphia	5 year balloon payment loan (3%)	\$50,000
Sisters of St. Joseph of Carondelet	5 year balloon payment loan (3%)	\$25,000
<b>Total Lending Capital</b>		<b>\$4,165,000</b>

Rev 10-1-08

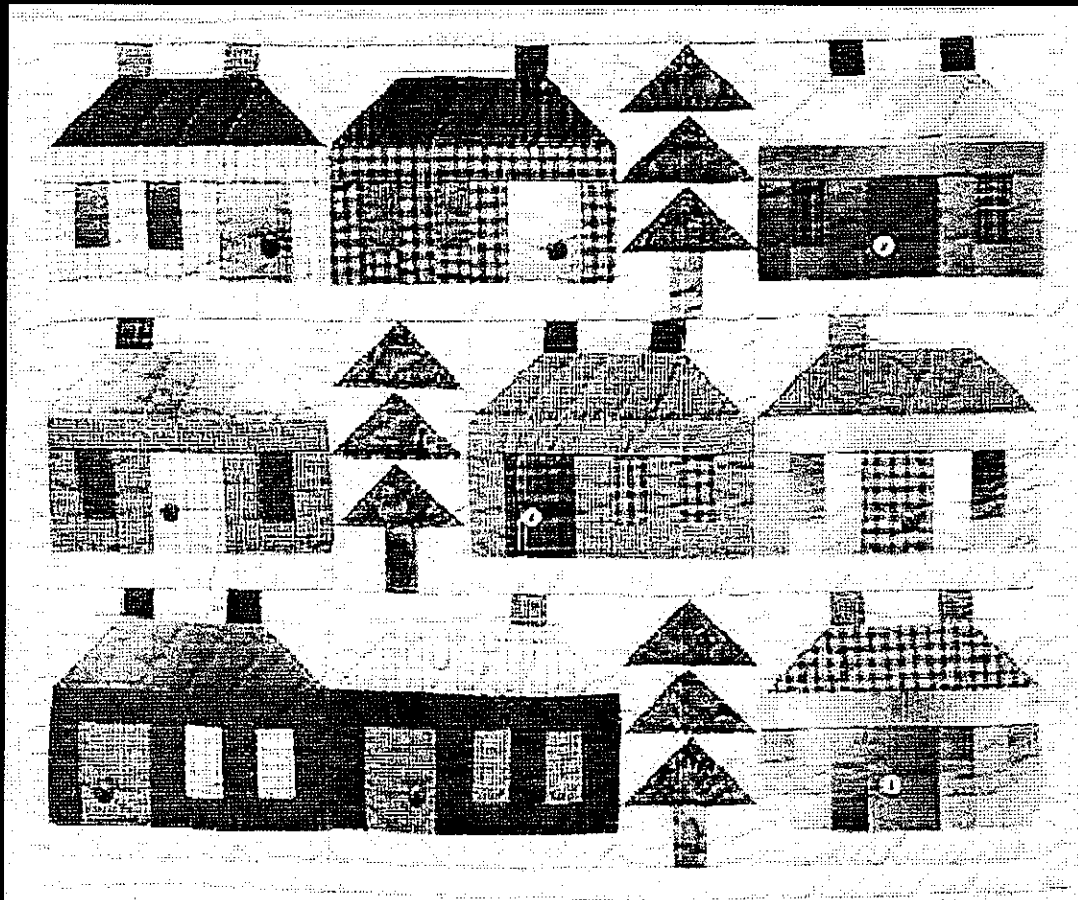
<sup>1</sup> This figure includes funds that have both been committed to the Housing Trust Fund and received. Funds are only drawn on the Mission Community Bank and Rabobank lines of credit and First Bank's guidance line as they are used to fund loans.

<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. Additional information on the Moylan Fund is available online at [www.slochtf.org/moylan-fund.htm](http://www.slochtf.org/moylan-fund.htm).

<sup>3</sup> Approved but not closed.

# Home Sweet Home

2006 Annual Report



“Housing For All”



# 2006 Home Sweet Home

## George Moylan Affordable Housing Fund

The following individuals, firms and organizations made contributions at a leadership level to the Moylan Fund through 2006.

### Contributors of \$5,000 or more

- Mission Community Club
- Mission Community Bank
- Rabobank  
(formerly Mid-State Bank & Trust)

### Contributors of \$2,000 or more

- The Tribune
- Anonymous

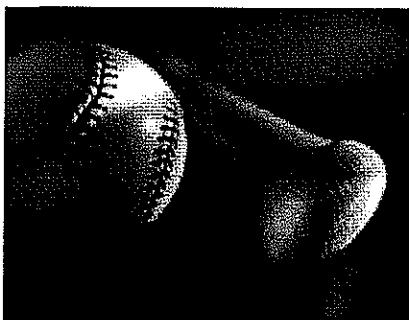
### Contributors of \$1,000 or more

- First American Title Company
- Harold Rosen Fund
- J.W. Design & Construction  
(Jerry Williams)
- Janna & Bob Nichols
- Rotary Club SLO Charities Inc.
- Anonymous

### Contributors of \$500 or more

- Dorothy Hawthorne
- GMAC Mortgage
- Residents for Quality Neighborhoods
- Jerry & Chris Rioux
- Housing Authority of the City of  
Paso Robles
- Ken & Nita Kenyon
- R. Thomas Jones & Elizabeth  
Johnson
- San Luis Obispo Association of  
Realtors
- Scott & Joshua Barnes
- Shawn & Fred Novy

A complete list of the current contributors to the Moylan Fund is online at [www.sloctf.org/files/moylan.pdf](http://www.sloctf.org/files/moylan.pdf).



## Hitting a Home Run for George's Dream

George Moylan was an extraordinary affordable housing advocate during business hours... and a passionate baseball fan during his off hours.

As executive director of the Housing Authority of the City of San Luis Obispo for almost 19 years and a founding director of the Housing Trust Fund, George Moylan lobbied fervently and frequently for affordable housing. For many, he was regarded as the "father of affordable housing in San Luis Obispo County."

He saw affordable housing as an important and rewarding way to strengthen our communities, improve the lives of our neighbors and create healthier, more sustainable neighborhoods. Housing that is affordable to all was his dream.

When he passed away in September 2005, the George Moylan Affordable Housing Fund was created at the request of his family to honor his memory and to continue his commitment to creating more affordable housing locally.

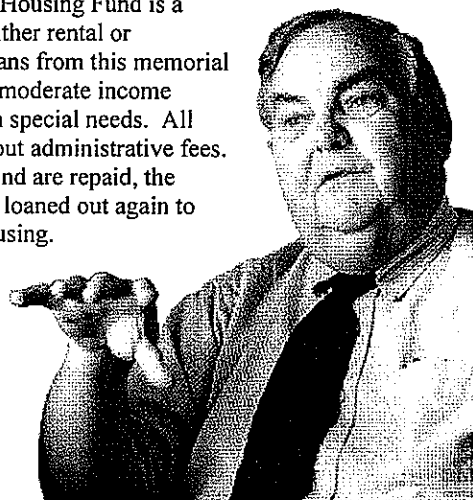
As of the end of 2006, over \$35,000 has been raised for the Fund.

We can almost hear George cheering from the sidelines for the success of this "first season."

He would, however, be the first to tell you that a "home run" is really not accomplished by just one individual; it takes a team effort. So to all the players, staff and fans who participated and contributed to building the Fund to this level, we thank you. You are helping people of modest income move into quality homes that they can afford. You are making neighborhoods stronger and creating better places for people to live, work and raise a family.

The George Moylan Affordable Housing Fund is a revolving loan fund to finance either rental or ownership housing projects. Loans from this memorial fund can serve very low, low or moderate income households, including those with special needs. All funds are used for lending, without administrative fees. When loans from the Moylan Fund are repaid, the money returns to the fund and is loaned out again to finance additional affordable housing.

For George and his dream, we aim to take the Fund to the next level. At the end of 2006, an ambitious goal to double the Fund in 2007 was set. It will take current team members and drafting new players. Together we can do it. So, as George would say, "Batter up!"



(Photo reprinted by permission from The Tribune.)



# Home Sweet Home 2006

Dear Friends,

Our theme for this year's Annual Report is "Home Sweet Home." The quilt on the cover of this report is symbolic of this theme, our mission and our organization.

The quilt symbolizes our mission of creating and preserving homes for local residents. It also symbolizes the homes that we help to create. And like the quilt, these homes will provide comfort and safety for many generations.

The Housing Trust Fund (HTF) is also "homespun," like the quilt. We are a grassroots, collaborative effort. We were made from many pieces, carefully seamed together into a "creative pattern."

Rather than follow a traditional pattern, the HTF's founders designed a unique organization that addresses local needs and also takes advantage of local opportunities.

In 2003 when the HTF was incorporated, most other housing trust funds were government programs and most only served one jurisdiction (usually a single city). Our HTF was organized as a non-profit corporation that would partner with the entire county, including seven independent cities. There are now nearly 600 housing trust funds in the U.S. and we are delighted that our pioneering approach has been noted as a key trend in a national report from the Center for Community Change.

We are also proud of our accomplishments in 2006, which helped us to continue our growth and diversity:

- The City of Paso Robles became an active supporter, making us a true county-wide partnership.
- The California Association of Realtors contributed \$100,000 to our revolving loan fund as a result of support from local Realtors.
- We received \$800,000 in "social investments" from Catholic Healthcare West, the Sachs Foundation and two religious communities.
- The George Moylan Affordable Housing Fund increased to \$35,850 with gifts from more than 200 individuals, businesses and organizations.
- Twenty percent of our operating support came from the banking industry and another twenty percent came from our loan fees and interest income.
- We closed our third loan — \$339,000 to Habitat for Humanity.
- Our first investment under California's Community Development Financial Institution (CDFI) Tax Credit program was committed.

The Board of Directors applauds and thanks our supporters and partners for the tremendous support you have provided to the Housing Trust Fund. We also look forward to continuing and expanding our work together.

My sincere thanks also goes to my fellow Board members, especially Janna Nichols who left the board in December. Janna was with us since "day one" and provided exceptionally dedicated service as our Treasurer.

Anita Robinson  
Board Chair

## Board of Directors

**Anita Robinson**, Chair  
Mission Community Bank

**Rachel Richardson**, Vice Chair  
AIDS Support Network

**Janna Nichols**, Treasurer  
Consultant to Community Groups

**Dr. Allen Haile**, Secretary  
California Polytechnic University

**R. Thomas "Tom" Jones**  
California Polytechnic University

**Joseph M. "Chip" Visci**  
The San Luis Obispo Tribune

**George Moylan, In Memoriam**  
(February 2003 to July 2005)



**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  
Email: [info@slocthf.org](mailto:info@slocthf.org)  
Web: [www.slocthf.org](http://www.slocthf.org)

# 2006 Home Sweet Home

## Commissioners

**Chuck Ashton**  
*Council Member*  
*City of Grover Beach*

**Doug Davidson**  
*Housing Programs Manager*  
*City of San Luis Obispo*

**Ed Gallagher**  
*Housing Program Manager*  
*City of Paso Robles*

**Kelly Heffernon**  
*Associate Planner*  
*City of Arroyo Grande*

**Dana Lilley**  
*Supervising Planner*  
*County of San Luis Obispo*

**Kerry Margason**  
*Associate Planner*  
*City of Atascadero*

**David Rounds**  
*SVP, Credit Administrator*  
*Mid-State Bank & Trust*

**John Stocksdaile**  
*Retired Banker*  
*City of Pismo Beach*

**Ann Travers**  
*Division Manager, SLO County*  
*Department of Social Services*  
*Supportive Housing Consortium*

**Betty Winholtz**  
*Council Member*  
*City of Morro Bay*

## Staff & Consultants

**Jerry Rioux**, Executive Director  
**Vivian Krug**, Administrative Assistant  
**Marilyn Mayor**, Special Projects Mgr.  
**John Dunn**, Consultant  
**Brian Soland**, Intern  
**Michael Profant**, Intern  
**Tyron Buckley**, Intern



**Board Members:** (left to right) Janna Nichols, Anita Robinson, Tom Jones, Rachel Richardson, Chip Visci and Allen Haile.

## Organization of the Fund

Teamwork is the key to the organizational success of the Fund. Whether it's daily operations or long-range planning, the Fund has assembled a valued team to accomplish the varied tasks and necessary elements to keep us moving forward. Specialized teams lend expertise and guidance for particular components of the overall operation.

### Board of Directors

The Fund is governed by an independent Board of Directors. The Board sets the direction and adopts policies for the Fund. The Board also oversees and monitors the operations and approves each HTF loan. The Board members for 2006 are listed on page three and our current members are listed online at [www.slocthf.org/our-team.htm](http://www.slocthf.org/our-team.htm).

### Commission

The Commission serves as the Fund's loan committee. Individual Commissioners represent local governments that provide financial support to the Fund and other interest groups within the county. The Commission recommends loan policies and procedures to the Board. It also recommends action on loan applications. The Commissioners who served during 2006 are listed to the left along with their job titles and who they represent. The current Commissioners are listed online at [www.slocthf.org/our-team.htm](http://www.slocthf.org/our-team.htm).

### Steering Committee

The Steering Committee is comprised of community leaders who advise our Board. Many are members of the San Luis Obispo Supportive Housing Consortium, which helped to organize the Fund. The Steering Committee continues to provide input to the Board by participating in strategic planning sessions among other activities. In addition to providing valued insight and community input, Committee members are a link to our roots. The members of the Steering Committee are listed online at [www.slocthf.org/our-team.htm](http://www.slocthf.org/our-team.htm).

# Home Sweet Home 2006

## Staff

Led by Executive Director Jerry Rioux, a small team of staff and consultants is responsible for the day-to-day operations of the Fund. The Board, Commission and Steering Committee are all supported by this team.

## What is the Housing Trust Fund?

The San Luis Obispo County Housing Trust Fund is a private nonprofit organization, incorporated on February 27, 2003 through cooperative efforts by local health and social service providers, businesses and government agencies.

The purpose of the Fund is to increase the number of homes in San Luis Obispo County that working families, seniors with limited incomes and households with special needs can afford to own or rent. Rather than develop or operate housing, the HTF provides financing and technical assistance to private developers, nonprofit agencies and local governments to help them create and preserve affordable housing throughout the county.

---

**MISSION:** 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.

---

## Programs and Services

The Fund offers two services to support the development and preservation of affordable housing – financing and technical assistance. The HTF is also a vocal advocate for affordable housing both locally and at the state level.

**Financing** — The Fund offers low cost loans with flexible terms to finance projects that will increase or preserve the supply of affordable housing in San Luis Obispo County. Both ownership and rental housing may be financed by the Fund, as well as housing that provides transitional and supportive living opportunities for those with special needs.

The Fund has committed 40% of our resources to financing housing for those with special needs or very low incomes.

**Technical Assistance** — Creating and preserving affordable housing has become increasingly difficult and complex throughout California. It is particularly difficult in smaller and more rural communities like those in San Luis Obispo County where government subsidies and technical expertise are limited compared to major urban centers. As part of our technical assistance efforts, the Fund helps to identify and secure state, federal and other financial resources for local affordable housing projects. We also share our knowledge, experience and connections with local housing developers, nonprofit corporations and government agencies to increase their capacity to create and preserve affordable housing.



Jerry Rioux, Executive Director  
(Photo reprinted by permission from The Tribune)

## Loans Outstanding as of December 31, 2006

Borrower	Loan Balance
San Luis Obispo Nonprofit Housing Corporation	\$647,178
Habitat for Humanity for San Luis Obispo County	339,000
Family Care Network, Inc.	232,857
Total Loans Outstanding	\$1,219,035

# 2006 Home Sweet Home

## Cost of Housing Drives Workers Out of County

Two thirds of local employers say that housing expense is a “major problem” here. Even more (70%) of the 125 employers surveyed by The Tribune newspaper in December 2006 say it has contributed to (collectively) approximately 300 employees packing up and leaving town in the last 3-4 years.

In particular, midlevel or higher professionals, many of whom have household incomes that approach or exceed six figures are most at risk for leaving the area. Housing expenses make it equally hard for employers to attract appropriately skilled employees to the area.

“Virtually every business in San Luis Obispo County has a recruitment problem for higher skilled levels,” said Bill Watkins, director of the UCSB Economic Forecast Project, a group that studies the local economy.

Linda Quinones-Vaughan, a Bakersfield resident, turned down the position of program director for the Women’s Business Partners program at Mission Community Services Corp. in San Luis Obispo in the fall of 2006. “The job was so attractive and I love San Luis Obispo, but ... the cost of living was just too high to justify,” Quinones-Vaughan said.

Entire companies can feel the pain too — especially if looking to expand. High costs here motivated Roger Malinowski to move his business—BOB Trailers and Strollers—to Boise, Idaho, in January 2006.

The new facility is three times the size of its former home in San Luis Obispo and costs about one-third of what it would here. Half of the company’s employees moved as well, and nearly all have purchased a home in Boise.

**Advocacy** — During 2006, the Fund was involved in two major policy initiatives - inclusionary housing and Proposition 1C.

Inclusionary housing is a requirement that local governments can impose requiring that new housing developments either include some affordable units or contribute to the development of affordable housing. The HTF began meeting with the Home Builders Association of the Central Coast in early 2006 to discuss whether the two organizations could reach agreement on a set of inclusionary housing policies that both of our organizations could support. It took much longer than expected, but some agreement was reached. While the organizations disagree on the fundamental merits of inclusionary housing programs, they agree on a number of policies that must be included in order to make an inclusionary program effective and agree that an inclusionary program works best when it is part of a much broader, communitywide strategy for meeting local housing needs. The results of these meetings can be seen at [www.slochtf.org/files/JPS.pdf](http://www.slochtf.org/files/JPS.pdf).

We also helped to pass California Proposition 1C on the November 2006 State ballot. Prop 1C makes \$2.85 billion available for housing and related infrastructure. We wrote a guest editorial supporting Prop 1C and distributed information on the ballot measure and its benefits. We also solicited endorsements for Prop 1C from local firms, individuals and organizations. Prop 1C passed both statewide and in San Luis Obispo County.



## Local Housing Needs

San Luis Obispo County continues to be one of the least affordable housing markets in California and the United States. Our shortage of affordable housing has a tremendous impact on those who live and work in our community, local employers, local service providers and local governments.

While home sale prices started to slide during 2006, they remain far too high for all but a handful of local renters who want to buy a home. The House Price Index of the Office of Federal Housing Enterprise Oversight indicates that homes in San Luis Obispo County lost 4.3% of their value from when they peaked in the first quarter of 2006 to the fourth quarter. Even with that drop, the National Association of Home Builders reported that only 7.1% of the homes sold in our county during the fourth quarter were affordable to households that earn the county median income.

The National Low Income Housing Coalition reports that a minimum wage employee would need to work 102 hours per week in order to afford the rent for a modest 2-bedroom unit in San Luis Obispo County. Alternatively, an hourly wage of \$17.17 is needed to afford the unit. Unfortunately, most local jobs pay much less. In fact, the California Employment Development Department estimates that 48.3% of the jobs that will be created in SLO County through 2008 will be in classifications for which the median wage ranges from only \$7.27 to \$8.29 per hour.

## Home Sweet Home 2006



As 2006 came to a close, the El Camino Senior Apartments in Atascadero, funded by the HTF in 2005 was nearing completion. Like many projects built during the real estate boom years, the project was plagued by delays and cost increases (see story to the right).

Housing costs have a tremendous impact on local residents. The 2000 Census reported that 33.4% of the lower income households in San Luis Obispo County paid more than half of their gross income for housing. Of the 3,139 counties in the United States, only 24 had a higher rate of "severe housing cost burden." Only three of those counties were in California.

The local housing market is particularly brutal for individuals and families with special needs and very low income. In October 2005, local service providers conducted a homeless enumeration on a single day that identified 2,408 individuals — or nearly 1% of the county's population — who were homeless. More than one-third of the County's homeless residents (817 individuals) were children and youth. Women and girls represented 42.5% of the county's homeless (1,015 individuals).

Not surprisingly, one-third of those surveyed reported that the high cost of housing was the direct cause of their homelessness. Some 9% reported that domestic violence was the cause. The most revealing statistic was that 28% of the adult homeless were employed and worked an average of 34 hours per week.

The lack of affordable housing has been the primary concern of local businesses for a number of years. In a 2005 survey, 87% of the members of the San Luis Obispo Chamber of Commerce reported that "the cost and availability of housing has made it more difficult to hire qualified employees." A number of local employers, including guitar manufacturer Ernie Ball Guitars and bicycle trailer maker BOB, have either expanded in other locations or simply left the county.

### The Long Saga of the El Camino Senior Apartments

The El Camino Senior Apartments development in Atascadero proves that when it comes to developing affordable housing, Murphy was an optimist. It also proves that HASLO (the Housing Authority of the City of San Luis Obispo) and its nonprofit affiliate, SLONP (the San Luis Obispo Non-Profit Housing Corporation), are committed for the long haul.

The apartments' long saga started in October 2002 when HASLO purchased the property and SLONP applied to the County for a \$300,000 grant.

The City of Atascadero approved the project in December 2003 and agreed to pay for the development fees. That same month, HASLO received \$1.6 million in tax-exempt bonds plus 4% tax credits from the State.

With the City approval and financing in place, HASLO transferred the property to the SLONP in April 2004. When the project was put out to bid, bids came in \$2 million over the original estimate. This was a major setback.

After considerable tweaking, the gap was narrowed to \$700,000. The HTF provided a loan to fill this gap and the stalled project moved forward in December 2005.

Construction started in February 2006. The contractor promised an August 2006 completion date. Unfortunately, he lost his insurance in May, halting construction.

After a six week delay, a new contractor began work, again promising the same completion date.

After numerous construction delays, the project will be completed in 2007 at a final cost of more than \$4.6 million.

# 2006 Home Sweet Home

## Habitat for Humanity International: 200,000+ Homes Built Worldwide

Habitat for Humanity has built more than 200,000 homes, sheltering more than 1,000,000 people in more than 3,000 communities worldwide since the model began in 1968.

The concept that grew into Habitat International was born at Koinonia Farm, a small, interracial, Christian farming community founded in 1942 outside of Americus, GA., by farmer and biblical scholar Clarence Jordan.

In 1965, Millard and Linda Fuller first visited Koinonia, having left a successful business in Montgomery, Alabama to begin a new life of Christian service.

At Koinonia, Jordan and Fuller developed the concept of "partnership housing" — where those in need of adequate shelter would work side by side with volunteers to build simple, decent houses.

In 1968, Koinonia laid out 42 half-acre house sites plus a community park and recreation area and building began. The Fullers expanded the concept to developing countries in 1973, beginning with Zaire (now the Democratic Republic of Congo). After 3 years of hard work, affordable yet adequate shelter had been created for 2,000 people.

In 1976, Habitat for Humanity International was born and the vision continues to be successful.

In 1984, former U.S. President Jimmy Carter and his wife Rosalynn participated in their first Habitat work trip. Their personal involvement has brought the organization national visibility and sparked a dramatic increase in the number of new affiliates in the U.S.

## HTF Helps Habitat Buy Site for Four Homes

The HTF's third loan closed in December 2006. It provided 100% financing to Habitat for Humanity for San Luis Obispo County to purchase property on Traffic Way in Atascadero. Habitat plans to build four homes for very low income families. This is the largest and most ambitious project yet for the local chapter of Habitat. The Atascadero homes will follow the "partnership housing" concept:

**Simple.** Habitat houses are modestly sized — large enough for the homeowner's family's needs, but small enough to keep construction and maintenance costs at a minimum.

**Decent.** Habitat uses quality, locally available building materials. Trained staff supervise Habitat house construction and educate volunteers and partner families. House designs reflect the local climate and culture.

**Affordable.** The labor of volunteers and partner families, efficient building methods, modest house sizes and a no-profit, no-interest loan (such as that made by the HTF) make it affordable for low-income families to purchase a Habitat for Humanity house.

Securing funding from the Housing Trust Fund for the land costs was a huge milestone for the project. With the land now secured, 2007 will be a busy year for the project as the Habitat Family Partner/Family Selection Committee reviews applications and determines who the new homeowners will be. Other committee members and the local Habitat office staff will be immersed in the building permit approval process and handling administrative details. Professional consultants such as engineers and architects will also be busy as they continue to work on infrastructure details so the goal of breaking ground on construction in 2007 can be met.



*"Building simple,  
decent, affordable  
housing in partnership  
with people in need."*



Rendering of the proposed Habitat homes in Atascadero.

### Support from the Real Estate Industry

Members of the local real estate industry have supported, assisted and encouraged the Housing Trust Fund from its early organizing stage. During 2006, local Realtors throughout SLO County, other local real estate firms and the California Association of Realtors (CAR) all provided significant financial support to the Housing Trust Fund.

### CAR Housing Affordability Fund

In January, the California Association of Realtors, the statewide Realtors association, contributed \$100,000 to our loan fund from its Housing Affordability Fund. The application for this grant was sponsored by the San Luis Obispo Association of Realtors and supported by the Atascadero Association of Realtors, the Paso Robles Association of Realtors, the Pismo Coast Association of Realtors and the Scenic Coast Association of Realtors.

Special thanks goes to Wes Burk, Sal Orlando and Linda Smith from the SLO Association for their assistance in securing this grant.



### Kim Conti Sponsors Fundraiser

Kim Conti of Kimberly's Global Real Estate Corporation sponsored a fundraiser and silent auction for the Housing Trust Fund in conjunction with the open house for her new office. This event raised \$2,678 that was placed into the George Moylan Affordable Housing Fund. Kim has since joined our Steering Committee and is organizing a second annual fundraiser.

### First American Title

First American Title has selected the Housing Trust Fund as a recipient for its charitable giving. First American's contribution in 2006 was based on the number of escrows closed by members of the San Luis Obispo Association of Realtors. This was the first of many contributions made by First American in partnership with local Realtors to the George Moylan Affordable Housing Fund. This program has since been expanded to include the members of other associations within San Luis Obispo County.

### GMAC Mortgage

Due to the support of Fred Bond and Donna Lewis, GMAC Mortgage donated \$600 to the George Moylan Affordable Housing Fund in 2006.

*"CAR is thrilled to support the Housing Trust Fund because together we can provide real opportunities for ownership in our communities."*

Wes Burk, past President, San Luis Obispo Association of Realtors and member of the California Association of Realtors Housing Affordability Fund

*"Land use and the need to develop affordable housing are the issues of greatest overall concern to our county."*

Bruce Gibson, County Supervisor

# 2006 Home Sweet Home

## California CDFI Tax Credits

The State of California encourages private investments in organizations like the Housing Trust Fund through its Community Development Financial Institution (CDFI) Tax Credit program. The program is administered by the California Department of Insurance.

Under the CDFI Tax Credit program, individuals and corporations, including banks and insurance companies, can receive a 20% state income tax credit for investing in state certified CDFIs. Up to \$2 million in tax credits are available each year.

Both equity investments and loans to CDFIs can qualify for tax credits. Tax Credit investments can range between \$50,000 and \$4 million. They must have a minimum term of five years and charge no interest.

The HTF was certified as a state CDFI in June 2004, but was unable to participate in the Tax Credit program until the program was amended and reauthorized in 2006.

As 2006 came to a close, Mid-State Bank & Trust (now Rabobank) agreed to make a \$100,000 loan to the HTF in January 2007 under the new CDFI Tax Credit program.

The HTF seeks additional Tax Credit investments. If you would like more information, please visit our website — [www.slocthf.org/tax-credits.htm](http://www.slocthf.org/tax-credits.htm) — or call us at (805) 543-5970.



United Way of  
San Luis Obispo County

Partner Agency

## Lending Capital - Social Investments

During 2006, the Housing Trust Fund raised nearly \$1 million in lending capital from six different sources. Most of this capital came as social investments from non-traditional sources. Social investors have a double bottom line. One bottom line is financial — the other is social. They want to “do good” while “doing well” financially. The HTF’s first social investment came from the Adrian Dominican Sisters in 2005.

The HTF’s largest social investment is a \$500,000 loan from Catholic Healthcare West, the owner and operator of two hospitals in San Luis Obispo County. The Sonoma-based Erich and Hannah Sachs Foundation provided a \$200,000 PRI or Program Related Investments. Two religious communities — the Sisters of Charity of Cincinnati and the Sisters of St. Francis of Philadelphia — each invested \$50,000 in the HTF. All of these investments are loans for five years at 3.0% interest.

The HTF is proud to receive the confidence and support of these social investors and hopes to receive more social investments in the future.



Some of the new lending capital came from grants and contributions. The California Association of Realtors provided a \$100,000 grant from its Housing Affordability Fund to increase our lending capital. In addition, more than 200 individuals, firms and organizations contributed a total of \$35,850 to the George Moylan Affordable Housing Fund. The Moylan Fund was created to honor the memory and continue the work of George Moylan.

At the end of 2006, the HTF had nearly \$4 million in lending capital. The sources and amounts of these funds are listed below.

## Lending Capital as of December 31, 2006

Source of Lending Capital	Amount
Mission Community Bank	\$1,000,000
Rabobank (formerly Mid-State Bank & Trust)	1,000,000
First Bank of San Luis Obispo	1,000,000
Catholic Healthcare West	500,000
Erich and Hannah Sachs Foundation	200,000
California Association of Realtors*	100,000
Seton Enablement Fund (Sisters of Charity of Cincinnati)	50,000
Sisters of St. Francis of Philadelphia	50,000
Adrian Dominican Sisters	35,000
George Moylan Affordable Housing Fund*	35,850
<b>Total Lending Capital</b>	<b>\$3,970,850</b>

\* Funds that were granted or contributed to the Housing Trust Fund



# Home Sweet Home 2006

## Financial Statements

The following are summaries from the HTF's annual financial statements for 2006 and 2005, which were audited by Crosby & Cindrich, CPAs. Copies of the audited financial statements are available upon request.

<b>Statement of Financial Position</b>	<b>12/31/06</b>	<b>12/31/2005</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$299,394	\$84,442
Interest receivable	6,324	3,803
Prepaid expenses	3,621	3,652
Grants receivable	0	32,456
Notes receivable (current portion)	55,415	48,909
<b>Total Current Assets</b>	<b>\$364,754</b>	<b>\$173,262</b>
<b>Non-Current Assets:</b>		
Notes receivable (non-current portion)	1,163,593	883,948
<b>Total Assets</b>	<b>\$1,528,347</b>	<b>\$1,057,210</b>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$2,938	\$0
Accrued payroll tax liabilities	67	130
Accrued interest payable	3,951	88
Accrued vacation payable	3,820	3,247
Notes payable (current portion)	8,925	0
<b>Total Current Liabilities</b>	<b>\$19,701</b>	<b>\$3,465</b>
<b>Long-Term Liabilities:</b>		
Lines of credit	\$549,547	\$897,857
Notes payable	665,075	35,000
<b>Total Long-Term Liabilities</b>	<b>\$1,214,622</b>	<b>\$932,857</b>
<b>Total Liabilities</b>	<b>\$1,234,323</b>	<b>\$936,322</b>
<b>Net Assets</b>		
Unrestricted	\$158,679	\$100,578
Temporarily restricted	0	0
Permanently restricted	135,345	20,310
<b>Total Net Assets</b>	<b>\$294,024</b>	<b>\$120,888</b>
<b>Total Liabilities and Net Assets</b>	<b>\$1,528,347</b>	<b>\$1,057,210</b>

<b>Statement of Activity</b>	<b>2006</b>	<b>2005</b>
<b>Revenue</b>		
Grants	\$244,654	\$127,945
Contributions	68,044	44,306
In-kind donations*	360	4,068
Special events & fundraising	2,678	0
Interest & loan fees	65,338	18,213
<b>Total Revenue</b>	<b>\$381,074</b>	<b>\$194,588</b>
<b>Expenses</b>		
Program Services	\$157,143	\$120,477
Management & General	30,405	32,304
Fund Raising	20,390	27,221
<b>Total Expenses</b>	<b>\$207,938</b>	<b>\$180,002</b>
<b>Increase in Net Assets</b>	<b>\$173,136</b>	<b>\$14,586</b>

\* In-kind contributions recognized in audited financial statements.

## Financial Supporters

The following organizations and individuals have provided grants and contributions to support the Housing Trust Fund's operations since its incorporation in 2003. (Listed in alphabetic order within each category.)

### Local Governments

City of Arroyo Grande  
City of Atascadero  
City of Grover Beach  
City of Morro Bay  
City of Paso Robles  
City of Pismo Beach  
City of San Luis Obispo  
County of San Luis Obispo  
Housing Authority of the City of San Luis Obispo (HASLO)

### Banks and Lenders

Bank of America  
Coast National Bank  
Downey Savings  
First Bank of San Luis Obispo  
Heritage Oaks Bank  
Los Padres Bank  
Mission Community Bank  
Rabobank  
(formerly Mid-State Bank & Trust)  
Santa Lucia Bank  
The Mortgage House, Inc.  
Union Bank  
Washington Mutual Bank

### Other Supporters

Cal Poly Foundation  
Charter Cable\*  
Economic Opportunity Commission of SLO County  
Home Builders Association of the Central Coast  
Peoples' Self-Help Housing Corp.  
Anne and Charles Quinn  
Resident Owned Parks, Inc.  
SLO County Community Foundation  
Sinsheimer Juhnke Lebens & Melvor\*  
Supportive Housing Consortium  
TechSoup\*  
United Way of SLO County

\* These three supporters provided significant in-kind contributions

## Thank You to our Friends & Supporters

The San Luis Obispo County Housing Trust Fund wishes to acknowledge and thank the following supporters who helped to underwrite the cost of producing and distributing this Annual Report.



**Bank of America**



**LOS PADRES BANK**

*Safe, strong, and friendly*



**CAL POLY**



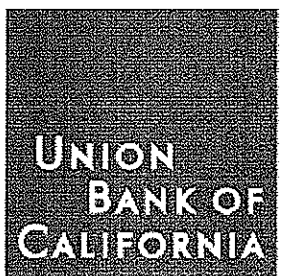
**SJLM**

SINSHIMER JOHNSON LEBENS & McIVOR  
ATTORNEYS AT LAW



*First American  
Title Company*

**HAF**  
HOUSING AFFORDABILITY FUND



**Rabobank**



**Peoples' Self-Help  
Housing Corporation**

**San Luis Obispo County Housing Trust Fund**  
4111 Broad Street, Suite A-6 San Luis Obispo, CA 93401

# Housing for All

San Luis Obispo County Housing Trust Fund

## Housing Element Cycle Begins Again

Local jurisdictions in San Luis Obispo County are beginning the fourth cycle of revisions to the Housing Elements of their General Plans. They have until August 31, 2009 to adopt new housing elements or amend their current housing elements to comply with state law.

The primary change that must incorporate into the new housing elements is the housing goals that were adopted in SLOCOG's new Regional Housing Needs Allocation Plan (see below). The new RHNA Plan allocates 4,885 housing units throughout the county for the years 2007 through 2015. This is a considerable reduction from the 18,033 units that were allocated for 2001 through 2008.

Due to this low allocation, most jurisdictions should have an easier time adopting a housing element that is acceptable to HCD. However, some communities may have difficulty meeting the state requirement that land for low and very low income housing must be zoned at 20 units per acre or more.

Another area in which some jurisdictions may have difficulty is addressing the need for homeless shelters and transitional housing. All jurisdictions must now have an adequate supply of land zoned for homeless shelters and transitional housing, including at least one zone that allows shelters by right and without conditional use permits.

### SLOCOG Regional Housing Needs Allocation Plan for 2007-2015

	Very-Low	Low	Moderate	Above Mod	Total
Arroyo Grande	83	58	69	152	362
Atascadero	106	74	88	194	462
Grover Beach	44	31	36	80	192
Morro Bay	41	29	34	75	179
Paso Robles	149	103	123	272	647
Pismo Beach	36	25	30	66	158
San Luis Obispo	366	254	302	668	1589
Unincorporated County	298	207	246	544	1296
Total County	1124	782	928	2052	4885
Percent of Units	23%	16%	19%	42%	

A copy of the RHNA plan can be downloaded from:  
[http://library.slocog.org/PDFs/Agency\\_Mtg\\_Agendas/SLOCOGBoard/2008/August/A-2%20Regional%20Housing%20Needs%20Plan%20Adoption.pdf](http://library.slocog.org/PDFs/Agency_Mtg_Agendas/SLOCOGBoard/2008/August/A-2%20Regional%20Housing%20Needs%20Plan%20Adoption.pdf)

## Inclusionary Housing

SLO County Supervisors  
Tue, Nov. 4 @ 9:30 AM

See page 2 for details

### Inside the Fall 2008 Issue

Inclusionary Housing File	2
CRA Myths and Facts	2
Community Land Trust Corner	3
Short Notes	3
Items of Interest...	4
Board of Directors	4

# Inclusionary Housing Files

---

## SLO County Board of Supervisors to Consider Inclusionary Ordinance Nov. 4

The proposed inclusionary housing ordinance will require that some affordable units be included in most new housing developments. It gives builders various options and incentives for meeting their affordable housing obligation. It also phases in the obligation over four years.

The proposed ordinance includes many of the inclusionary housing policies adopted in 2007 by the Housing Trust Fund and Home Builders Association (see [www.slocthf.org/files/JPS.pdf](http://www.slocthf.org/files/JPS.pdf)).

The agenda for the meeting, staff reports and proposed ordinance will be available online about a week before the meeting at: [http://slocounty.granicus.com/ViewPublisher.php?view\\_id=2](http://slocounty.granicus.com/ViewPublisher.php?view_id=2).

Send your letters of support for the inclusionary housing ordinance to:

Board of Supervisors  
County Government Center  
San Luis Obispo, CA 93408.

## Santa Fe Extends Inclusionary Housing Requirements to Time Share Projects

The Santa Fe, N.M., City Council voted to bring "vacation time share projects" under the city's inclusionary zoning ordinance, which requires that 30 percent of the homes in any new development or rezoned area must be affordable. According to city officials, although vacation time shares are considered commercial properties, they have a residential component because people reside in and have an ownership interest in them.

The ordinance allows developers to opt out of providing affordable units by paying an in-lieu fee to the city's affordable housing fund. Council members were concerned that this "fee-in-lieu" option lead to fewer affordable housing units being built in the city's more affluent northeast and southeast areas. They also amended the ordinance to require higher fees in these areas.

The ordinance, which is called the Santa Fe Homes Program, is online at [http://70.168.205.112/santafe\\_nm/lpext.dll/Infobase3/sfld\\_a8.htm?fn=content\\_doc.htm&f=templates#LPTOC11](http://70.168.205.112/santafe_nm/lpext.dll/Infobase3/sfld_a8.htm?fn=content_doc.htm&f=templates#LPTOC11).

# CRA Myths and Facts

---

With so many people, both nationally and locally, blaming the Community Reinvestment Act or CRA for the subprime loan and foreclosure crisis, we thought it was important to reprint the following from the National Community Reinvestment Coalition. NCRC's website is [www.ncrc.org](http://www.ncrc.org).

**Myth:** The Community Reinvestment Act (CRA) caused the foreclosure crisis.

**Facts:** The majority of subprime loans were originated by non-CRA covered financial institutions. In fact, only about 25 percent of sub-prime loans were made by institutions covered by CRA.

CRA was passed in 1977. The explosive growth in subprime lending occurred more than two decades later, nearly doubling from 2001-2006 alone. No major changes to CRA were enacted during this time.

CRA does not mandate banks to make only home loans. Banks are encouraged to examine credit needs and lend appropriately based on these needs (for small business, home, and other types of loans).

CRA penalizes banks for reckless, irresponsible and otherwise predatory lending.

**Myth:** Rapid growth of subprime loans was a direct response to financial institutions efforts to expand homeownership for low and moderate and minority households.

**Facts:** Between 1998-2006 over half of subprime mortgage originations were for refinancing.

In that same time, less than 10% of subprime mortgage originations went to first time homebuyers.

Significant gains in homeownership occurred in the 1990s when prime lending was offered to low and moderate income and minority borrowers.

**Myth:** Federal banking agencies encouraged banks to engage in risky lending practices. In particular, a 1992 Boston Federal Reserve Bank publication, Closing the Credit Gap: A Guide to Equal Opportunity Lending, provided unsound advice to banks.

**Facts:** Federal Reserve Guidance: Lack of credit history should not be seen as a negative factor for potential homebuyers.

**Rationale:** Willingness to pay debt promptly can be determined through alternative sources of information including timely rent, utility bills, and other scheduled payments.

**Federal Reserve Guidance:** Some households with debt ratios above standard criteria may be appropriate for home loans.

**Rationale:** The guidance discussed relaxing the standard 28/36 ratios. Problematic subprime loans with debt-to-income ratios above 50 percent became prevalent in the last few years, long after publication of this Federal Reserve publication.

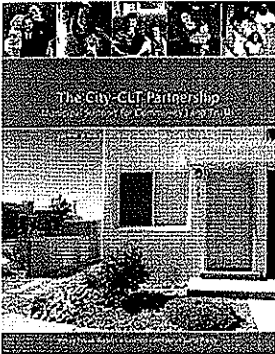
**Federal Reserve Guidance:** Valid income sources may include social security, second jobs, and other sources.

**Rationale:** Failing subprime loans are not related to alternative sources of income. Rather, problematic subprime loans are characterized by a lack of income verification, not source of income.

# Community Land Trust Corner

## The City-CLT Partnership

Initially, Community Land Trusts were grassroots efforts to improve and give residents control of distressed urban and rural communities. Over the years, the approach expanded to include higher cost areas.



More recently, local governments have chosen not only to support existing CLTs, but to also start new ones. Many actively guide their development and sponsor their affordable housing initiatives.

A new Lincoln Institute of Land Policy report documents and describes these city-CLT partnerships. It is available online at:

[www.lincolnst.edu/pubs/dl/1395\\_712\\_City-CLT-Policy-Report.pdf](http://www.lincolnst.edu/pubs/dl/1395_712_City-CLT-Policy-Report.pdf).

## World Habitat Award given to a CLT

The Champlain Housing Trust of Burlington, Vermont received the 2008 World Habitat Award for the northern hemisphere. The group, which was formerly called the Burlington Community Land Trust, was featured in the "Homes and Hands" video (see Summer 2008 edition).

The World Habitat Awards were established in 1985 by the Building and Social Housing Foundation ([www.bshf.org](http://www.bshf.org)) as part of the United Nations International Year of Shelter for the Homeless. The awards recognize, study and share effective models of providing shelter worldwide.

Hear more about the Champlain Housing Trust and their award at Vermont Public Radio at [www.vpr.net/news\\_detail/82351](http://www.vpr.net/news_detail/82351). The Trust's website is [www.champlainhousingtrust.org](http://www.champlainhousingtrust.org).

## Short Notes

### Tight Rental Markets

The US Census reported that California had some of the nation's tightest rental markets in 2007. The San Jose Metro area had a rental vacancy rate of only 3.8% in 2007 - the lowest in the nation. The LA Metro area (which includes both Los Angeles and Orange counties) had the third lowest vacancy rate - 4.7%. Baton Rouge, Louisiana had the second lowest 4.4%. The national rental vacancy rate was 9.7%. More information is available online at [www.census.gov/hhes/www/housing/hvs/~annual07/ann07ind.html](http://www.census.gov/hhes/www/housing/hvs/~annual07/ann07ind.html)

### Local Vacancy Rates

HUD recently released US Postal Service data on residential addresses identified as being vacant for 90 days or longer as of June 2008 at the Census Tract level. The vacancy rates for census tracts in SLO County ranged from 0.0% to 4.8%. Most were under 1.0%.

The range in each city within the county are listed below. The raw data is available from HUD at:

[www.huduser.org/DATASETS/usps.html](http://www.huduser.org/DATASETS/usps.html).

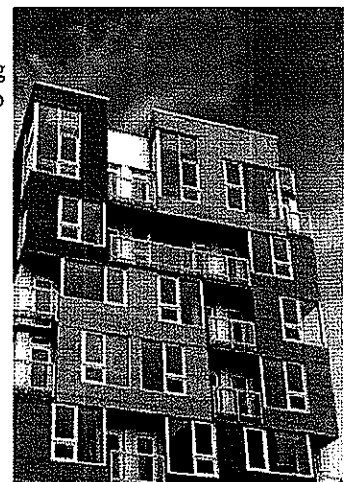
Jurisdiction	Vacancy Rates
Arroyo Grande	0.2% to 0.7%
Atascadero	0.1% to 4.8%
Grover Beach	0.1% to 1.0%
Morro Bay	0.6% to 1.3%
Paso Robles	0.1% to 0.5%
Pismo Beach	0.0% to 2.1%
City of San Luis Obispo	0.0% to 2.0%
San Luis Obispo County	0.0% to 2.6%

### 'Micro' Condos for sale in San Francisco

A firm has begun marketing "micro" condominium homes to young San Franciscans seeking to buy their first home. Hauser Architects' eight-story Cubix Yerba Buena building in San Francisco's South of Market neighborhood is a modernist structure with 98 condo units plus commercial space on the ground floor (see photo below).

Designed as a single-residence occupancy (SRO) project, Cubix offers 250-350 square-foot units for \$279,000 to \$328,000. In the Bay Area, the Cubix provide "middle-income housing without a subsidy."

Dubbed the Mini Cooper of architecture, each unit offers a compact kitchen and full bathroom. A rooftop garden offers panoramic city skyline and bay views. The project offers a common laundry room as well as a professional laundry service. An on-site car sharing program eliminates the need to own and park a car. Learn more at [www.cubixsf.com](http://www.cubixsf.com).



# Items of Interest...

## Publications

**Community Reporter** is the newsletter of ROC USA, a national coalition that supports resident owned mobile home parks. The first issue can be downloaded at [www.rocusa.org/ROC\\_Newsletter\\_091508.pdf](http://www.rocusa.org/ROC_Newsletter_091508.pdf).

**NeighborWorks America** has reports and studies on a broad ranged affordable housing and community development topics available to download at [www.nw.org/network/pubs/studies/default.asp](http://www.nw.org/network/pubs/studies/default.asp).

## Videos

**Mo'Money, Mo'Money, Mo'Money: How Greedy Corporations Destroy the American Dream** is a short video on the subprime loan crisis from the California Reinvestment Coalition: <http://calreinvest.org/predatory-lending/momoney-momoney-momoney>.

**SLO County Board of Supervisors** Oct. 14, 2008 Strategic Growth Workshop and update on SLOCOG's Community 2050 plan is available to view online at [http://slocounty.granicus.com/MediaPlayer.php?view\\_id=2&clip\\_id=555&meta\\_id=113413](http://slocounty.granicus.com/MediaPlayer.php?view_id=2&clip_id=555&meta_id=113413).

## Websites

**Shifting Ground** is a public radio series that highlights land-use challenges that are faced by small towns and rural communities across the nation. The series is archived at [www.shifting-ground.com](http://www.shifting-ground.com) where you can listen to and view photos from past stories.

**Recipes for Financial Fitness.** Habitat for Humanity now offers an online financial education and resources for Habitat home owners and others. Their offering, which covers several helpful topics including controlling finances, credit basics, finding a better-paying job and getting an education, is online at [www.habitat.org/hfhu/nefe/index.html](http://www.habitat.org/hfhu/nefe/index.html).

**StableCommunities.org** is an online information hub for groups that are working to stabilize their communities in the wake of the foreclosure crisis. View the site at [www.stablecommunities.org](http://www.stablecommunities.org).

## Events

**Oct 27-29 — Rural Housing Summit** — CCRH, Asilomar, CA — [www.calruralhousing.org/programs/rural-housing-summit](http://www.calruralhousing.org/programs/rural-housing-summit).

**Nov 4 — Hearings on Inclusionary Housing and Mobile Home Park Closures** — SLO County Board of Supervisors, SLO — [http://slocounty.granicus.com/ViewPublisher.php?view\\_id=2](http://slocounty.granicus.com/ViewPublisher.php?view_id=2)

**Dec 3-5 — 2008 Annual Meeting and Conference**, National Community Land Trust Network, Boston, MA — [http://www.cltnetwork.org/doc\\_library/Boston%20Catalog%20September%2030.pdf](http://www.cltnetwork.org/doc_library/Boston%20Catalog%20September%2030.pdf)

**Dec 3-5 — National Rural Housing Conference 2008**, Washington, DC — [www.ruralhome.org/Conf2008/index.php](http://www.ruralhome.org/Conf2008/index.php).

**Dec 8-10 — Creating Community 2008** (affordable housing for the mental health and homeless communities), Housing CA, Los Angeles — [www.housingca.org/events/creatingcommunity](http://www.housingca.org/events/creatingcommunity).

**April 20-21, 2009 — Annual Policy Conference** — National Low Income Housing Coalition, Washington, DC — [www.nlihc.org/template/page.cfm?id=134](http://www.nlihc.org/template/page.cfm?id=134)

**April 27-29, 2009 — Housing California 2009** — Housing CA, Sacramento — [www.housingca.org/events/annualconference](http://www.housingca.org/events/annualconference)

Note: "Housing for All" has active links — when you view this newsletter in Acrobat Reader, referenced documents and websites open when you click on them.



## Board of Directors

R. Thomas "Tom" Jones, Chair  
Rachel Richardson, Vice-Chair  
Dick Willhoit, Treasurer  
Dr. Allen Haile, Secretary  
Dr. Julian D. Crocker  
Anita Robinson  
Joseph M. "Chip" Visci

SAN • LUIS • OBISPO • COUNTY



San Luis Obispo County Housing Trust Fund  
4111 Broad St., Ste. A-4, San Luis Obispo, CA 93401  
Phone: (805) 543-5970 Website: [www.sloctf.org](http://www.sloctf.org)

# Community Land Trusts

At this year's strategic planning retreat, the San Luis Obispo County Housing Trust Fund's Board of Directors decided to explore the Community Land Trust or CLT model as an additional way to create affordable housing in our community. This article introduces the CLT model and will be followed by others as we explore the CLT model.

The Community Land Trusts create permanently affordable ownership housing by splitting ownership of the homes from the land. CLTs are nonprofit corporations that own

land for the benefit of the community. Individuals buy their homes and receive long-term leases for the land from the CLT.

## Community Land Trusts create permanently affordable ownership housing

### A Popular and Flexible Model

The CLT model is in use throughout the United States — there are nearly 200 CLTs located in 41 states plus the District of Columbia. While all CLTs share certain characteristics (see below), the model is quite flexible. This allows each CLT to adapt its structure and operations to meet local needs and take advantage of local opportunities.

Most, but not all, CLTs are housing development corporations that build homes on the land that they own. Others purchase existing homes, then sell the homes and lease the land to individual buyers. Some assemble land for development by others.

### Long-term Leases

While owning your home and leasing the land may sound like a mobile home park, there are many significant differences. The first is that CLTs are nonprofit corporations that are governed by local boards of directors that include both individual home owners and community representatives.

The second is that while most mobile home park spaces are rented month to month and few can be leased for longer

than five years, most CLTs offer renewable 99 year leases. CLT leases also provide individual home owners with most of the rights of traditional home owners.

Because of their long-term leases, CLT homes are considered real estate, while mobile homes are generally considered personal property. As a result, Fannie Mae, FHA, USDA and other lenders will finance CLT homes with the same terms as traditional homes.

### Permanent Affordability

Unlike other approaches to affordable ownership housing, homes in CLTs can be permanently affordable. This is because CLTs always own the land beneath the homes and the occupancy and sale of the homes are always subject to the lease.

CLT leases typically require owner-occupancy and include limits on the amount that the homes can appreciate. They also include either an option for the CLT to purchase homes that are offered for sale or require that sales be to income-eligible buyers.

### Online Resources

Extensive information on CLTs is available online from the following organizations:

- Burlington Associates CLT Resource Center — [www.burlingtonassociates.com/resources](http://www.burlingtonassociates.com/resources)
- Institute for Community Economics (ICE) — [www.iceclt.org](http://www.iceclt.org)
- EF Schumacher Society — [www.smallisbeautiful.org/clts.html](http://www.smallisbeautiful.org/clts.html)
- PolicyLink — [www.policylink.org/EDTK/CLT](http://www.policylink.org/EDTK/CLT)

**NPR: Buy the House, Lease the Land** — CLTs were featured on the August 1, 2006 "All Things Considered" show. Listen to the story at: [www.npr.org/templates/story/story.php?storyId=5598859](http://www.npr.org/templates/story/story.php?storyId=5598859)

## Community Land Trust Features: The CLT model is characterized by the following 10 features:

1. **Nonprofit tax-exempt corporation.** CLTs are independent nonprofit organizations that generally qualify for tax-exempt 501c3 status.
2. **Dual ownership.** The CLT owns the land and individual home owners own their homes.
3. **Leased land.** Individual home owners receive renewable long-term ground leases for their lots (typically 99 years).
4. **Perpetual affordability.** The CLT has the right to purchase homes at a controlled price that gives current owners some return on their investment and is affordable for future buyers
5. **Perpetual responsibility.** The CLT has ongoing responsibilities that include monitoring property maintenance, curing loan defaults and overseeing resales.
6. **Community base.** The CLT operates within a defined geographic area, which can be a neighborhood, city or region.
7. **Tripartite governance.** The CLT's board has an equal numbers of seats for CLT home owners, community members and public stakeholders.
8. **Resident control.** CLT home owners and community members nominate and elect their representatives to the board.
9. **Expansionist acquisition.** CLTs are committed to increasing the land and number of homes that are under their stewardship.
10. **Flexible development.** The CLT model accommodates various housing types, including apartments, cooperatives, condominiums and mobile home parks, as well as single family homes.

From the Sept-Oct 2006 issue of *Housing for All*, the newsletter of the San Luis Obispo County Housing Trust Fund. The Housing Trust Fund is online at [www.slochtff.org](http://www.slochtff.org).



# Housing for All

San Luis Obispo County Housing Trust Fund

## Rental housing is "Out of Reach"

According to a recent report from the National Low Income Housing Coalition, a family in California needs to earn at least \$24.01/hour - working 40 hours a week, 52 weeks a year - to be able to afford rent and utilities in California's housing market. This represents an increase of 44.3% since 2000.

California is the second most expensive state in the nation for renters. The typical renter in California earns \$16.67, which is \$7.34 short of what's needed to afford a modest apartment.

"Throughout the state, we are hearing stories of families who are becoming homeless because their paychecks aren't keeping pace with rental costs," said Julie Spezia, Executive Director of Housing California, a statewide advocacy group. "This report clearly illustrates why we need to build more apartments that working families can afford."

The situation for renters in San Luis Obispo County is even worse. While a modest two-bedroom unit only requires a \$20.67 per hour job in this county, the average renter only earns \$10.88 per hour. This leaves a much larger gap of almost \$10 per hour.

A minimum wage earner in this county would need to work 103 hours per week to afford a modest two-bedroom unit. To be affordable for a minimum wage earner, rent and utilities must not exceed \$416 per month. For a senior or disabled person who receives SSI, an affordable rent would be \$246, including utilities.

The San Luis Obispo County Homeless Enumeration of 2006 found that 30.9% of those surveyed became homeless because they were unable to pay their rent or mortgage.

The report, *Out of Reach 2007-2008*, was prepared by the National Low Income Housing Coalition (NLIHC) and provides rent and wage data for every state and county in the country. It is available at [www.nlihc.org/orr/orr2008](http://www.nlihc.org/orr/orr2008).

## Support Inclusionary Housing on May 22

The San Luis Obispo County Planning Commission will hold its final hearing on the adoption of an inclusionary housing ordinance on May 22 at 8:30 in the County Supervisors Chambers at 1055 Monterey Road. The hearing may be continued to May 29, if necessary.

Please come to show your support for affordable housing at this hearing. Encourage the Planning Commission to adopt a balanced inclusionary housing ordinance that:

- Provides density bonuses and other incentives to offset the cost of providing affordable housing.
- Allows builders to choose how they will comply with the ordinance — build units on- or off-site, donate land or pay in-lieu fees.
- Phase in the inclusionary requirements over four years to account for the current poor economy.

(See page 4 for link to a website.)

### Inside the Apr-May 2008 Issue

New Study: Inclusionary Zoning	2
HTF Funding Updates	2
Short Notes	3
Items of Interest...	4
Loan Funds Available	4
Board of Directors	4



# New Study: Inclusionary Zoning and its Effects on Housing Markets

A new study by the Center for Housing Policy and New York University's Furman Center for Real Estate and Urban Policy, released in March 2008, investigates the effects of inclusionary zoning (IZ) policies on the production of affordable housing. Focusing on San Francisco, suburban Boston, and the Washington, DC region, the study asks,

- What kinds of jurisdictions have adopted IZ?
- How much affordable housing has been produced in different IZ programs, and what factors have influenced production levels?
- What effects has IZ had on the price and production of market-rate housing?

In response to the first question, the research finds that larger, more affluent jurisdictions, jurisdictions that are close to other areas that have adopted IZ programs, and jurisdictions that have adopted other land use regulations such as growth management or cluster zoning policies, are more likely to have adopted IZ programs.

This study also finds that the longer an IZ program has been in place, the greater the number of affordable units it has produced. In San Francisco, the programs that exempt smaller projects or provide density bonuses produce more units than less flexible programs. The data in San Francisco show that almost every jurisdiction with an IZ program has produced affordable housing units.

The results are not as encouraging in suburban Boston, where 43% of the jurisdictions have not produced any affordable units through the IZ programs, and one third are unable to report on how many units have been produced. The authors indicate that the reasons for the low production of affordable units in suburban Boston could be that the IZ programs are relatively new, many are voluntary, and they apply only to a narrow range of developments.

Finally, this report finds no evidence that IZ programs in the San Francisco area have had an impact on the prices of market-rate single-family houses or on the production rates of these homes. However, the results in suburban Boston do show a small nega-

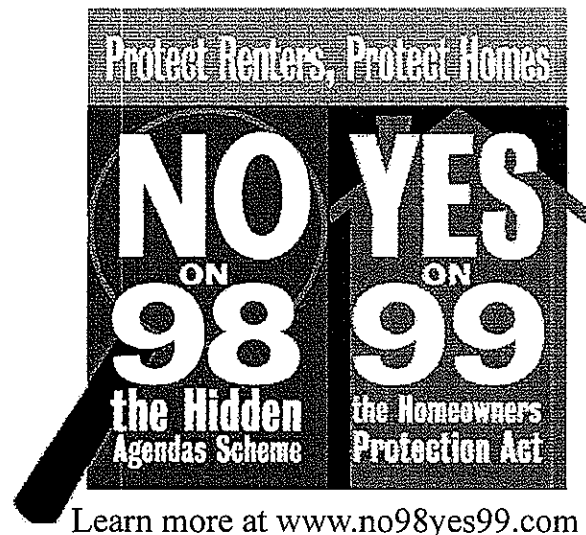
tive impact on the production of market-rate housing and a resulting increase in the prices of single-family homes. Unfortunately, the small number of jurisdictions in the DC area prevented the researchers from conducting statistical analysis on the data from that area.

The authors encourage policymakers to take the following points into consideration when considering implementing IZ programs:

- IZ programs certainly have the potential to produce affordable housing, but should not be seen as a complete solution to a community's many housing challenges.
- More flexible programs may produce more affordable units.
- Finally, IZ policies will be less likely to have an adverse impact on the price and production of market-rate housing if they provide developers with meaningful density bonuses or effective offsets to the costs of producing affordable housing.

The policy brief and the full working paper can both be found here: [www.nhc.org/housing/iz](http://www.nhc.org/housing/iz)

Reprinted from *Memo to Members*, V13N15, April 11, 2008, National Low Income Housing Coalition.



Learn more at [www.no98yes99.com](http://www.no98yes99.com)

## HTF Funding Updates

### Downey Savings contributes \$4,000

The Downey Savings and Loan Association has contributed \$4,000 to the HTF. This is Downey's second grant to support the HTF. Headquartered in Newport Beach, Downey Savings is one of the oldest and largest savings and loans in California. They have six branches throughout San Luis Obispo County.



### CDFI Tax Credit Investments

With the recent drop in interest rates, CDFI tax credit investments in the housing trust fund has become more attractive. Under the program, investors receive a 20% state income tax credit for lending the HTF least \$50,000 at 0% interest. For more information, go to [www.sloctf.org/tax-credits.htm](http://www.sloctf.org/tax-credits.htm) or call the HTF at (805) 543-5970.

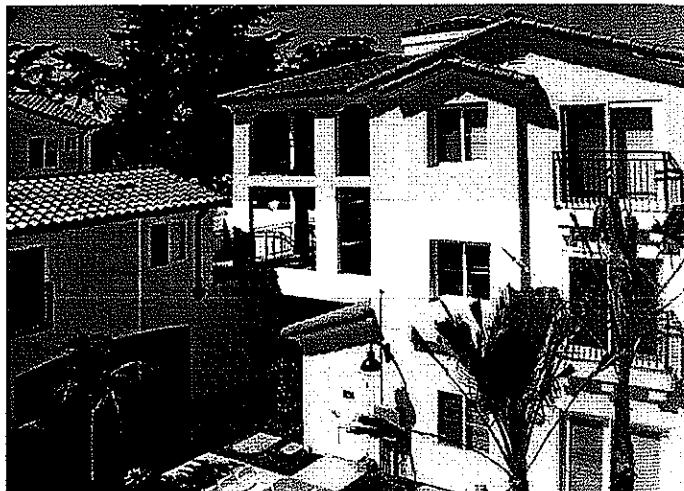
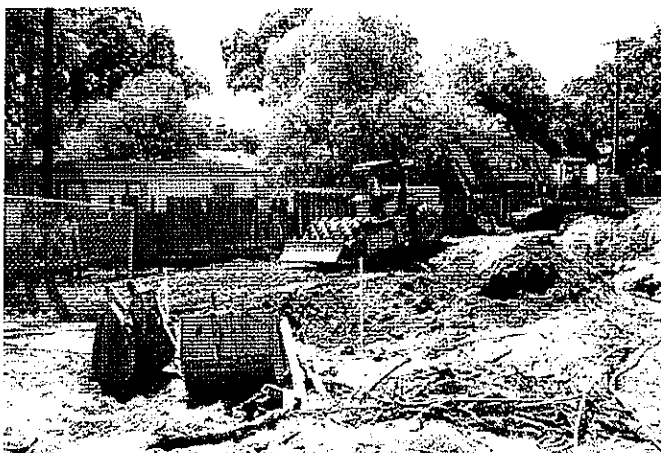
# Short Notes

## Habitat moving forward in Atascadero

Habitat for Humanity has recorded the final map for its four unit subdivision in Atascadero. Habitat recently started preparing the site (see photo, below) and will soon begin building the homes. Midland Pacific Homes ([www.midlandpacific.com](http://www.midlandpacific.com)) will manage the home construction. The homes are scheduled to be completed by the end of this year.

This project exemplifies the need for partnerships between local nonprofits, businesses and governments to make any affordable housing possible in this county. The HTF financed the site purchase using funds received from local banks, Catholic Healthcare West and other sources. The project is also receiving both Atascadero Redevelopment funds and County HOME funds.

To volunteer to help with the construction of the homes, call Austen at (805) 782-0687 or [volunteer@hfhsloco.org](mailto:volunteer@hfhsloco.org).



## Peoples' opens Villas at Higuera

The Villas at Higuera is a new affordable housing complex built by Peoples' Self-Help Housing in the City of San Luis Obispo. It is a mixed-use development that provides 28 permanently affordable apartment units, 3,000 sf of commercial space and nearly 3,000 sf of community space.

The Villas is Peoples' first project that has housing built on a platform over parking. This made it possible for the project to be built without being surrounded by a sea of parking. It exemplifies the type of smart growth and compact development that will increasingly be needed in this county in the future.

The Villas is located at 3071 S. Higuera Street. For more information, contact Peoples' Self-Help at (805) 781-3088 or visit their website — [www.pshhc.org](http://www.pshhc.org).

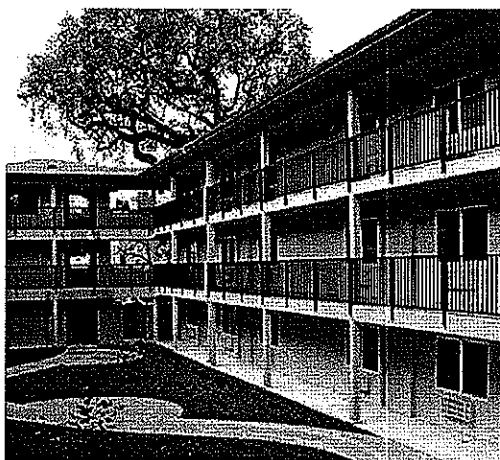
## Paso NP Housing completes first project

The Paso Robles Nonprofit Housing Corporation has completed its first affordable housing project — 40 rental apartments for very low-income seniors (see photo, below right).

The housing corporation is affiliated with the Paso Robles Housing Authority. It was created to take advantage of tax credits and other funding programs.

The corporation and housing authority are currently studying the potential to redevelop the Housing Authority's Oak Park public housing project. The City of Paso Robles is preparing a specific plan for the whole Northwest area which encompasses this project.

The senior apartments are located at the corner of 28th and Park Streets in Paso Robles. For more information, call (805) 238-4015.



Oak Park Senior Housing recently completed by the Paso Robles Nonprofit Housing Corporation.

## Affordable housing & growth management

Critics of growth management accuse it of driving up housing prices. A new study by the Brookings Institution found that lower income families are often priced out of housing in areas that lack growth-management measures. In these communities, exclusionary zoning practices squeeze out less affluent groups.

Smart-growth policies that attempt to ensure that jurisdictions provide their fair share of affordable, workforce housing can mitigate against this. The study — *The Link between Housing Affordability and Growth Management: The Academic Evidence* — is available online at [www.brookings.edu/es/~urban/publications/growthmang.pdf](http://www.brookings.edu/es/~urban/publications/growthmang.pdf).

# Items of Interest...

## Publications

The Department of Housing and Community Development's **Financial Assistance Programs Annual Report** for 2006-07, is now available online at [www.hcd.ca.gov/fa/AnnualReport\\_FY06-07.pdf](http://www.hcd.ca.gov/fa/AnnualReport_FY06-07.pdf). It includes information on HCD's various housing finance programs, including those funded by Propositions 46 and 1C.

**Getting to the Heart of Housing's Fundamental Question: How Much Can a Family Afford?** is a primer on housing affordability standards from the National Low Income Housing Coalition — [www.nlihc.org/doc/AffordabilityResearchNote\\_2-19-08.pdf](http://www.nlihc.org/doc/AffordabilityResearchNote_2-19-08.pdf).

**Density Guide for Affordable Housing Developers** explains the difference between housing density and population density. It also shows examples of housing projects with densities that range from 4.5 to 214 dwellings units per acre. The guide is available from the Southern California Association of Non Profit Housing (SCANP) at [www.scanph.org/files/Density%20Guide.pdf](http://www.scanph.org/files/Density%20Guide.pdf).

## Websites

**The Caritas Corporation** ([www.caritascorp.org](http://www.caritascorp.org)) owns and operates mobile home parks on a nonprofit basis. Caritas owns Rancho del Arroyo in Oceano.

**Millennium Housing** ([www.millenniumhousing.net](http://www.millenniumhousing.net)) also owns and operates mobile home parks on a nonprofit basis.

## Events

**May 14, 15 or 16 — Nuts and Bolts of Co-Operative Housing: Creating Sustainable, Affordable Homeownership** — one-day conferences in Sacramento, Oakland and Los Angeles — [www.cccd.coop](http://www.cccd.coop).

**May 15 — Housing First: Helping Chronically Homeless Individuals Access and Stabilize in Housing** — an online chat with the National Alliance to End Homelessness — [www.knowledgeplex.org/xchat.html](http://www.knowledgeplex.org/xchat.html).

**May 22 — Housing First: Rapidly Re-housing Families Who Experience Homelessness** — an online chat with the National Alliance to End Homelessness — [www.knowledgeplex.org/xchat.html](http://www.knowledgeplex.org/xchat.html).

**May 22 (and maybe May 29) — Hearings on Inclusionary Housing — County Planning Commission, Board of Supervisors Chambers, SLO** — [www.slocounty.ca.gov/planning/meetingcalendar/Planning\\_Commission\\_Hearings\\_9791.htm](http://www.slocounty.ca.gov/planning/meetingcalendar/Planning_Commission_Hearings_9791.htm)

**Dec. 3-5 — National Rural Housing Conference 2008, Washington, DC** — [www.ruralhome.org/Conf2008/index.php](http://www.ruralhome.org/Conf2008/index.php).

Note: "Housing for All" has active links — when you view this newsletter in Acrobat Reader, referenced documents and websites open when you click on them.



## Loan Funds Available: \$3.5 Million

Approximately \$3.5 million is currently available from the Housing Trust Fund to help finance affordable housing projects located in San Luis Obispo County. Loans for up to five years are available for rental and ownership housing, including transitional housing.

Loans may be used for site acquisition, site development, construction or other activities that will create or preserve affordable housing for very low, low or moderate income individuals or households.

Visit our website - [www.slocthf.org/loans.htm](http://www.slocthf.org/loans.htm) - to download our Program Guidelines, Loan Review Process and Underwriting Guidelines and other documents.

## Board of Directors

R. Thomas "Tom" Jones, Chair  
Rachel Richardson, Vice-Chair  
Dick Willhoit, Treasurer  
Dr. Allen Haile, Secretary  
Dr. Julian D. Crocker  
Anita Robinson  
Joseph M. "Chip" Visci

SAN • LUIS • OBISPO • COUNTY



San Luis Obispo County Housing Trust Fund  
4111 Broad Street, San Luis Obispo, CA 93401  
Phone: (805) 543-5970 Website: [www.slocthf.org](http://www.slocthf.org)



# Housing for All

San Luis Obispo County Housing Trust Fund

## Finally, a National Housing Trust Fund

President George Bush signed HR 3221, into law on July 30, creating a permanent National Housing Trust Fund (NHTF) in the process. The legislation had overwhelming support in both the Senate and House of Representatives.

The National Low Income Housing Coalition (NLIHC) has led the fight for a NHTF for almost a decade. Senator Bernie Sanders (I-VT) first introduced NHTF legislation in the U.S. House of Representatives in 2001.

The NHTF is a permanent program with a dedicated source of funding that is not subject to annual appropriations. It is the first new federal housing production program since the HOME program was created in 1990.

Funds for the NHTF and other programs created by HR 3221 will come from contributions from Fannie Mae and Freddie Mac based on their new business each year. The Congressional Budget Office estimates that \$5.8 billion will be contributed from 2010 to 2018.

Initially, all of these funds will go to support the HOPE for Homeowners program. This will drop to 50% in FY10 and 25% in FY11. The remaining the funds will be divided between the NHTF, which gets 65%, and the Capital Magnet Fund, which gets 35%.

### National Housing Trust Fund

HUD will administer the NHTF by providing grants to states. The priority for allocating these funds to states is the relative shortage of affordable rental units for extremely low income households. The states must adopt a plan for allocating the funds.

At least 90% of the NHTF must be used to produce, preserve, or rehabilitate rental housing. Up to 10% can assist first time home buyers. At least 75% of the funds must benefit extremely low income households. The balance may benefit very low income households.

### Capital Magnet Fund (CMF)

The CDFI Fund of the US Treasury will administer the CMF. The CMF will make competitive grants to "attract private capital for and increase investment in" affordable housing and complementary economic development activities.

### HOPE for Homeowners

HOPE is a new initiative that will permit the Federal Housing Administration (FHA) to provide up to \$300 billion in new guarantees to help at-risk borrowers refinance and keep their homes. Contributions from Fannie Mae and Freddie Mac will create a reserve fund to cover losses that the FHA incurs through this program. Funds not needed to cover losses eventually will revert to the Housing Trust Fund and the Capital Magnet Fund.

### Neighborhood Stabilization Fund

In addition, HR 3221 allocates \$3.92 billion in CDBG funds to acquire abandoned and foreclosed properties as affordable housing for home buyers and tenants. One quarter of these funds must benefit very low income families. HUD must distribute these funds by the end of October.

Additional information on HR 3221 and the National Housing Trust Fund are available online at: [www.nhtf.org](http://www.nhtf.org).

### Inside the Summer 2008 Issue

Inclusionary Housing File	2
HTF Funding Updates	2
Community Land Trust Corner	3
Short Notes	3
Items of Interest...	4
Board of Directors	4

# Inclusionary Housing Files

## Planning Commission Approves Inclusionary Housing for SLO County

The San Luis Obispo County planning commission approved the proposed inclusionary housing ordinance at its July 24 meeting. The ordinance includes the following features:

- A 20% inclusionary requirement with targeting for households at very low, low, moderate and workforce income levels;
- A 25% reduction if the affordable units are provided on-site;
- The ability to count some secondary dwelling units;
- The ability to build affordable units offsite;
- An in lieu fee option;
- Commercial linkage fees; and
- A four year phase in of the ordinance.

The County Board of Supervisors is expected to consider the ordinance later in 2008. The last version of the ordinance is online at: [http://slocounty.granicus.com/MetaViewer.php?view\\_id=3&clip\\_id=504&meta\\_id=104336](http://slocounty.granicus.com/MetaViewer.php?view_id=3&clip_id=504&meta_id=104336).

## Market Impacts of Inclusionary Zoning

The University of Maryland Center for Smart Growth recently published a study on the impacts of inclusionary zoning. The study analyzed housing production in California from 1988 to 2005. It compared differences in housing production, home prices and home size between cities that had inclusionary zoning and those that did not.

The study, which was funded by the National Association of Home Builders, concluded that inclusionary zoning caused:

- A statistically insignificant increase in total housing starts;
- A statistically significant increase in the share of multifamily homes built (including condominiums);
- A 2.2% increase in the price of single family houses; and
- A 48 sf reduction in the average size of single family homes.

The study is available online at: [www.smartgrowth.umd.edu/~research/pdf/KnaapBentoLowe-InclusionaryHousing.pdf](http://www.smartgrowth.umd.edu/~research/pdf/KnaapBentoLowe-InclusionaryHousing.pdf).

# HTF Funding Updates

## Community Foundation Awards \$10,000

The San Luis Obispo County Community Foundation has awarded \$10,000 in general operating support to the HTF for 2008-9. This is our third grant from the Community Foundation. They were one of the HTF's first funders. Their first award was to help us organize and incorporate. We are very thankful for the Community Foundation's generous support.

## Local Communities renew Commitments

As a group, local governments have consistently been the HTF's strongest financial supporters. During FY 2007-8, we received funds from the County of San Luis Obispo and every city in the county. The County continues to be our top single funder with the approval of \$50,000 for the HTF in its 2008-9 budget. Arroyo Grande, Grover Beach and Pismo Beach each continued their support at \$5,000 this year. Atascadero increased its support to \$7,000.

## First American provides ongoing Support

The First American Title Company recently committed a total of \$1,200 to the HTF for the George Moylan Affordable Housing Fund. The firm's contributions are based on the number of escrows closed in its local offices.



First American's contributions are made in partnership with local Realtors. A total of \$8,750 has been contributed to the Moylan Fund to date.

## Heritage Oaks Bank Fun Run — Sept. 28

Heritage Oaks Bank has selected the George Moylan Affordable Housing Fund as a benefactor of their Fun Run in 2008. The event will be held on Sunday, September 28 in Paso Robles. The Bank raised \$6,000 for the Moylan Fund from the Fun Run in 2007.

Remembered to designate the Moylan Fund as your preferred charity when you register to run this year. For more information, go to [www.hobfunrun.com](http://www.hobfunrun.com) and [www.sloctf.org/fun-run.htm](http://www.sloctf.org/fun-run.htm).



## George Moylan Fund

The George Moylan Affordable Housing Fund was established in October 2005 to honor the memory and continue the work of George Moylan, a founding director of the Housing Trust Fund. Contributions to the Moylan Fund are used exclusively to finance affordable housing projects in San Luis Obispo County.

To date, more than 300 individuals, firms and organizations have contributed in excess of \$75,000 to the Moylan Fund. Additional information on the Moylan Fund is available online at: [www.sloctf.org/moylan-fund.htm](http://www.sloctf.org/moylan-fund.htm).

# Community Land Trust Corner

## CLT Conference Coming to Central Coast

The HTF will be joining with other local housing groups on the central coast to sponsor a Community Land Trust conference this fall. The conference location will be convenient to those in both San Luis Obispo and Santa Barbara counties.

The conference will include topics for both professionals and novices. Rick Jacobus from Burlington Associates is scheduled to be the keynote speaker. Information on CLTs is available online at [www.burlingtonassociates.com/resources](http://www.burlingtonassociates.com/resources).

## CLT Video now Online

The video "Homes and Hands: Community Land Trusts in Action" is now available for viewing online from the National CLT Network. The video highlights CLTs in three very different communities — Durham, NC, Burlington, VT and Albuquerque, NM. The video can be viewed at <http://blip.tv/file/1053831>.



## CLTs Avoid Foreclosures

While the national foreclosure rate stood at 2% at the end of last year, a survey of 3,100 CLT homes found only two foreclosures in all of 2007. CLT owners have lower costs because they only have to finance their home and not the land. CLTs also offer support to buyers before, during, and after the sale. Read more at: [www.rooflines.org/1026](http://www.rooflines.org/1026).

## Asset Building & Affordable Housing

Rick Jacobus offers an online tutorial that focuses on wealth creation and affordable home ownership programs. The presentation discusses the historic importance of asset building through home ownership and the dilemma that local communities face when they provide public subsidies to support home ownership.

Does limiting the wealth creation opportunity available to home owners in order to preserve affordability for future generations defeat the purpose of home ownership programs? How much wealth creation is really necessary to make a difference in people's lives? Check it out at [www.rjacobus.com/assets](http://www.rjacobus.com/assets).

## Short Notes

### Buyers Willing to pay for "Green" Homes

According to a survey conducted by Estrella Associates, Inc. of Paso Robles, Central Coast residents are aware of construction technologies that lower energy use and are willing to pay more for homes that feature them. Some of the firm's findings include:

- Nearly 70% of the respondents are aware of technologies that can reduce energy use.
- 44% would pay as much as \$7,500 extra for a "green" home.
- 28% would pay up to an additional \$15,000.
- 7% would pay as much as \$30,000 more.
- Only 13% said that green features are not important.

"It's important for those of us in the development industry to have a good understanding of public awareness and interest in energy-saving technologies," said Estrella's Wes Willhoit. Visit Estrella Associates online at [www.estrellaassociates.com](http://www.estrellaassociates.com)

### Habitat is 14th Top Builder in USA

While most local Habitat for Humanity affiliates are rather small, the network as a whole has a big impact. So big that the National Association of Home Builders (NAHB) recognized Habitat International as the 14th largest homebuilder in the United States. Habitat is the only nonprofit corporation in the NAHB's top 100 builders.

During 2007, Habitat International built 5,619 homes in the United States. Habitat also built about three times as many homes in other countries. Learn more about Habitat International at [www.habitat.org](http://www.habitat.org) and more about Habitat for Humanity for San Luis Obispo County at [www.hfhsloco.org](http://www.hfhsloco.org).

### SLO Fair Market Rents up 4.6% for 2009

HUD has released proposed Fair Market Rents (FMRs) for use in the Sec 8 program for 2009. The new FMRs (see below) are 4.6% higher and will take effect in October 2008.

	0 BR	1 BR	2 BR	3 BR	4 BR
2009	\$781	\$924	\$1,125	\$1,639	\$1,686
2008	\$746	\$883	\$1,075	\$1,566	\$1,611

### New Home Statistics

The National Association of Home Builders reports that the medium size of new single-family homes in United States increased from 1385 square feet in 1970 to 2248 square feet in 2006. While most new homes had three or more bedrooms in both years, only 15% had more than 2 bathrooms in 1971. In 2006, 59% did. Only 39% of the new homes built in 1970 had two-car garages. In 2006, 64% had two-car garages and 19% had three or more garage spaces. More statistics are available at [www.nahb.org/fileUpload\\_details.aspx?contentID=59066](http://www.nahb.org/fileUpload_details.aspx?contentID=59066).

### The HTF has Moved

The Housing Trust Fund has moved — but not too far. We are still in the Creekside Center at 4111 Broad Street in San Luis Obispo, but are now downstairs in Suite A-4.

While it has taken us a little while to get settled, we'd love to have you drop by to say hello and see our new home.

# Items of Interest...

## Publications

**The State of the Nation's Housing** is an annual report from the Joint Center for Housing Studies of Harvard University. This year's report finds that the recent drop in housing starts and home sales rivals the worst downturns since World War II and that home price declines and mortgage defaults are the worst since records were kept in the 1960s and 1970s. The report and related information is available at [www.jchs.harvard.edu/son/son2008\\_media\\_preview.html](http://www.jchs.harvard.edu/son/son2008_media_preview.html).

**Community Development Financial Institutions: Providing Capital, Building Communities, Creating Impact** provides an overview of the CDFI industry. It is available at [www.opportunityfinance.net/store/downloads/cdp\\_fy2006.pdf](http://www.opportunityfinance.net/store/downloads/cdp_fy2006.pdf).

## Websites

**The Center for Housing Policy** maintains an extensive website that the Center calls an online guide to state and local housing policies. The website includes an outline for developing a successful housing strategy, a toolbox of housing policies, and a gallery of affordable housing projects. Check it out at [www.housingpolicy.org](http://www.housingpolicy.org).

**Smart Growth**, like "beauty," is in the eyes of the beholder. See some of the many visions of smart growth at the following sites:

The **Smart Growth Network**, which has some 40 national partners, is online at [www.smartgrowth.org](http://www.smartgrowth.org).

**Smart Growth America**, a coalition of national, state and local organizations, is online at [www.smartgrowthamerica.org](http://www.smartgrowthamerica.org).

The **Environmental Protection Agency's** smart growth home site is [www.epa.gov/smartgrowth](http://www.epa.gov/smartgrowth).

The **American Planning Association's** smart growth policy statement is at [www.planning.org/policyguides/smartgrowth.htm](http://www.planning.org/policyguides/smartgrowth.htm).

The **Urban Land Institute** defines Smart Growth at

[www.uli.org/LearnAboutULI/WhereWeAre/Asia/What%20is%20Smart%20Growth.aspx](http://www.uli.org/LearnAboutULI/WhereWeAre/Asia/What%20is%20Smart%20Growth.aspx).

The **National Association of Home Builders** has its smart growth policies at [www.nahb.org/page.aspx/category/sectionID=221](http://www.nahb.org/page.aspx/category/sectionID=221).

The **National Association of Realtors'** smart growth home site is [http://rodolino.realtor.org/smart\\_growth.nsf](http://rodolino.realtor.org/smart_growth.nsf).

The **National Trust for Historic Preservation** smart growth home site is [www.preservationnation.org/issues/smart-growth](http://www.preservationnation.org/issues/smart-growth).

The **Natural Resources Defense Council's** smart growth home site is [www.nrdc.org/smartgrowth](http://www.nrdc.org/smartgrowth).

The **Sierra Club's** smart growth policy statement is at [www.sierraclub.org/sprawl/community/smartgrowth.asp](http://www.sierraclub.org/sprawl/community/smartgrowth.asp).

**Smart Growth British Columbia** provide a slightly international view of smart growth at <http://smartgrowth.bc.ca>.

## Events

**Sept 28, 2008 — Heritage Oaks Bank 2008 Fun Run — Paso Robles —** [www.hobfunrun.com](http://www.hobfunrun.com) and [www.sloctf.org/fun-run.htm](http://www.sloctf.org/fun-run.htm).  
(Please designate the George Moylan Affordable Housing Fund as your preferred charity when you register to run.)

**Oct 4 — SLO Association of Realtors Eco-Expo — El Chorro Regional Park, SLO —** [www.slorealtors.org/events.html](http://www.slorealtors.org/events.html).

**Oct 27-29 — Rural Housing Summit — CCRH, Asilomar, CA —** [www.calruralhousing.org/programs/rural-housing-summit](http://www.calruralhousing.org/programs/rural-housing-summit).

**Dec 3-5 — 2008 Annual Meeting and Conference, National Community Land Trust Network, Boston, MA —**  
[www.clnetwork.org/doc\\_library/Boston%20Catalog.pdf](http://www.clnetwork.org/doc_library/Boston%20Catalog.pdf).

**Dec 3-5 — National Rural Housing Conference 2008, Washington, DC —** [www.ruralhome.org/Conf2008/index.php](http://www.ruralhome.org/Conf2008/index.php).

**Dec 8-10 — Creating Community 2008 (affordable housing for the mental health and homeless communities), Housing CA, Los Angeles —** [www.housingca.org/events/creatingcommunity](http://www.housingca.org/events/creatingcommunity).

Note: "Housing for All" has active links — when you view this newsletter in Acrobat Reader, referenced documents and websites open when you click on them.



## Board of Directors

R. Thomas "Tom" Jones, Chair  
Rachel Richardson, Vice-Chair  
Dick Willhoit, Treasurer  
Dr. Allen Haile, Secretary  
Dr. Julian D. Crocker  
Anita Robinson  
Joseph M. "Chip" Visci

SAN • LUIS • OBISPO • COUNTY



San Luis Obispo County Housing Trust Fund  
4111 Broad St., Ste. A-4, San Luis Obispo, CA 93401  
Phone: (805) 543-5970 Website: [www.sloctf.org](http://www.sloctf.org)

# PASO ROBLES REDEVELOPMENT AGENCY STATUS OF AVAILABLE LMIH FUNDS

November 2007

## Estimated Fund Balance and Commitments Through June 30, 2008

Activity	Amount	Notes
LMIH Fund balance as of 6/30/07	766,500	1
FY 06/07 Admin Expenses	-259,300	2
Estimated Investment Income as of 6/30/06	0	3
Balance	507,200	

## Commitments for Future Fiscal Years

Fiscal Year	Amount	Purpose	Notes
07/08	29,900	Oak Park Senior Housing Fee Offset Carry-Over	4
07/08	300,000	Payment on CalHFA Loan for Oak Park Senior Housing	5
08/09	300,000	Payment on CalHFA Loan for Oak Park Senior Housing	5
09/10	300,000	Payment on CalHFA Loan for Oak Park Senior Housing	5
10/11	300,000	Payment on CalHFA Loan for Oak Park Senior Housing	5

### Notes:

1. Mike Compton's 08/29/07 presentation to PAC; does not include FY 06/07 Admin expenses; figures rounded to nearest \$100.
2. \$329,149 spent for Program 211 in FY 06/07 minus \$69,800 in CDBG; rounded to nearest \$100.
3. Not provided in Mike Compton's 08/29/07 presentation to PAC
4. Approved via Ordinance 852 N.S. and Resolution RA 03-02.
5. Approved via Ordinance 921 N.S. and Resolution RA 05-03.

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

Fiscal Year	Estimated Deposits into LMIH Fund	Estimated Administrative Expense	Commitments	Estimated LMIH Fund Balance *
06/07				507,200
07/08	600,400	268,400	329,900	509,000
08/09	654,700	277,800	300,000	586,000
09/10	712,700	287,500	300,000	711,000
10/11	774,500	297,600	300,000	888,000
11/12	840,500	308,000		1,421,000
12/13	910,900	318,800		2,013,000
13/14	985,900	330,000		2,669,000
14/15	1,066,000	341,600		3,393,000
15/16	1,151,400	353,600		4,191,000
16/17	1,242,400	366,000		5,067,000
17/18	1,339,400	378,800		6,028,000

\* Figures rounded to nearest \$100.

Estimated Deposits provided by Jennifer Sorensen on 10/04/07; all figures rounded to nearest \$100.

Estimated administrative expense assumes 3.5% inflation rate starting with \$259,300 for FY 06/07