



**BUILDING**  
**HOPE**  
**2004**

**San Luis Obispo County Housing Trust Fund  
Annual Report 2004**

# Building Hope 2004

## **Pioneers for HOPE**

### **San Luis Obispo Supportive Housing Consortium Member Agencies:**

- AIDS Support Network
- Alliance for the Mentally Ill
- Casa Solana
- Department of Social Services – SLO County
- Economic Opportunity Commission of San Luis Obispo County
- Family Care Network, Inc.
- Housing Authority of the City of San Luis Obispo
- Independent Living Resource Center
- Life Steps Foundation
- Loaves & Fishes of Paso Robles
- National Alliance for the Mentally Ill, SLO County
- North County Women's Shelter & Resource Center
- NCI Affiliates
- OPTIONS
- People's Self-Help Housing Corporation
- S.L.O. Non-Profit Housing Corporation
- SLO County Mental Health
- SLO Supported Living
- Sojourn
- Transitions Mental Health Association
- Tri-Counties Regional Center
- Women's Shelter Program of San Luis Obispo
- Work Training Programs, Inc.

*“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.”*



When Margaret Mead made this thoughtful statement, she could not have envisioned the caring spirits of the San Luis Obispo Supportive Housing Consortium. Mead's statement was nevertheless prophetic. Were it not for the passion, leadership, stewardship and tireless efforts of the Consortium, the Housing Trust Fund would not be a reality.

It was through their leadership that we came to believe that the Housing Trust Fund could be a reality. Their understanding and success in building partnerships brought many more from the community to our cause. It was their stewardship that helped us navigate difficult roads along the way to make the Fund a viable reality. These pioneers for change had a passion that could not be ignored.

We seek to emulate these same values as we go about our work of helping to facilitate the creation of a spectrum of homes that you, I and all of our neighbors can afford.

To the members of the San Luis Obispo Supportive Housing Consortium, we say thank you. And to those who have not yet partnered with us, we ask that you join us in our work of creating “housing for all.”

# Building Hope 2004

Dear Friends,

The San Luis Obispo County Housing Trust Fund is testament to what can be achieved when socially conscious citizens recognize a need, formulate a strategy for making a difference and then rally the community to transform the vision into reality.

This report shares stories of our hope that all of our neighbors live in a decent and affordable home. Following the American dream, we all dream of living in a home. What makes a house a home? More than being affordable it must be safe and livable – no matter whether it is an apartment, condominium, rental house or owned. Such is the work and dream of the Housing Trust Fund.

What began several years ago as a grassroots effort led primarily by the Supportive Housing Consortium (a coalition of social service agencies) has culminated into a reality with the formation of the San Luis Obispo County Housing Trust Fund.

As 2004 ends, the Fund has come to be a recognized resource for helping to create new homes in San Luis Obispo County that neighbors of all economic backgrounds can afford. With 2005 the Fund also is entering into a new phase. We proudly announce that the Fund is staged to make its first loan to create homes for our neighbors in need.

We celebrate our successes, and are especially grateful to the people, partners, volunteers and communities that are helping the Fund become stronger each day.

*Anita Robinson*

Anita Robinson  
Board Chair

## 2004 Board Members:

### **Anita Robinson, Chair**

*President/CEO, Mission  
Community Bank*

### **Rachel Richardson, Vice-Chair**

*Chair, San Luis Obispo Housing  
Consortium and Housing Coordinator  
for AIDS Support Network*

### **Dr. Allen Haile, Secretary**

*Director, Community and Government  
Relations, California Polytechnic University*

### **Janna Nichols, Treasurer**

*Consultant to Nonprofit Corporations*

### **George Moylan**

*Executive Director, Housing Authority  
of the City of San Luis Obispo*



**Anita Robinson,  
Board Chair**

*Photo Courtesy of  
Christopher Gardner,  
New Times Photographer*

# Building Hope 2004

*“The lack of affordable housing is the single most critical local issue facing residents of San Luis Obispo County. The lack of affordable housing ... is having adverse impacts that permeate all sectors of our society. If we are to create a community with character and diversity and maintain the quality of life we currently enjoy, then we must work collectively and aggressively to resolve the affordable housing crisis.”*

Jim Patterson,  
Supervisor-elect, 5<sup>th</sup> District  
in the July/August 2004 issue of  
the Santa Lucian, the official  
newsletter of the Santa Lucia  
Chapter of the Sierra Club.

## THE NEED

By almost any measure, San Luis Obispo County is one of the least affordable housing markets in the United States. This status has a tremendous impact on those who live and work in this community, especially individuals and families who hope to someday own a home, seniors on limited incomes and households with special needs. This area's high housing costs also have a major impact on local employers.

In an August 2003 survey of likely voters, the City of San Luis Obispo found that 76% of its voters ranked “the availability of affordable housing for middle-class families” as a **very serious problem**.

San Luis Obispo County was the least affordable housing market in California during the month of February 2004 according to the California Association of Realtors. Only 14% of the county's population could afford the median priced home, which reached a record \$444,190. Local home prices continued breaking records – peaking at \$483,900 in September 2004 according to CAR statistics.

San Luis Obispo County was the fourth least affordable housing market in the United States during the first quarter according to the National Association of Home Builders. NAHB's Housing Opportunity Index reported that only 12.1% of the homes sold in the county were affordable to home buyers who earned the county median income. By the fourth quarter of 2004, NAHB reported that only 8.2% of the homes sold in the county were affordable to median income buyers. Because other housing markets became even less affordable, our county ranked eighth nationally as 2004 came to a close.

The National Low Income Housing Coalition reports that someone would have to work 102 hours per week at minimum wage to afford the rent for a modest 2-bedroom unit in San Luis Obispo County. Alternatively, an hourly wage of \$17.17 would be 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 \$7.27 to \$8.29 per hour.

The lack of affordable housing has been the #1 concern of local businesses for a number of years. In a 2004 survey, more than 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.”

## WHAT IS THE TRUST FUND

The San Luis Obispo County Housing Trust Fund (the “Fund”) is a private nonprofit corporation. The Fund was created in early 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 Fund partners with those who do. We provide financing and technical assistance to private developers, nonprofit agencies and local governments to help them increase the number of affordable homes that are created and preserved throughout the county.

## FUNDING

To date, we have raised nearly \$400,000 in contributions to support our operations and more than \$1 million in contributions and investments for our revolving loan fund. We have also received in-kind support from health and human service agencies, community groups, businesses, government agencies and others throughout San Luis Obispo County.

## PROGRAMS AND SERVICES

The Fund offers two services to support the development and preservation of affordable housing in San Luis Obispo County – **financing and technical assistance.**

## FINANCING

The Fund offers low cost financing with flexible terms to nonprofit, for profit and government borrowers for projects that will improve the supply of affordable homes in the county. Ownership, rental housing and housing that will provide transitional shelter may be financed by the Fund. The financing may be used to purchase, rehabilitate or develop affordable housing.

***40% of the funds are for the benefit of persons in the very low income and special needs population and no more than 60% of the funds will support development of housing for households with income up to 120% of county median income.***

## MISSION:

*“To increase the supply of affordable housing in San Luis Obispo County for very low, low and moderate income households, including households with special needs.”*

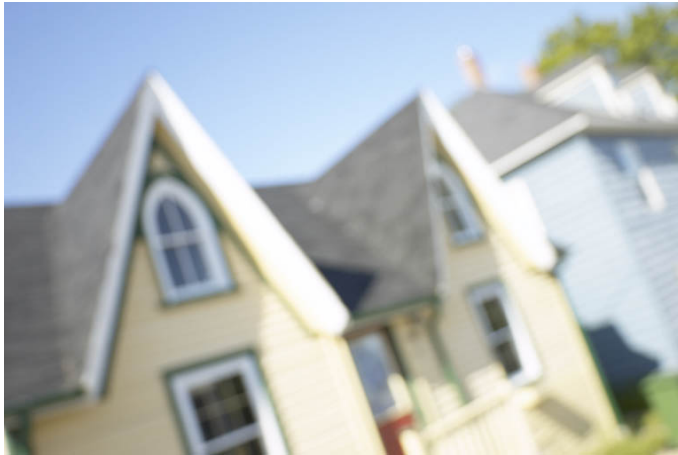


*Participants of the Strategic Planning Sessions held in January 2004 included Mary Brooks, national consultant on housing trust funds from the Center for Community Change, Washington, D.C.*

## Building Hope 2004

*“The Housing Trust fund is a great local resource on affordable housing issues. The Executive Director, Jerry Rioux, brings to San Luis Obispo experience from HCD, City/ County government and the real estate business. As the City (of San Luis Obispo) implements its 2004 Housing Element and applies for State grants, it is very helpful to be able to draw on Jerry’s comprehensive knowledge of housing.”*

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



### **TECHNICAL ASSISTANCE**

No single entity can solve the affordable housing crisis in San Luis Obispo County by itself. It takes cooperation and a sharing of resources and expertise. The Fund extended a helping hand to encourage and support the development of affordable housing to the planning and administrative departments of local jurisdictions numerous times in 2004. Nonprofit agencies also need to ensure that there is adequate affordable housing for their clients and the Housing Trust Fund responded to their questions about possible avenues to follow. Testimonies from some recipients of our technical assistance may say it best about how this service has been helpful:

“In the short time since its formation, the San Luis Obispo County Housing Trust Fund has been extremely helpful to our efforts to increase the availability of affordable housing to the City of Arroyo Grande. In particular, they have provided technical assistance to the City regarding the development of inclusionary housing requirements, drafting affordable housing agreements for projects now under construction, interpreting State legislation, and partnering to fund a local project that will provide foster care transitional housing. Our organization is working hard to make affordable housing programs successful, but being a small community, we do not have staff with the necessary expertise to accomplish much of what needs to be done. Therefore, access to the assistance provided by the Housing Trust Fund has really made a difference in moving our efforts for affordable housing forward! We hope to continue and expand these efforts in the future.”

**- Steve Adams, City Manager  
City of Arroyo Grande**

## ORGANIZATION OF THE FUND

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 our operations and approves each loan that the Fund makes.

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 of Directors. It also recommends action on individual loan applications.

Many of the people who were involved in organizing the Fund continue to serve on our Steering Committee. Committee members represent a wide range of interests and provide community input to the Board.

The Board, Commission and Steering Committee are supported by a small staff that is also responsible for the day-to-day operations of the corporation.



### 2004 Staff Members:

(Left to Right) Chuen Ng, Intern;  
Jerry Rioux, Executive Director;  
Marilyn Mayor, Special Projects

## VISION:

*"Housing for All"*

All San Luis Obispo County residents and employees should have decent and affordable housing.

## CORE VALUES:

### Leadership:

The Fund is an advocate for affordable housing and a catalyst for achieving these goals by working effectively with others.

### Partnership:

The Fund cooperates with others and strives to be inclusive in its efforts. We use our expertise to assist others.

### Stewardship:

The Fund is fiscally responsible and accountable to its funders and the community. It is dedicated to the wise use of resources and to the achievement of results.

# Building Hope 2004



## Commissioners:

*(left to right): John Stocksdale, Ann Travers, Doug Davidson, Betty Winholtz, Chuck Ashton (joined January 2005), Marty Tracey, Kelly Heffernon, and Dana Lilley*



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## COMMISSION MEMBERS

### **Chuck Ashton\***

*City Council Member, City of Grover Beach City (\*Joined January 2005)*

### **Doug Davidson**

*Housing Programs Manager, City of San Luis Obispo*

### **Kelly Heffernon**

*Associate Planner, City of Arroyo Grande*

### **Dana Lilley**

*Supervising Planner, Housing & Economics Division, County of SLO*

### **John Stocksdale**

*Retired Banker, Representing the City of Pismo Beach*

### **Marty Tracey**

*Economic Development Director, City of Atascadero*

### **Ann Travers**

*Adult Services Division Mgr, SLO County Dept. of Social Services  
Representing San Luis Obispo Supportive Housing Consortium*

### **Betty Winholtz**

*City Council Member, City of Morro Bay*

## STEERING COMMITTEE

**Eileen Allan**, North County Women's Shelter & Resource Center

**Ted Bench**, SLO County Planning Department (Housing Division)

**Jim Brabeck**, SLO County Farm Supply Company (Farm Supply)

**Roxanne Carr**, The Mortgage House, Inc.

**Leslie Halls**, San Luis Obispo County Builders Exchange

**Lillian Judd**, Economic Opportunity Commission of SLO County

**Marianne Kennedy**, Women's Shelter Program of SLO County

**Dana Lilley**, SLO County Planning Department

**Scott Smith**, People's Self-Help Housing, Inc.

**"Biz" Steinberg**, Economic Opportunity Commission of SLO Co.

**Ann Travers**, SLO County Dept. of Social Services

**Patricia Wilmore**, SLO Chamber of Commerce

## 2004 STAFF AND CONSULTANTS

**Jerry Rioux**, Executive Director

**Marilyn Mayor**, Special Projects Consultant

**John Dunn**, Consultant

**Chuen Ng**, Intern



**FINANCIAL SUPPORT**

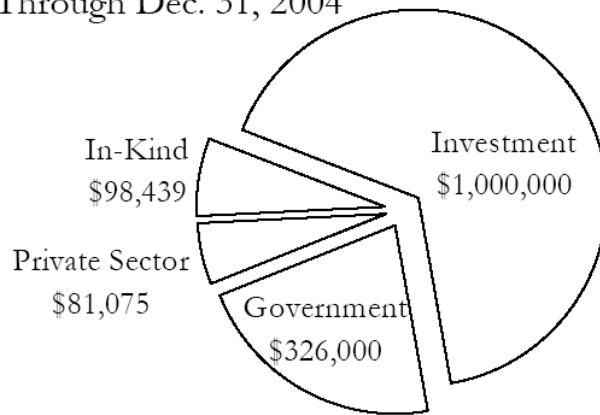
To date, we have raised nearly \$400,000 in contributions to support our operations and more than \$1 million in contributions and investments for our revolving loan fund. We have also received in-kind support from health and human service agencies, community groups, business, government agencies and others throughout San Luis Obispo County.

The initial monies to operate the Fund came from the Economic Opportunity Commission (utilizing funds secured from the California Department of Community Services and Development), the Housing Authority of San Luis Obispo, the San Luis Obispo County Community Foundation and United Way of San Luis Obispo County.

The County of San Luis Obispo provided the largest and a very important contribution to our operating fund – a \$225,000 challenge grant. The County matches funds that we receive from other supporters on a dollar for dollar basis.

## Support for the Fund

All Sources Through Dec. 31, 2004



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### Our Thanks to a Special Benefactor

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Mission Community Bank has believed in and supported the Fund since long before our incorporation. The Bank provided funds to support our apply to the status, write a various other activities. We are sincerely grateful for the early and continued support received from this special patron.



organizing effort,  
IRS for 501(c)(3)  
business plan and

**LOAN FUND  
CAPITALIZATION**

In addition to raising operating funds, we need to capitalize our revolving loan fund. Our goal is to raise \$3 million in lending capital by the end of 2005 and \$5 million by the end of 2006.

Mission Community Bank provided the initial capital for our loan fund with the contribution of \$5000 in 2003. Later, the Bank provided a \$1 million revolving line of credit with a below market interest rate. We have received other contributions for the loan fund and are actively seeking contributions and investments to reach our goals.

**CDFI CERTIFICATION  
RECEIVED IN JUNE**

In June of 2004, the Housing Trust Fund was certified as a Community Development Financial Institution, or CDFI, by the California Department of Insurance. With this designation, qualified investments in the Fund are eligible for a 20% state income tax credit. We are actively seeking qualified investments from banks, insurance companies and other corporations to increase the size of our loan pool.

# *Building Hope* 2004

## FINANCIALS

The following are summarized statements excerpted from the Fund's annual financial statements, which were audited by Crosby & Cindrich, CPAs. A complete set of financial statements with the independent auditor's report, including an unqualified opinion, is available upon request.

### STATEMENT OF FINANCIAL POSITION As of 12-31-04

#### ASSETS

##### Current assets:

Cash and cash equivalents	\$ 114,684
Prepaid expenses	\$ 3,445
Total assets	<u>\$ 118,129</u>

#### LIABILITIES AND NET ASSETS

##### Current liabilities:

Accrued vacation payable	\$ 2,827
Accrued health insurance reimbursement	\$ 9,000
Total liabilities	<u>\$ 11,827</u>

##### Net assets:

Unrestricted	\$ 100,199
Temporarily restricted	\$ 84
Permanently restricted	\$ 6,019
Total net assets	<u>\$ 106,302</u>

Total liabilities and net assets	<u>\$ 118,129</u>
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### STATEMENT OF ACTIVITY FY 2004

#### Revenue:

Grants	\$ 225,075
Contributions	\$ 20,772
Special Events – net of \$925 in direct expenses	\$ 51
Interest Income	\$ 890
Total revenue	<u>\$ 246,788</u>

#### Expenses:

Total expenses	<u>\$ 168,545</u>
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Increase in net assets	<u>\$ 78,243</u>
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**FINANCIAL SUPPORTERS**

Since incorporating in early 2003, the Housing Trust Fund has received commitments for nearly \$400,000 in administrative funding and just over \$1 million for the loan fund from the following sources:

<b>Administrative Funding Source</b>	<b>Amount</b>
County of San Luis Obispo	\$225,000
City of San Luis Obispo	\$60,000
Economic Opportunity Commission	\$50,000
Housing Authority of the City of San Luis Obispo	\$20,000
San Luis Obispo County Community Foundation	\$8,000
United Way of San Luis Obispo County	\$5,000
Mid-State Bank & Trust	\$5,000
City of Arroyo Grande	\$5,000
City of Pismo Beach	\$5,000
City of Atascadero	\$5,000
City of Grover Beach	\$5,000
City of Morro Bay	\$1,000
Mission Community Bank	\$1,000
The Mortgage House, Inc.	\$1,000
First Bank of San Luis Obispo	\$1,000
Anne and Charles Quinn	\$1,000
SLO Supportive Housing Consortium	\$730
<b>Total</b>	<b>\$398,730</b>
<b>Revolving Loan Fund Source</b>	
Mission Community Bank EQ2 Loan	\$1,000,000
Mission Community Bank	\$5,000
Residents for Quality Neighborhoods	\$575
Shauna and Fred Novy	\$500
<b>Total</b>	<b>\$1,006,075</b>

Funding from the County of San Luis Obispo was committed as a matching grant. In order to receive the County's full commitment, the Housing Trust Fund must receive an equal amount of funds from other sources. Funds received from other sources are matched dollar for dollar by the County of San Luis Obispo.

**VOLUNTARISM IS SALUTED:**

*The value of hours volunteered by friends, Board, Commission and Steering Committee members and pro bono goods and services received for 2003 and 2004 is \$98,439.31.*

*We wish to express a special thank you to the largest contributors of pro bono goods and services:*

- **Sinsheimer, Schiebelhut & Baggett**
- **Barnett Cox & Associates**
- **TechSoup (Software)**

## With Help from Our Friends

The San Luis Obispo County Housing Trust Fund wishes to acknowledge donations received from these friends to assist with printing and production costs for this Annual Report.

# CAL POLY

California Polytechnic State University  
San Luis Obispo, California

*The newly completed Cerro Vista Student Housing Complex on the Cal Poly campus has 200 apartments providing 800 private bedrooms.*



**LOS PADRES BANK**  
*Safe, strong, and friendly*



**HERITAGE  
OAKS BANK**

*Deeply Rooted In Your Hometown*



**Peoples' Self-Help  
Housing Corporation**



**Mission**  
COMMUNITY BANK

