



## 2013 Annual Report

The San Luis Obispo County Housing Trust Fund (the “HTF”) is a private nonprofit corporation that was incorporated in 2003. We are a Community Development Financial Institution or CDFI – a mission-driven organization that provides financing for an underserved market.<sup>1</sup>

### Mission & Purpose

The HTF’s mission is to increase the supply of affordable housing for very low, low and moderate income households in San Luis Obispo County, including those with special needs.

### Programs & Services

The HTF provides both financing and technical assistance for affordable housing projects that local families, seniors and households with special needs can afford to rent or buy. We also provide technical assistance on local housing programs and policies. In addition, we advocate for affordable housing legislation, programs and projects at the federal, state and local level.

### Local Housing Needs

San Luis Obispo County is consistently one of the least affordable housing markets in California and the nation. The National Association of Home Builders found that this county was the eighth least affordable housing market in the US in the fourth quarter of 2013.

The 2010 Census found that 35.8% of the renters in this county had a severe housing cost burden.<sup>2</sup> That was a higher incidence of severe housing cost burden than in the Los Angeles, San Francisco and New York City metro areas. A higher percentage of this county’s population was also homeless in

<sup>1</sup> Learn more about CDFIs at [www.ofn.org](http://www.ofn.org).

<sup>2</sup> “Severe housing cost burden” means that households paid more than half of their gross incomes for housing.

2013. In 2013, this county had more unsheltered<sup>3</sup> homeless than eleven states COMBINED.

### Revolving Loan Funds

The HTF operates revolving loan funds to finance affordable housing projects. These loan funds include a combination of social and community investments plus both public and private grants and contributions. As of December 31, 2013, the amounts in and committed to our revolving loan funds were:

#### Loan Fund Investments

Heritage Oaks Bank <sup>4</sup> LOC <sup>5</sup>	\$1,000,000
Rabobank LOC	1,000,000
Dignity Health	750,000
Rabobank EQ <sup>4</sup>	500,000
Erich & Hannah Sachs Foundation	300,000
SLO County Community Foundation	100,000
Religious Communities	75,000

#### Contributed Loan Funds

CDFI Fund of the US Treasury <sup>4</sup>	\$2,800,000
California LHCF Program <sup>6</sup>	1,500,000
California Association of Realtors	125,000
George Moylan Affordable Housing Fund	102,124
Create Jobs for USA (Starbucks)	34,500

**Total Lending Capital** \$8,286,624

### Accomplishments

Since 2005, the HTF has closed more than \$11.2 million in loans that assisted 332 units of affordable housing. In 2013, we loaned nearly \$3 million to assist 103 units. These included two apartment complexes, two single-family subdivisions, a licensed care facility and a Head Start school.

<sup>3</sup> Living in vehicles, on the streets and in other places not suitable for human habitation.

<sup>4</sup> Formerly Mission Community Bank.

<sup>5</sup> LOC means Line of Credit

<sup>6</sup> Includes commitments that were not yet received.

**Operating Support**

The HTF has two sources of operating revenue - earned income and grants. During 2013, our earned income – loan fees and interest – covered 60% of our operating expenses. Grants from local governments covered 31% and grants from banks covered 8%. We also received grants totaling more than \$370,000 for our loan fund.

**Board of Directors**

The following individuals served on the HTF’s Board of Directors at the end of 2013.<sup>7</sup>

- Dr. Julian D. Crocker, Chair  
County Superintendent of Schools
- Lenny Grant, AIA, Vice Chair  
RRM Design Group
- Clarence Cabrerros, Treasurer  
retired banker
- Marianne Kennedy, Secretary  
Women’s Shelter Program
- Dick Willhoit, Estrella Associates, Inc.
- Gerri LaChance, SESLOC Federal Credit Union

**HTF Commission**

The HTF Commission serves as our loan committee. The following individuals served on the HTF Commission at the end of 2013.<sup>5</sup>

- David Athey, City of Atascadero
- Karen Bright, City of Grover Beach
- Tyler Corey, City of San Luis Obispo
- Al Garcia, City of Paso Robles
- Kelly Heffernon, City of Arroyo Grande
- Joe Hoeflich, Supportive Housing Consortium
- Christine Johnson, City of Morro Bay
- Ken Litzinger, HASLO
- John Stocksdale, City of Pismo Beach
- Morgan Torell, County of San Luis Obispo

**Staff**

- Jerry Rioux, Executive Director
- Vivian Krug, Administrative Director

**Financial Statements**

Our audited financial statements for 2012 and 2013 are summarized below. Both audits were prepared by The Crosby Company, CPAs. All of our audits are available at [www.sloctf.org/about-us.htm](http://www.sloctf.org/about-us.htm).

**Statement of Financial Position**

	12/31/12	12/31/13
<b>Assets</b>		
<b>Current Assets:</b>		
Cash & Cash Equivalents	\$3,485,014	\$2,099,140
Receivables & Prepays	5,964	6,829
Interest Receivable	4,527	7,619
Notes Receivable (Current Portion)	474,997	762,030
Total Current Assets	\$3,970,502	\$2,875,618
<b>Non-Current Assets:</b>		
Notes Receivable (Non-Current)	984,109	2,550,769
Total Assets	\$4,954,611	\$5,426,387
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Payable & Accruals	\$24,692	\$26,749
Notes Payable (Current)	0	25,000
Total Current Liabilities	\$24,692	\$51,749
<b>Long-Term Liabilities:</b>		
Notes Payable (Non-Current)	1,125,000	1,200,000
Total Long-Term Liabilities	\$1,125,000	\$1,200,000
Total Liabilities	\$1,149,692	\$1,251,749
<b>Net Assets</b>		
Unrestricted <sup>8</sup>	\$830,134	\$1,327,692
Temporarily Restricted	2,730,000	2,590,000
Permanently Restricted	244,146	256,946
Total Net Assets	\$3,804,919	\$4,174,638
<b>Total Liabilities and Net Assets</b>	<b>\$4,954,611</b>	<b>\$5,426,387</b>

**Statement of Activity**

	2012	2013
<b>Revenue</b>		
Government Grants	\$652,161	\$438,161
Private Contributions	61,706	33,977
Interest & Loan Fees	132,853	154,793
Total Revenue	\$846,720	\$626,931
<b>Expenses</b>		
Program Services	\$210,919	\$211,899
Management & General	40,866	35,165
Fund Raising	9,472	10,148
Total Expenses	\$261,257	\$257,212
<b>Increase In Net Assets</b>	<b>\$585,463</b>	<b>\$369,719</b>

<sup>7</sup> Our current Board and Commission members are listed online at [www.sloctf.org/our-team.htm](http://www.sloctf.org/our-team.htm).

<sup>8</sup> Includes federal grants that became unrestricted at the ends of 2012 and 2013.