



## 2015 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 mission-driven lender and certified Community Development Financial Institution (CDFI).<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.

### Programs & Services

The HTF provides financing and technical assistance (TA) for local affordable housing projects. We also provide TA on housing programs and policies. In addition, we advocate for affordable housing legislation, programs and projects at the local, state and federal levels.

### 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 11th least affordable out of 223 metropolitan housing markets in the nation for the third quarter of 2015.<sup>2</sup>

The 2010 Census found that 35.8% of the renters in San Luis Obispo County had a severe housing cost burden.<sup>3</sup> This was a higher percentage than in the Los Angeles, San Francisco and New York City metro areas. Based on HUD data, our county also had a higher incidence of homelessness in 2013 than those metro areas. Homelessness dropped dramatically in 2015, but our incidence of homelessness is still higher than LA County’s.

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

<sup>2</sup> Online at <http://tinyurl.com/putjxcz>.

<sup>3</sup> “Severe housing cost burden” means they paid more than half of their gross incomes for housing.

### Revolving Loan Funds

The HTF operates revolving loan funds to finance affordable housing projects. These loan funds include both grants and investments. As of December 31, 2015, nearly \$10.8 million was committed to our revolving loan funds.<sup>4</sup> The sources and amounts of our loan funds were:

#### Loan Fund Investments

|                                 |             |
|---------------------------------|-------------|
| Heritage Oaks Bank              | \$2,000,000 |
| Rabobank                        | 1,000,000   |
| Dignity Health                  | 1,000,000   |
| Erich & Hannah Sachs Foundation | 300,000     |
| Pacific Western Bank            | 250,000     |
| Founders Community Bank         | 250,000     |
| Religious Communities           | 250,000     |
| SLO County Community Foundation | 100,000     |

#### Contributed Loan Funds

|                                    |             |
|------------------------------------|-------------|
| CDFI Fund of the US Treasury       | \$3,300,000 |
| California LHTF Program            | 2,075,000   |
| California Association of Realtors | 125,000     |
| George Moylan Fund                 | 108,380     |
| Create Jobs for USA (Starbucks)    | 34,500      |

**Total Lending Capital** \$10,792,880

### Accomplishments

Since 2005, the HTF has provided more than \$17.3 million in loans to assist 641 units of affordable housing. The vast majority of these units (93.4%) are for low income households.

After a record breaking year in 2014, our lending in 2015 was constrained by limited loan funds. We loaned just over \$1 million in 2015 and committed an additional \$2.5 million that should close in 2016. During 2015, we helped finance the rehabilitation of a mobile home park and transitional housing for individuals in recovery.

<sup>4</sup> Includes firm commitments and our available line of credit.

**Operating Support**

The HTF has two sources of operating revenue – grants and our interest and fee earnings. In 2015, government grants covered 13.5% of our expenses and bank grants covered 7.4%. Our earnings exceeded our expenses. In 2015, we also received a small amount of grants that were restricted for our loan fund.

**Board of Directors**

The following individuals served on the HTF’s Board of Directors at the end of 2015.<sup>5</sup>

- Leonard J. Grant, Chair  
RRM Design Group
- Clarence Cabrerros, Vice Chair/Treasurer  
SESLOC Federal Credit Union
- Marianne Kennedy, Secretary  
Women’s Shelter Program
- Dr. Julian D. Crocker  
County Superintendent of Schools (retired)
- Hemalata C. Dandekar  
California Polytechnic State University
- Jeff Eckles  
Home Builders Assn. of the Central Coast
- Dick Willhoit  
Estrella Associates, Inc.

**HTF Commission**

The HTF Commission serves as our loan committee. The following individuals served on the HTF Commission at the end of 2015.

- Tyler Corey, City of San Luis Obispo
- Bob Fonarow, City of Paso Robles
- Kelly Heffernon, City of Arroyo Grande
- Joe Hoeflich, Supportive Housing Consortium
- Scot Graham, City of Morro Bay
- Ken Litzinger, HASLO
- Tony Navarro, County of San Luis Obispo
- Mariam Shah, City of Grover Beach
- John Stocksdale, City of Pismo Beach

**Staff**

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

<sup>5</sup> Our current Board and Commission members are listed online at [www.sloctf.org/our-team.htm](http://www.sloctf.org/our-team.htm).

**Financial Statements**

Our audited financial statements for 2015 and 2014 are summarized below. These audits were prepared by Caliber Audit & Attest, LLP. Copies of these audits plus all of our audits since 2004 are available on our website at [www.sloctf.org/about-us.htm](http://www.sloctf.org/about-us.htm).

**Statement of Financial Position**

|   | 12/31/15           | 12/31/14           |
|---|--------------------|--------------------|
| <b>Assets</b>                           |                    |                    |
| <b>Current Assets:</b>                  |                    |                    |
| Cash & Cash Equivalents                 | \$2,135,112        | \$1,004,380        |
| Receivables & Prepaids                  | 7,623              | 11,653             |
| Interest Receivable                     | 30,394             | 19,097             |
| Notes Receivable (Current Portion)      | 1,712,093          | 1,348,859          |
| Total Current Assets                    | <u>\$3,885,222</u> | <u>\$2,383,989</u> |
| <b>Non-Current Assets:</b>              |                    |                    |
| Notes Receivable (Non-Current)          | 5,396,642          | 5,096,092          |
| Total Assets                            | <u>\$9,281,864</u> | <u>\$7,480,081</u> |
| <b>Liabilities</b>                      |                    |                    |
| <b>Current Liabilities:</b>             |                    |                    |
| Payable & Accruals                      | \$26,177           | \$34,352           |
| Notes Payable (Current)                 | 950,000            | 250,000            |
| Total Current Liabilities               | <u>\$976,177</u>   | <u>\$284,352</u>   |
| <b>Long-Term Liabilities:</b>           |                    |                    |
| Notes Payable (Non-Current)             | 2,700,000          | 1,700,000          |
| Total Liabilities                       | <u>\$3,676,177</u> | <u>\$1,984,352</u> |
| <b>Net Assets</b>                       |                    |                    |
| Unrestricted <sup>6</sup>               | \$4,276,991        | \$2,072,183        |
| Temporarily Restricted                  | 1,100,000          | 3,200,000          |
| Permanently Restricted                  | 228,696            | 223,546            |
| Total Net Assets                        | <u>\$5,605,687</u> | <u>\$5,495,729</u> |
| <b>Total Liabilities and Net Assets</b> | <u>\$9,281,864</u> | <u>\$7,480,081</u> |

**Statement of Activity**

|                               | 2015             | 2014               |
|-------------------------------|------------------|--------------------|
| <b>Revenue</b>                |                  |                    |
| Government Grants             | \$38,000         | \$1,288,161        |
| Private Contributions         | 25,958           | 28,606             |
| Interest & Loan Fees          | 328,206          | 292,167            |
| Total Revenue                 | <u>\$392,164</u> | <u>\$1,608,934</u> |
| <b>Expenses</b>               |                  |                    |
| Program Services              | \$228,025        | \$228,621          |
| Management & General          | 43,278           | 48,430             |
| Fund Raising                  | 10,903           | 10,792             |
| Total Expenses                | <u>\$282,206</u> | <u>\$287,843</u>   |
| <b>Increase in Net Assets</b> | <u>\$109,958</u> | <u>\$1,321,091</u> |

<sup>6</sup> Includes federal and state grants that became unrestricted.