

"HOUSING FOR ALL"

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

Realtors rank SLO the least affordable region in state

What is Affordable Anyway?

The California Association of Realtors (CAR) recently announced that only 14% of San Luis Obispo County's residents could afford to buy the county's median priced home of \$444,190 in February 2004. That made SLO's housing the least affordable in California... and most likely the nation.

The CAR statistic was based on the loan payments for the local median priced home with a 80% loan at the current market interest rate. These payments were compared to income distribution of county residents. CAR found that only 14% of the households in SLO County could afford the payment—86% could not.

If the vast majority of the county's residents cannot afford the median priced home, what can they afford? Housing is generally considered affordable if the rent or mortgage plus utilities, and all other housing costs (e.g., taxes, insurance, HOA dues) total no more than 30% of the occupant's gross income.

Using this percentage, a family that earns the county median income of \$61,700 per year can afford to pay \$1543 per month for housing. Depending upon where they live, they can afford the rent and utilities for a two or three bedroom apartment or house. They can also buy a modest home in some areas of the county.

Unfortunately, half of the households in the county earn less than \$61,700 per year and need to find housing that is more affordable. The graph on page 2 shows HUD's estimate of how much the lowest through the highest income groups in the county earn.

Most affordable housing programs use the income limits

Inside this issue:

Living the American Dream?	2
CDFI Status	3
Workforce Housing Coalition	3
Realtors to Spruce Up Home	3
Items of Interest...	4
Board Roster	4

that are based on HUD's median income estimates. For example, households that earn 80% of the county median income are considered "low income" for most housing programs. Those who earn less than 50% of the median income are considered very low income and those who earn less than 30% are extremely low income. (Income limits for every California county are at www.hcd.ca.gov/hpd/hrc/rep/state/inc2k4c01.pdf.)

A low income family of four earns up to \$49,350/year. At the most, they can afford \$1234/month for housing.

(Continued on page 2)

Buy Groceries... Help the HTF

Not many things are more basic than food and shelter. Scolari's and Ralph's now let you combine the two. When you shop at either market, you can generate donations for the Housing Trust Fund. Each market will now rebate 1% to 4% of what you spend to the HTF. Their programs are simple to join and easy to use.

- To participate, contact Marilyn at marilyn@slochtf.org or 543-5970 and tell her which store(s) you use.
- Marilyn will fax or e-mail you the enrollment form(s).
- Complete, sign and return the form(s) to Marilyn—your name and current card number(s) are key.
- Marilyn will deliver the signed and completed forms to the markets so the rebates can begin.
- After you sign up, you'll swipe your current card just like before, but your purchases will be recorded under the HTF's rebate program.
- Four times a year, the HTF will receive a check from each market based on the total purchases made by the participants in our program.

You may shop at Ralph's in San Luis Obispo, Los Osos, Pismo Beach or Paso Robles. Scolari's has participating stores in San Luis Obispo and Pismo Beach.

Thank you to each participant who has already signed up for the program! We hope to hear from many more soon! If you have additional questions about the programs, please contact Marilyn.

Living the American Dream?



Gerald L. ("Jerry") Rioux
SLOCHTF Executive Director

Rather than try to write something witty or profound, I thought I'd share some of the things I have read recently and reveal what crossed my mind as I read them...

SLO is #1 and #3

When CAR reported that SLO has the least affordable housing in California, "Places Rated" also reported that SLO is the third best place to live in the country.

Housing Affordability

(Continued from page 1)

While families with this income can buy homes in the Central Valley, they can barely afford to rent a 2-BR apartment in SLO.

HUD estimates that 40% of the households in SLO county earn less than \$51,400/year.

A very low income family of four earns up to \$30,850 per year. About 20% of the households in SLO county earn this much or less. At most, they can afford \$771/month for rent and utilities. They have few choices.

An individual or single parent who earns \$10/hour and works 40 hours each week and 52 weeks each year, earns \$20,800 per year. They can only afford \$520/month for rent and utilities.

About 10% of the households in SLO County earn less than this amount. While many local jobs

<shaking head slowly> How many more local workers and their families will be squeezed out to make room for wealthier transplants?

Venturan Advocate throws in the towel

"This is the most beautiful place I've ever lived" said Lyle Wray, former director of the Ventura County Civic Alliance, as he announced his departure. "I just can't afford to live here."

Those words will be repeated over and over again before we can make a dent on our housing affordability crisis...

Affordable Housing is #1 Business Issue... Again!

In its updated Vision statement, the SLO Chamber of Commerce lists the lack of affordable workforce housing as the top concern

of local businesses for the fourth year running! High housing costs make it increasingly difficult for all employers to attract and retain qualified workers.

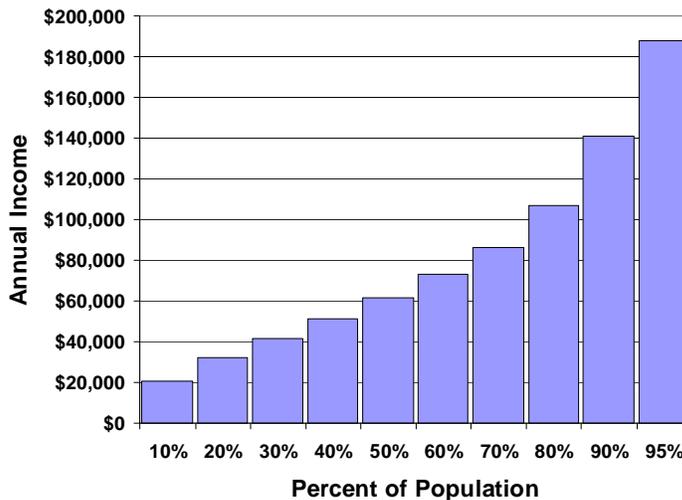
Humm... do local employers recruit home owners from the Bay Area? While wages are lower in SLO, our housing costs and quality of life make up for it...

Housing Costs a Burden for 70% of Americans

In April, likely voters reported in a national poll that high housing costs prevent them from spending on other things like retirement, a car or food. The same poll found that 26% of likely voters experienced difficulties paying their own rent, mortgage or utilities within the past 12 months.

Wow! I wonder how residents of SLO would respond to the same questions?

SLO Income Distribution - 2004



pay \$10 per hour or less, only assisted apartments cost less than \$520/month with utilities.

More information on "housing affordability" will be in future issues of Housing for All.

Correction: In March, we failed to list Morro Bay as a community that has inclusionary housing. We apologize for the oversight.

CDFI status will help HTF raise lending

The California Department of Insurance recently designated the HTF as a California Community Development Financial Institution.

The California CDFI designation is quite valuable to the HTF. As a CA CDFI, the HTF can now offer tax credits to corporations and individuals that invest in our revolving loan fund.

This will help us reach our goal of having \$5 million in lending capital by the end of 2006. It will also help increase the supply of affordable housing in San Luis Obispo County.

When people invest in the HTF, we lend the funds to developers and sponsors of affordable housing. By reducing our cost of funds, the CDFI program allows the HTF to offer lower interest rate loans to our borrowers.

The minimum investment that can qualify for the CDFI tax credit is \$50,000. The investment must be for five years or longer and have a 0% interest rate.

The tax credit is 20% of the amount invested and can be taken in the year of the investment. If the tax credit cannot be used in the first year, it may be carried over for up to four years.

A \$50,000 investment produces a \$10,000 tax credit. This equates to about a 4.2% return on a five year investment.

Additional information on the CDFI designation and tax credits can be found on the Department of Insurance's website, at: www.insurance.ca.gov/COIN/Cdfi.htm



New Supporters

We want to take this opportunity to formally thank the following groups who made contributions and financial commitments to the Housing Trust Fund since the last newsletter was released:

- City of Pismo Beach
- Residents for Quality Neighborhoods (RQN)
- The Mortgage House, Inc. (Roxanne Carr)
- First Bank of SLO
- City of Morro Bay

In addition, the Cities of Grover Beach and Atascadero have included contributions to the HTF in their budgets for 2004-5.

Thank you!

Kudos to Chuen!

HTF Intern Chuen Ng, who wrote last month's inclusionary housing article, received a full scholarship to attend the Housing California Conference in Sacramento. After the conference, Chuen started a new job as the Assistant Planner for the City of Hanford. Congrats!

Workforce Housing Coalition

The Workforce Housing Coalition (WHC) is an educational and advocacy group that is dedicated to increasing the availability of housing for the "working people" of San Luis Obispo County. The WHC is concerned about housing for people who earn up to 160% of the county median income, or just over \$90,000/year in 2004 for a family of four.

The HTF endorses the WHC and its mission. We also actively participate on the WHC steering committee along with representatives from various other groups.

Please visit the WHC online at www.slowhc.org, sign up for their e-mail list and register your support for their mission and activities.

Realtors to Spruce Up Home

The SLO Association of Realtors has announced plans to spruce up the home of a deserving family or individual. The Realtors will accept applications through August 1st from local home owners who would like some help around their home. Applications will also be accepted from friends or neighbors of home owners who need assistance. Applications must be in the form of short essay that explains why the applicant, friend or neighbor should be chosen.

The winner will be chosen September 1st. Later in the month, a team of Realtors will swoop in to paint, make minor repairs, tend the garden and do other work on and around the winner's home.

For more information, contact the Association of Realtors at 541-5264 or lsmith@slorealtors.org.



Items of Interest...

Publications

Advocates' Guide to Housing and Community Development Policy is an extensive manual on housing programs and policies that was developed by the National Low Income Housing Coalition and is updated periodically. The Guide can be viewed at www.nlihc.org/advocates/index.htm or downloaded from www.nlihc.org/advocates/2003ag.pdf.

The NIMBY Report for June 2004 — www.nlihc.org/nimby/062004.htm — includes a short article on Latino families in Gilroy marking Cinco de Mayo by suing the city over the lack of affordable housing.

Websites

S.H.E.L.T.E.R. is a young Santa Monica-based nonprofit with an innovative idea. The agency's "Sleep-Ins" are designed to provide clean, comfortable, quiet, secure overnight refuge from the streets. Check them out at www.s-h-e-l-t-e-r.org/sleepin.html.

The Cottage Company designs and builds award-winning projects in which small cottages surround a garden courtyard. A visit to their website — www.cottagecompany.com — will be an inspiration for those who support neighborhood preservation, new urbanism and smart growth alike.

Charity Lobbying in the Public Interest is a Washington, DC-based nonprofit that encourages public interest lobbying by nonprofits. It's website — www.clpi.org — includes a wealth of information on why nonprofits should lobby, how they can lobby effectively and the legal rights and limits for lobbying by non-profit corporations. CLPI also has numerous publications that can be downloaded from their site.

Events

Oct. 21-22 — Rural Housing Summit, Asilomar, Pacific Grove. Policy-oriented forum for affordable housing in small towns and rural areas — www.calruralhousing.org/HOME_RHS.htm.

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.



Please submit Items of Interest to news@slocthf.org

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Affiliations are listed for identification purposes only.



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