

# “HOUSING FOR ALL”

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

## Status of National HTF

Housing advocates have been working for years to enact a National Housing Trust Fund (NHTF). This fund would receive dedicated revenues at the national level and distribute them to states and local governments on a formula basis to fund affordable housing. More than 5200 organizations throughout the country have formally endorsed the creation of a NHTF.

A number of bills have been introduced in the House and Senate to create a NHTF. The most recent and promising is HR 1102. Nearly half of House – 214 members, including our Representative, Lois Capps – have signed on as cosponsors of this legislation.

HR 1102 identified excess reserves at Fannie Mae and FHA that could create and preserve 1.5 million affordable housing units over ten years. The bill targets extremely low, very low and low income households and requires the vast majority of NHTF funds to be used for rental housing.

Despite having bi-partisan support, the leaders in Congress have kept HR 1102 in committee and not allowed the House to debate and vote on the NHTF.

On July 22, proponents of the NHTF filed a discharge petition to bring HR 1102 to the House floor for debate and a vote. A majority of the House (218 members) must sign the petition before the bill will be debated. Congress must act on the bill before the end of the year.

As this article was written, 173 members of the House had signed the discharge petition. Only 45 more signatures are needed to move the legislation forward.

Please sign up to endorse the NHTF and contact the National Housing Trust Fund Campaign at [www.nhtf.org](http://www.nhtf.org) to learn what you can do to help.



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### National HTF Endorsers:

Local endorsers of the National HTF Act include:

- Congresswoman Lois Capps
- San Luis Obispo County Housing Trust Fund
- Economic Opportunity Commission of SLO
- Habitat for Humanity of San Luis Obispo County
- Peoples' Self Help Housing

If you or your organization have not signed up to endorse the National Housing Trust Fund, please do so now at <http://www.nhtf.org/forum/signup.asp>

### What is an HTF?

The San Luis Obispo County Housing Trust Fund (the “Fund”) is a private nonprofit corporation. We were created 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. Rather than build, own or manage affordable housing directly, we provide financing and technical assistance to help private developers, nonprofit agencies and local governments produce and preserve affordable housing.

Generally speaking, housing trust funds are programs and agencies that are created to provide ongoing funds for affordable housing within their geographic service area. There are more than 300 housing trust funds in the United States today. Most are government agencies. Most serve a single city, county or state. And most have a dedicated source of public revenues to fund their activities.

As a nonprofit corporation, the Fund is different from most HTFs. We are also different because we serve all of San Luis Obispo County, including the seven cities within the county. In addition, we do not yet have a dedicated revenue source. Our operating funds come from grants, contracts and donations and our loan funds come from investments and donations.

**Commentary:**

**“Creative Problem Solving”**



Gerald L. (“Jerry”) Rioux  
SLOCHTF Executive Director

One thing I have learned over the years is that the easiest way to solve a problem is to redefine it. It’s amazing how problems fade away when you find the right spin.

In the housing field, a classic example of redefining a problem into oblivion occurred in 1982. That’s when HUD revised its housing affordability standards. Until then, housing was “affordable” if it cost no more than 25% of the occupant’s gross income.

For those who don’t remember, the interest rates for conventional first mortgages were above 18% in 1981, which caused housing affordability to plummet for both home buyers and renters.

In 1982, America’s housing affordability crisis was solved with the stroke of a pen.

**“Rental housing is affordable and plentiful”**  
Alphonso Jackson—HUD Secretary

HUD changed the national affordability standard from 25% to 30%. Housing miraculously became affordable for the millions of people who paid between 25% and 30% of their income for shelter.

A similar effort seems to be in play today.

First, HUD Secretary Alphonso Jackson claimed that “rental housing is affordable and plentiful” when he spoke at the National Press Club on June 17. If the HUD Secretary said it, **it must be true?**

While Secretary Jackson’s statement conflicts with numerous HUD reports, it supports HUD’s efforts to concentrate on ownership housing and cut back the Section 8 rental assistance program.

Then HUD proposed reducing the rent standards for Section 8 when it released the initial 2005 Fair Market Rents (FMRs).

The FMRs are supposed to be based on local rents. Theoretically forty percent (40%) of the units in the local market rent for less than the FMR. Sixty percent (60%) rent for more. In larger metro areas, the FMRs may be set at the median rent—half of the units rent for more and half for less.

In reality, the proposed FMRs were, well, unreal. HUD reduced the 2 bedroom FMR in San Luis Obispo County by \$24 dollars to only \$893. The 4 bedroom FMR fell from \$1505 to \$1302.

Do local landlords know they should drop their rents?

Widespread problems led to a public outcry over the initial 2005 FMRs. HUD sharpened its pencil and released “final” FMRs that are somewhat better. (Go to [www.nlihc.org](http://www.nlihc.org) for more information on the FMRs and efforts to improve them.)

The final 2005 FMRs for San Luis Obispo County are listed below. The 4 bedroom FMR was increased to \$1339, which is still a 12.4% drop from 2004. The final FMRs for all other units were unchanged.

So what does this have to do with creative problem solving?

In addition to setting the rent standards for Section 8, FMRs are used by the National Low Income Housing Coalition to gauge housing affordability in its annual *Out of Reach* report ([www.nlihc.org](http://www.nlihc.org)).

*Out of Reach* is what the press quotes when they report that a minimum wage earner must work some ungodly number of hours each week to afford the rent for a modest apartment.

In 2004, a local minimum wage earner must work 105 hours per week to afford the FMR for a 2 bedroom home. The statewide average is 126 hours per week. While we are below the state average, the state’s figure is skewed by metro counties that have higher median incomes and FMRs that are based on the median rent.

We will be better off in 2005? After all, our workers will be able to work three hours less each week to afford a 2 bedroom unit. And a 4 bedroom unit will require 19 fewer hours of work per week to be affordable!

**Fair Market Rents for San Luis Obispo County**  
Changes from 2004 to 2005

Unit Size	2004 FMR	2005 FMR	Change 2004-2005	
			Dollars	Percent
Studio	\$641	\$620	(\$21)	-3.4%
1 Bedroom	\$724	\$733	\$9	1.2%
2 Bedroom	\$917	\$893	(\$24)	-2.7%
3 Bedroom	\$1276	\$1301	\$25	1.9%
4 Bedroom	\$1505	\$1339	(\$166)	-12.4%

## SLOCHTF Updates

### Community Foundation Award

The San Luis Obispo County Community Foundation recently awarded a \$5,000 grant to the Housing Trust Fund. This grant will help us to prepare an investment prospectus, which will be used to solicit investments for our revolving loan fund.



Our goal is to raise at least \$1 million in social investments from local businesses through the prospectus.

Investments under this solicitation will start at \$50,000 for five years and have an interest rate of 0% to 3%. Investments at 0% may be eligible for a 20% state income tax credit.

This is the second grant the Community Foundation has awarded to the Housing Trust Fund. The Foundation was one of our earliest financial supporters.

### Housing Trust Fund Commission

The HTF Commission is currently being organized. Five Commissioners have been appointed to date and an orientation meeting is scheduled for Thursday, October 7 from 4 to 6 PM in our conference room. The initial Commissioners and their appointing authority are:

- Doug Davidson, City of San Luis Obispo
- Kelly Heffernon, City of Arroyo Grande
- Dana Lilley, County of San Luis Obispo
- John Stocksedale, City of Pismo Beach
- Ann Travers, SLO Supportive Housing Consortium

The HTF Commission develops and recommends loan policies and procedures to the Board of Directors. It also serves as our loan committee—reviewing applications and recommending action to the Board.

The HTF’s bylaws dictate that the Commission have between seven and eleven members. Additional Commissioners will be appointed in the future.

### HTF Website Updates

A number of recent updates have been made to the HTF’s website—[www.sloctf.org](http://www.sloctf.org).

The **About Us** page now includes links to various legal documents, including our articles of incorporation, by-laws and 501(c)(3) letter under the **Legal Documents**.

Links to our new brochure and FAQ (frequently asked questions) are included under **Other Documents** on the **About Us** page of the website.

The **Resources** page of the website includes links to local government and nonprofit housing agencies. It also includes links to various websites and publications on smart growth, compact development and three forms of permanently affordable housing—Community Land Trusts, Mutual Housing Associations and Limited Equity Housing Cooperatives.

### Community Land Trust Seminar—Nov. 18-19 in San Francisco

The Institute for Community Economics (ICE) is holding a two-day seminar on Community Land Trusts—an innovative form of permanently affordable housing. The first day will provide an introduction and overview of the CLT model. The second day will go into greater detail on specific topics. Registration for one or both days by October 29. The cost is \$30 per day.

The brochure for the seminar can be downloaded from [www.sloctf.org/files/clt-ws.pdf](http://www.sloctf.org/files/clt-ws.pdf). You can register online at [www.ersvp.com/reply/calcltseminar2004](http://www.ersvp.com/reply/calcltseminar2004). For more information, contact Julie Orvis at ICE by phone (413-746-8660, ext. 118) or email ([julie@iceclt.org](mailto:julie@iceclt.org)).

## Guides for Affordable Housing Developers

The Southern California Association for Nonprofit Housing (SCANPH) recently published two guides to assist developers of affordable housing who face resistance due to densities and parking requirements.

SCANPH’s **Density Guide for Affordable Housing Developers** reviews the benefits of higher density development and multifamily affordable housing. It includes examples of local policies that promote smart growth. Examples of housing built at different density ranges are also shown in the Guide.

SCANPH’s **Parking Requirements Guide For Affordable Housing Developers** provides resources that can be used to educate policy makers and others on parking needs and the impact of parking requirements on the production of affordable housing.

The Density and Parking Guides are available online at:

- [www.scanph.org/publications/Pubs2004/Density%20Guide.pdf](http://www.scanph.org/publications/Pubs2004/Density%20Guide.pdf)
- [www.scanph.org/publications/Pubs2004/Parking%20Requirements%20Guide\\_forweb.pdf](http://www.scanph.org/publications/Pubs2004/Parking%20Requirements%20Guide_forweb.pdf)

## **Items of Interest...**

### **Calendar**

**Oct. 20 — HUD Regulatory Barriers Clearinghouse and Inclusionary Zoning**, Online Workshop sponsored by LISC, KnowledgePlex and HUD—11:00 am to 12:30 pm PST. Learn about HUD’s regulatory barriers clearinghouse and its resources concerning inclusionary zoning. For more information, visit: [www.lisc.org/resources/2004/10/clearinghouse\\_7303output.asp.shtml](http://www.lisc.org/resources/2004/10/clearinghouse_7303output.asp.shtml).

**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](http://www.calruralhousing.org/HOME_RHS.htm).

**Oct. 26 — Above the Fold**, SLO Library Community Room 7-9 PM. SLO Workforce Housing Coalition workshop on including affordable housing in seismic retrofit plans—[www.slowhc.org](http://www.slowhc.org).

**Nov 18-19 — Community Land Trust Seminar**, South San Francisco. Institute for Community Economics—[www.iceclt.org](http://www.iceclt.org).

**May 2-3 — Annual Conference**, National Low Income Housing Coalition, Washington, DC [www.nlihc.org](http://www.nlihc.org).

### **Publications**

The Community Affairs Department of the Office of the Comptroller of the Currency (OCC) recently published a **Community Developments Investments** edition of its newsletter that focuses on New Markets Tax Credits, including how these investments are evaluated under the Community Reinvestment Act. Check it out at: [www.occ.treas.gov/cdd/index.html](http://www.occ.treas.gov/cdd/index.html).

### **Websites**

The **Rural Community Assistance Corporation (RCAC)** has an extensive list of valuable links for nonprofit organizations on its website at: [www.rcac.org/links.html#Nonprofits](http://www.rcac.org/links.html#Nonprofits)

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@sloctf.org](mailto:news@sloctf.org)



## **Board of Directors**

**Anita Robinson**, Chair—*President & CEO, Mission Community Bank*

**Rachel Richardson**, Vice-Chair—*AIDS Support Network; Chair, SLO Supportive Housing Consortium*

**Dr. Allen Haile**, Secretary—*Community & Government Relations Director, Cal Poly University; member, San Luis Obispo Economic Advisory Committee*

**Janna Nichols**, Treasurer—*consultant to nonprofit agencies (former Executive Director, United Way of San Luis Obispo County)*

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

*Affiliations are listed for identification purposes only.*



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