



Housing for All

San Luis Obispo County Housing Trust Fund

HTF Issues 1st NOFA

The HTF has issued its first Notice of Funds Available (NOFA) and is actively seeking loan applications for affordable housing projects in San Luis Obispo County. Just over \$1 million is available for loans at this time.

Loan Terms

The HTF offers flexible loan terms to meet the needs of our borrowers. Interest rates are in the 5% to 6% range. Loan terms of up to five years are preferred. Deferred payments will be considered.

HTF financing will generally be subordinate to the project's primary financing.

Eligible Projects

HTF financing is available for both rental and ownership housing. Housing that provides transitional, seasonal or emergency shelter may also receive HTF loans.

New construction, rehabilitation, acquisition of existing units and the conversion of non-

residential structures are all eligible projects.

Eligible Borrowers

Private developers, nonprofit corporations and government agencies are all eligible to borrow from the HTF. Borrowers may be individuals, partnerships or corporations.

Our primary concern is whether affordable housing will be created or preserved.

Application Process

Housing sponsors should discuss their project with HTF staff prior to completing their application. Staff will review each application and make a recommendation to the HTF Commission. The Commission then makes a recommendation to the HTF's Board of Directors for final action on each loan application.

The NOFA, program guidelines, application and other information is available online at www.sloctf.org/loans.htm

HTF Receives Awards

The Housing Trust Fund was selected for two awards in early January—one from the United Way of San Luis Obispo County and the other from Los Padres Bank.

United Way gave its 2004 Community Innovation Multiplying Resources Award to the Fund for demonstrating creativity and effectiveness in using United Way funds to attract funding from other funding sources. The Award includes a \$2,000 grant.

The Fund also received a Community Development Award from Los Padres Bank/Harrington Bank. This Award included a \$1,000 grant to support our activities and continued operations.

We thank United Way and Los Padres Bank for their support.

Housing Element Update

- State HCD certified the County of San Luis Obispo on August 20, 2004
- Morro Bay's housing element was certified on December 22, 2004
- The City of San Luis Obispo was also certified on December 22, 2004
- Only five cities to go!

Inside this issue:

Poverty in America Awareness Month	2
CalHFA for First Time Home Buyers	3
Incentives for Affordable Housing	3
Items of Interest...	4
Board of Directors	4

January is Poverty in America Awareness Month



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

Most people are surprised when they hear that 36 million Americans live in poverty and that one-third of America's poor are children. These are the official figures for 2003 – the most recent available.

One person in eight (12.5%) in the US lives below the official poverty limits (see chart, below, right). Sadly, one American child in six (17.6%) lives in poverty. Children who live in female-headed families are more than twice as likely to be poor (41.7%).

In an effort to focus more attention on poverty in the United States, the Catholic Campaign for Human Development (CCHD) has designated January as **Poverty in America Awareness Month**.

CCHD is conducting a media campaign to heighten the public's awareness and understanding of poverty in America. I want to share some of their information with you and encourage you to support their efforts.

CCHD refers to "Poverty" as America's most populous state. This is because more Americans live in poverty than in California. In fact, the number of poor Americans is greater than the total population of Canada and 159 other countries in the world.

The number and percent of Americans who live in poverty is increasing. An additional 4.3 million Americans became poor between the 2000 Census and 2003.

American children are more likely to be poor than children in other industrialized nations. Using comparable data for calculating poverty rates, less than four percent of the children in Sweden live in poverty. In the Czech Republic, the child poverty rate is less than six percent. In France, it is seven percent; Germany, 10 percent; Australia and Japan, 12 percent; and Canada, 14 percent.

The poor are getting poorer. The number of people living in extreme poverty – those with incomes below half the poverty line – rose to 15.3 million in 2003. This is the highest number in extreme poverty since data first became available in 1975.

The poor cannot work their way out of poverty. More than two-thirds of all poor families with children included at least one person who worked in 2003. A single parent

with two children working full-time at California's minimum wage makes only \$14,040 per year before taxes – \$1,670 less than the poverty threshold.

To add a local perspective, the EDD estimates that 48.3% of the jobs that will be created in SLO County between 2001 and 2008 will be in such low-wage categories as retail sales, cashiers, food prep & services, waiters & waitresses, maids & housekeeping and home care aides.

The median wage for workers in these job categories ranges from \$7.27 to \$8.59 per hour. At these hourly rates, individuals who work 40 hours per week and 52 weeks per year will earn between \$15,122 and \$17,867.

Workers with incomes this low can only afford to pay \$378 to \$446 per month for rent and utilities. Unfortunately, very few homes in SLO County have rents this low.

For additional information on CCHD's efforts, please visit:

www.usccb.org/cchd/povertyusa/index.htm

Additional information on poverty in America is available online from:

- Institute for Research on Poverty
www.ssc.wisc.edu/irp
- National Center for Children in Poverty
<http://cpmnet.columbia.edu/dept/nccp/>
- U.S. Census Bureau
www.census.gov/ftp/pub/hhes/www/poverty.html

Official Poverty Limits

Persons in Household	Annual Income
1	\$9,310
2	\$12,490
3	\$15,670
4	\$18,850
5	\$22,030
6	\$25,210
7	\$28,390
8	\$31,570

2004 poverty levels for non-farm families in the 48 contiguous states. Add \$3,180 for each additional household member.

CalHFA Loans for First Time Home Buyers

The California Housing Finance Agency (CalHFA) offers bargain loans for first time home buyers. CalHFA offers both long-term fixed-rate first mortgages and a variety of silent second mortgages. They are available from private lenders throughout California.

The current rates on CalHFA first loans are 4.0% to 4.5%. These rates significantly reduce the monthly payments for eligible home buyers. When compared to a \$300,000 loan at 6.0%, CalHFA borrowers can save \$278 or \$366 each month at 4.5% and 4.0%, respectively.

CalHFA's Extra Credit Teacher program offers eligible teachers and other school personnel a 4.0% first mortgage plus a \$15,000 second mortgage with no interest and no payments for up to 30 years.

CalHFA's School Facility Fee Down Payment Assistance program offers grants to eligible new home buyers. The grant is equal to the school impact fees the home builder paid and may be used for closing costs. The buyer must live in the home for at least five years, or a portion of the grant must be repaid.

To qualify for a CalHFA loan, a buyer may not have owned a home in the last three years, their income may not exceed the CalHFA income limits and the price of their home may not exceed the CalHFA price limits.

CalHFA's current purchase price limits for homes in San Luis Obispo County are \$411,748 for existing homes and \$417,630 for new homes.

Additional information on CalHFA's

home buyer programs is online at:

www.calhfa.ca.gov/homeownership

You can search for a CalHFA lender at:

www.echfa.ca.gov/lenders

CalHFA Income Limits

	Household Size	
	1 or 2	3+
Moderate Income	\$74,040	\$86,380
Low Income		
• Existing Homes	\$44,424	\$51,088
• New Homes	\$51,828	\$59,602

Some CalHFA programs have lower income limits than those listed above. Check with CalHFA or your lender for more information

State Increases Incentives for Affordable Housing

Among the many bills the Governor signed into law last September was SB 1818. It liberalizes state density bonus law and gives developers more incentives to include affordable housing in their projects.

Density Bonuses

Density bonuses are an increase in the number of units that can be built on a given site. The state has required local governments to give density bonuses to housing projects that include affordable units since the 1970s. Senior housing is also eligible for density bonuses.

Under the old law, a site that was zoned for 100 units received a 25% density bonus if 10% of the units were for very low income households or 20% were for

low income households. At the time, a total of 125 units could be built if 10 units were very low income or 20 were low income.

By allowing more units to be built, density bonuses off-set the cost of including affordable units in a project.

Local Application

State density bonus law has been used successfully in San Luis Obispo County over the years. Some local jurisdictions even offer density bonuses that exceed those required under state law.

Atascadero, for example, granted a 35% density bonus for the Dove Creek project in exchange for 10% of the units being committed for very low income households. The Housing Authority received nearly a 100% density bonus from the City of San Luis Obispo for a recent senior housing project.

The New Law

SB 1818 makes state density bonus law more attractive to developers. It reduces the minimum percentage of units that are required to qualify for a density bonus. The new law also increases the density bonus for projects that include higher

percentages of affordable units.

In addition, it requires that density bonuses be granted when land is donated for the development of affordable units by others, requires jurisdictions to grant additional incentives for projects that include affordable units and limits the parking requirements for projects with affordable units.

Now, developers who dedicate 5% of their units for very low income households qualify for a 20% density bonus. A 20% bonus also applies if 10% of the units are for low income households. As the percent of low or very low income units increases, the project receives increasingly larger density bonuses.

Condominiums and town houses that include moderate income units also qualify for density bonuses.

The table to the left shows the range of density bonuses that are required based upon the income targeting and percentage of affordable units in a project.

SB 1818 became effective January 1, 2005 and supercedes local ordinances that are less generous.

Range of Density Bonuses Offered Under SB 1818

Income Targeting	Target Units	Density Bonus
Very Low	5% - 11%	20% - 35%
Low	10% - 20%	20% - 35%
Moderate	10% - 40%	5% - 35%

Items of Interest...

Publications

Working Hard, Falling Short is a series of new reports from the Working Poor Families Project. The Project found that one in four working families in American earn wages so low that they have difficulty surviving financially. The national and California reports can be downloaded from: www.aecf.org/initiatives/jobinitiative/workingpoor.htm

Good Design: The Best Kept Secret in Community Development is a new LISC publication that shows that affordable housing can be well designed. It can be downloaded from www.lisc.org/resources or ordered from publications@lisc.org

Websites

Out of Reach 2004—the National Low Income Housing Coalition released its latest analysis of rental housing affordability for every county in the nation. Check it out at: www.nlihc.org/or2004

Affordable Housing Reader—the American Planning Association recently compiled more than 100 of its articles and reports concerning affordable housing and made them available online at www.planning.org/affordablereader

Events

Community 2050 — Planning Tomorrow's Growth Today. Explore various land use and transportation scenarios for San Luis Obispo county and create a vision for 2050.

Jan 22 — Nipomo High School, 8:30 to noon.

Feb 5 — Templeton Middle School, 8:30 to noon

Mar 11— San Luis Obispo time and place to be determined

Co-sponsored by SLOCOG, APCD, LAFCO, CalPoly, SLO County Planning and ACTION for Healthy Communities. Visit www.community2050.org or call 781-4219 to register or get more information.

Feb 5 — Housing Affordability – What Can Be Done? League of Women Voters, Unitarian-Universalist Fellowship, 232 Foothill Blvd. in San Luis Obispo from 9:30 to 11:30 a.m.

Feb 25 — California Housing Trust Fund Summit, Santa Clara. California's first state-wide meeting of HTFs sponsored by the Silicon Valley Manufacturing Group. RSVP by Feb 18th to (408) 501-7864 or housing@svmg.org

April 24-26 — Housing California 2005, Sacramento Convention Center. Housing California is the nation's largest annual training event for housing sponsors and advocates. www.housingca.org

May 2-3 — Annual Conference, National Low Income Housing Coalition in Washington, DC. www.nlihc.org

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.



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 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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