



Housing for All

San Luis Obispo County Housing Trust Fund

Mid-State Invests in HTF

Mid-State Bank & Trust has provided a \$1 million Equity Equivalent or EQ2 investment to the Housing Trust Fund. The investment will be used to finance affordable housing in San Luis Obispo County.

“We are excited about Mid-State Bank’s investment,” exclaimed Jerry Rioux, the Fund’s executive director. “It doubled the capitalization of our revolving loan fund and will help us finance more affordable housing.”

Mid-State’s investment is structured as a revolving line of credit. It has a 5% interest rate that is fixed for five years. At the end of five years, the interest rate will adjust to Prime minus 1% and be fixed for an additional five years.

With Mid-State's investment, the Fund has more than \$2 million in lending capital to help finance affordable housing projects. The Fund’s goal is to increase its capitalization to \$3 million by the end of 2005 and \$5 million by the end of 2006.

The Housing Trust Fund is a nonprofit corporation that was created to increase the supply of affordable housing throughout San Luis Obispo County. Rather than develop, own or manage housing, the Fund provides financing and technical assistance to help private developers, nonprofit agencies and local governments produce homes that working families, seniors on fixed incomes and persons with disabilities can afford to rent or buy.

Local Governments Continue their Support of the Fund

The Housing Trust Fund continues to receive strong financial support from local governments throughout San Luis Obispo County.

During the recent budget deliberations, the Cities of Arroyo Grande, Atascadero, Grover Beach and Pismo Beach each approved a \$5,000 contribution to the Fund. These contributions will help to support the operations of the corporation.

In 2004, the City of San Luis Obispo made a

two year commitment to support the Fund’s operations. The City contributed \$30,000 for the current year.

The County of San Luis Obispo continues to be the Fund’s most generous financial supporter. The County is matching each city’s contribution dollar for dollar.

The County’s contract will continue to match contributions to the Housing Trust Fund through January 2006.

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Higher Density Housing Seminar

Templeton Middle School

Aug 4th, 7:30 to 9:00 AM

(details on page 4)

Tom Jones joins HTF Board of Directors

R. Thomas “Tom” Jones, Dean of Cal Poly’s College of Architecture and Environmental Design has joined the Housing Trust Fund’s Board of Directors. The Board sets the policies and oversees the operations of the Housing Trust Fund.

“We are delighted that Tom has joined our team” Jerry Rioux, Executive Director of the Housing Trust Fund stated. “His knowledge and experience will help us to create more affordable housing in San Luis Obispo County.”

Jones came to San Luis Obispo County in 2004 to become Dean at Cal Poly. He was previ-

ously the Executive Director of the California Futures Networks, a state-wide nonprofit that promotes smart growth. Jones is an award winning author, San Francisco Magazine “Architect of the Year” and affordable housing advocate.

He brings more than 33 years of architectural, planning, land use and affordable housing experience to the Housing Trust Fund.

Information on and excerpts from Tom’s award-winning book, "Good Neighbors: Affordable Family Housing," can be viewed online at: www.andnet.org/goodneighbors/.



HASLO receives \$1 million from CalHFA

The Housing Authority of the City of San Luis Obispo (HASLO) was recently awarded \$1 million from the California Housing Finance Agency’s (CalHFA) Housing Enabled by Local Partnerships or HELP program. HASLO was one of eight applicants to receive HELP funds in the most recent funding round. HASLO will use the funds as part of the financing for the development of a 16-unit apartment complex for persons with mental disabilities.

The HELP program was designed to provide additional resources for local governments to address unmet housing needs. Cities, counties, housing authorities, redevelopment agencies and other government entities are eligible for the program. HELP is a flexible program that leverages other funds to produce, preserve or improve affordable rental and ownership housing.

CalHFA makes \$10 million in HELP funds available every six months on a competitive basis. Applicants are evaluated on six criteria: affordability, cost efficiency, maximization of benefits, implementation readiness, resource impact and the comprehensiveness of their housing program design.

CalHFA has awarded \$130 million in HELP funds since the program was created in 1999. The maximum award is \$2 million. HELP loans have a 3% interest rate and must be repaid at the end of 10 years.

HASLO’s website is at www.HASLO.org. Additional information on CalHFA’s HELP program is available at: www.calhfa.ca.gov/multifamily/special/help/index.htm.

Rural Gentrification

Gentrification is the process by which higher-income households move into lower-income communities and displace the existing residents. In the process, the communities are changed forever.

Gentrification is well known throughout urban America. Older, less desirable neighborhoods are discovered, renovated and upgraded by higher income and upwardly mobile people.

The existing residents—especially renters—are priced out of their homes and communities. They are forced to move to less desirable areas, to communities that are farther from their jobs and families and, more often than not, to housing that is more expensive and less adequate for their needs. Some become homeless.

Readers can probably identify many neighborhoods in the San Francisco Bay Area, Greater LA or San Diego County that have gentrified. While most people think of gentrification as an urban phenomenon, it also occurs in small towns and rural areas. Gentrification has been and will continue to be a major force in San Luis Obispo County.

Rural gentrification is less well known than its urban counterpart. The Housing Assistance Council (HAC), a national housing organization, researched the dynamics of gentrification in rural communities and its impact on housing affordability. HAC’s report—“They Paved Paradise... Gentrification In Rural Communities”—is available online at: www.ruralhome.org/manager/uploads/Gentrification.pdf.

Home Sales Price Spiral Continues

Despite warnings of a “housing bubble” in the national press, local homes sales prices continue to spiral to new highs. The California Association of Realtors® (CAR) reported that in June 2005 San Luis Obispo County’s median home sales price was \$570,870. This was 6.8% higher than in May.

These are the most widely reported home sales prices statistics. They are based on the sales prices of single family detached homes only and do not include condominiums or town houses.

CAR also reports the medians for all homes sold. When condominiums and town homes are included, San Luis Obispo’s June median was *only* \$521,000. The medians for individual communities varied from a high of \$650,000 in Morro Bay to \$410,000 in Atascadero. These figures can vary considerably from month-to-month due to the low number of sales.

Home Sales Prices—All homes, June 2005

Community	Median Price
Morro Bay	\$650,000
Arroyo Grande	\$600,000
San Luis Obispo	\$595,000
Nipomo	\$529,000
Los Osos	\$499,500
Paso Robles	\$481,000
Grover Beach	\$475,250
Atascadero	\$410,000

(Insufficient data was available for CAR to report the medians for Pismo Beach, Oceano, Cayucos or Cambria.)

Short Notes...

George Moylan steps down

Founding Housing Trust Fund director George Moylan has resigned from the board of directors. Moylan was committed to seeing the Fund get up and running and is moving on to other priorities. We will sorely miss his knowledge, opinions and sense of humor.

HCD Certifies AG Housing Element

The California Department of Housing and Community Development (HCD) recently certified the City of Arroyo Grande’s Housing Element. Certification makes the City eligible for some State housing grant programs and more competitive for others. This is the first time that Arroyo Grande’s Housing Element has been certified by the State.

At this time, five of the eight jurisdictions in SLO County have certified housing elements—Arroyo Grande, Morro Bay, Paso Robles, the City of San Luis Obispo and the County of San Luis Obispo.

State Budget includes \$4 mil for EHAP

Governor Schwarzenegger signed the FY 2005-06 state budget with \$4 million appropriated for the Emergency Housing Assistance Program (EHAP). Earlier, the Governor proposed cutting EHAP funding by 25 percent.



EHAP provides operating grants for emergency shelters, transitional housing projects and supportive services for individuals and families who are homeless. HCD anticipates issuing a NOFA for EHAP funds in mid-September.

Additional information is available at: www.hcd.ca.gov/fa/ehap

2006 Fair Market Rents Proposed

HUD has released proposed Fair Market Rents (FMRs) for use in the Section 8 Rental Assistance Program (see table, below). The new FMRs, which are 3.3% higher than the 2005 FMRs, will take effect October 1, 2005.

FMRs for San Luis Obispo County

Unit Size	2006 FMRs	2005 FMRs	Change
0 Bedroom	\$641	\$620	\$21
1 Bedroom	\$758	\$733	\$25
2 Bedroom	\$923	\$893	\$30
3 Bedroom	\$1,345	\$1,301	\$44
4 Bedroom	\$1,384	\$1,339	\$45

Workforce Housing Tax Credits Proposed

Senator Hillary Clinton and Representative Nydia Velázquez have introduced legislation—the Housing America’s Workforce Act of 2005—to grant tax credits to employers who provide housing assistance for their employees. The legislation—S 1330 and HR 3194—would also make employer-provided housing assistance exempt from personal income taxes just like health, retirement and other employee benefits.

The Act will provide a 50% federal tax credit for up to \$10,000 in assistance to employees who buy a home or \$2,000 in assistance for employees who rent. Employers can provide housing assistance in a variety of ways, including monthly rental assistance payments and contributions to Individual Development Accounts or IDAs.

Employees who earn up to 120% of the area median income adjusted for household size (about \$75,000 for a family of four in SLO County) will be eligible for assistance under the Act.

Items of Interest...

Publications

Is Manufactured Housing a Good Alternative for Low-Income Families? This recent HUD research report concludes that manufactured housing appears to be a relatively attractive option for low-income families and the communities in which they live. Download it from www.huduser.org/publications/HOMEOWN/IsManufactHousingGoodAlt4LIFam.html.

The State of the Nation's Housing 2005 is now available from the Joint Center for Housing Studies at Harvard University. It can be downloaded from www.jchs.harvard.edu/publications/markets/son2005/index.html.

2005 Advocates' Guide To Housing and Community Development Policy is an update of the National Low Income Housing Coalition's extensive guide to federal housing programs and policies and the federal legislative process. Download the Guide from www.nlihc.org/advocates/index.htm.

Websites

The Corporation for Supportive Housing (CSH) is a national nonprofit corporation that helps communities create permanent housing with services to prevent and end homelessness. CSH has a goal of helping to create 150,000 supportive housing units over the next decade. They offer publications, technical assistance and financing. Their website is at www.csh.org.

The Borrego Springs Zero Energy Demonstration Homes website documents the latest efforts of award-winning builder Clarum Homes to build green energy-efficient homes. Check it out at www.clarumzeroenergy.com.

Events

Aug 4 — Higher Density Housing Seminar, Workforce Housing Coalition, Templeton Middle School, 925 Old County Rd 7:30 to 9:00 AM — www.slowhc.org (download flyer from www.sloctf.org/files/whc-seminar.pdf)

Aug 17-19 — 2005 Community Land Trust Conference, Portland, Oregon — www.communitylots.org/clt/clt_events.html

Oct 6-7 — Rural Housing Summit, California Coalition for Rural Housing, Asilomar Conference Center, Pacific Grove — www.calruralhousing.org/Home_RHS.htm

Dec 6-7 — California Mental Health and Housing Conference, Housing California, Pasadena Hilton Hotel — <http://housingca.org/conference.htm>

May 22-24, 2006 — Housing California 2006, Sacramento Convention Center — <http://housingca.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

Janna Nichols, Treasurer—consultant to nonprofit and community agencies

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

R. Thomas Jones—Dean, College of Architecture and Environmental Design, CalPoly

Affiliations are listed for identification purposes only.



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