



# Housing for All

San Luis Obispo County Housing Trust Fund

## SLO City Commits \$60,000; Other Cities Support HTF

On June 6, 2006, the SLO City Council voted to contribute \$60,000 to support the Housing Trust Fund over the next two years. The City made a similar contribution in 2004 and will again use money from its Affordable Housing Fund to support the HTF.

The HTF has received contributions and commitments from four other cities during 2006. Arroyo Grande and Atascadero each included \$5,000 for the HTF in their 2006-7 budgets. Paso Robles recently made a first-time commitment of \$5,000 to the HTF (see below). Despite its fiscal challenges, Morro Bay recently contributed \$1,000.

The HTF also has funding requests pending with both Grover Beach and Pismo Beach.

In addition, a request for \$200,000 over two years is pending with the County of San Luis Obispo. This request is being reviewed by staff and we expect that it will be considered by the Board of Supervisors in August.

The HTF will use funds from the Cities and County to cover the costs of underwriting loans, providing technical assistance and raising additional lending capital.

## Paso Robles makes it Seven

On July 5th, the City of Paso Robles became the seventh and final city in San Luis Obispo County to provide financial support for the Housing Trust Fund. The City's \$5,000 grant will come from the Redevelopment Agency's housing set-aside fund.

With Paso Robles' commitment, the HTF has achieved an important organizational goal — every city in the county now supports and will participate in our county-wide effort.

The City of Paso Robles has been invited to appoint a representative to the HTF Commission. The Commission serves as the HTF's loan committee. It advises the Board of Directors on loan policies, procedures and priorities as well as action on loan applications.

We look forward to working with the City of Paso Robles to help increase the supply of affordable housing within the community.

**HTF Fundraiser**  
**Friday, September 15**  
**4:30 to 7:30 PM**  
**Kimberly's**  
**1243 Monterey Street**  
**San Luis Obispo, CA**  
 (see page 3 for more information)

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# Housing Production vs. Affordability



Gerald L. "Jerry" Rioux  
SLOCHTF Executive Director

Everyone knows the economic principle of supply and demand — the cost of goods and services are based on the relationship between supply and demand. If demand for a product increases and the supply remains unchanged, the cost for that product increases. And if the supply increases while demand remains constant, prices decrease.

Here on the Central Coast, housing costs are astronomically high because the demand for housing far exceeds the supply. And while many, including yours truly, believe that we should build more homes to improve our housing affordability, I have yet to meet anyone who believes that we can build our way out of our affordability crisis.

A review of recent data from the California Building Industry Association (CBIA) and National Association of Home Builders (NAHB) shows that high levels of housing production does not result in greater housing affordability.

**Housing affordability is a function of *what* gets built, not simply *how much*.**

## Production Peaks — Affordability Tumbles

CBIA reported that 2004 and 2005 were banner years for housing production in California. More permits were issued for new homes in each of these years than in any year since 1989.<sup>1</sup> Roughly 10% of all the homes built in the United States were built in California — more than in every other state except for Florida and Texas.

Despite this record production, housing affordability dropped to all-time lows throughout California. NAHB reported that 18 of the 20 least affordable housing markets in the United States were in California during the first quarter of 2006.<sup>2</sup>

To put California's affordability crisis into perspective, even Modesto and Merced are now less affordable than New York City, Boston, Seattle,

Portland, Miami and Washington, DC.

In 2004 and 2005, roughly one quarter of California's new homes were built in the Inland Empire — Riverside and San Bernardino Counties. Even though these counties were the #1 and #3 home producers in 2005, housing affordability in the two counties tumbled. In 2003, 34% of the homes sold in the counties were affordable to households that earned the area median income. Only 8.4% were affordable in the first quarter of 2006.

While LA County was the state's #2 home producer in 2005, it was also the least affordable housing market in early 2006. Despite producing more than 25,000 homes, less than 2% of all the homes sold in LA County were affordable to median income home buyers. In 2003, 13.3% were affordable.

## What Gets Built

While housing production influences affordability, other factors have far more impact. This is why I argue that housing affordability is a function of *what* gets built, not simply *how much*.

Home size is one factor that has far more impact on affordability than the number of homes that are built. Since 1982, the median size of new single family homes jumped 46.5% nationwide — from 1520 square feet to 2227 sq ft. The share of homes built with less than 1200 sq ft of living area also dropped from 25% in 1982 to only 4%. Smaller homes cost less to build, which makes them more affordable.

Three-quarters of the housing built in California in 2005 were single family homes. Only one-quarter were multifamily, which includes condominiums and apartments. Multifamily housing tends to be more affordable. You can also build more multifamily homes on a given site.

To improve housing affordability in SLO County and other communities throughout California, we need to focus on producing more smaller homes. We also need to produce more multifamily homes both for renters and for home buyers.

County	Housing Starts <sup>1</sup>		Increase in Housing Stock <sup>3</sup>	Affordability <sup>2</sup>	
	Starts	State Rank		Percent Affordable	Nat'l Rank
Riverside	34,330	1	5.0%	8.4%	17
Los Angeles	25,538	2	0.8%	1.9%	1
San Bernardino	16,679	3	2.6%	8.4%	17
San Diego	15,212	4	1.4%	5.2%	6
Sacramento	9,749	5	1.9%	7.9%	15
Kern	9,397	6	3.7%	16.5%	28
Orange	7,211	7	0.7%	2.5%	2
Fresno	7,098	8	2.4%	9.2%	18
San Joaquin	6,272	9	3.0%	6.5%	12
Contra Costa	6,111	10	1.6%	9.4%	19

1 California Building Industry Association (CBIA). State Rank is based on the number of housing starts in the county.

2 National Association of Home Builders (NAHB), Housing Opportunity Index for First Quarter of 2006. Percent Affordable is the percent of homes sold at prices that households earning the county median income could afford. Nat'l Rank is based on the least affordable housing market being #1. NAHB evaluated 182 housing market (metro areas) in the first quarter of 2006.

3 Calculated by dividing housing starts in 2005 by total housing units on 1/1/05 as reported by the CA Dept. of Finance.

# Kimberly's Sponsors Sept. 15 Fundraiser

Kim Conti of Kimberly's Global Real Estate Corporation ([www.kimberlyre.com](http://www.kimberlyre.com)) is sponsoring a fundraiser for the Housing Trust Fund on September 15th during the open house for her new offices at 1243 Monterey Street in San Luis Obispo.

"Kim is a long-time supporter" states HTF director Jerry Rioux. "We appreciate all she has done for the HTF."

The fundraiser will feature a silent auction for a framed giclee print of Vineyard Road, which was donated by local artist Dotty Hawthorne ([www.dottyhawthorne.com](http://www.dottyhawthorne.com)). The proceeds from the sale of Vineyard Road will be placed in the George Moylan Affordable Housing Fund and be used to finance affordable housing in SLO County. Dotty will also donate 20% of the proceeds from other art that is sold during the fundraiser.

A number of local businesses have also donated items that will be sold through the silent auction. The proceeds from the sale of these items will also go to the Moylan Fund.

Additional information on event and items donated for the silent auction are online at [www.sloctf.org/kimberlys.htm](http://www.sloctf.org/kimberlys.htm).



Vineyard Road by Dotty Hawthorne ([click for larger image](#))

*Kim's fundraiser is the latest of many efforts by members of the real estate industry to support the HTF.*

## HTF Funding Updates

### United Way Funds TA Project

United Way of SLO County awarded a \$2,000 grant to the HTF for our Special Needs Housing Technical Assistance Project. The funds will be used to assist local health and human service organizations to provide housing for their clients.

### George Moylan Affordable Housing Fund

We wish to acknowledge and thank the many individuals, firms and organizations who have made contributions in George's memory. More than \$25,000 has been contributed to date. Learn more at: [www.sloctf.org/moylan-fund.htm](http://www.sloctf.org/moylan-fund.htm).

### Mission Community Club

Mission Community Bank selected the HTF for its Mission Community Club last December. The bank presented a \$5,000 contribution for the George Moylan Fund in May. Learn more about the Community Club at: [www.missioncommunitybank.com](http://www.missioncommunitybank.com).

### Rotary Club of SLO

The Rotary Club of SLO gave a \$1,000 contribution to the George Moylan Fund in June. Many members of this club knew George and his work. We thank the Rotarians for their support and generosity.

### Rewards Programs

Learn how you can help the HTF when you buy from Scolari's or Ralph's or borrow from GMAC Mortgage or Wells Fargo at: [www.sloctf.org/rewards.htm](http://www.sloctf.org/rewards.htm).

## Prop 1C Needs You

Proposition 1C — the Housing and Emergency Shelter Trust Fund Act of 2006 — is on the November ballot. If passed, it will make \$2.85 billion available for affordable housing and community development projects throughout California. The proposition will make \$750 million available for rental and special needs housing and \$750 million available for home buyers. An additional \$1.35 billion will be available for transit-oriented, in-fill and smart growth projects.

While Prop 1C is polling well (61% support in late June), your support is needed to help ensure that it passes. Visit the official website — <http://homes4ca.org> — to learn more about Prop 1C and how you can help Prop 1C pass in November.

Please fill out an endorsement form for Prop 1C, which is available on our site — [www.sloctf.org/files/Prop1C.pdf](http://www.sloctf.org/files/Prop1C.pdf).

## Affordable Apartments in Paso

Peoples' Self-Help Housing is now accepting applications for its Oak Creek Apartments at 400 Oak Hill Road in Paso Robles.

Monthly rents for the 68 two and three bedroom units in this newly developed apartment complex are based on households size and income. Two bedroom units rent for between \$665 and \$808. Rents for three bedroom units range from \$767 to \$933. Rental assistance may be available for qualified agricultural workers.



Applications can be picked up at Peoples' Creekside Gardens Apartments, which is located at 401 Oak Hill Road in Paso Robles.

# Items of Interest...

## Publications

**The State of the Nations Housing 2006** is the latest edition of an annual report from Harvard's Joint Center for Housing Studies. It reports that the housing boom is slowing and affordability problems are increasing, and recommends involvement of government at all levels to address the challenges. Download it free from [www.jchs.harvard.edu](http://www.jchs.harvard.edu).

**Formulas for Success: Housing Plus Services in Rural America** is a new Housing Assistance Council report that examines how the "housing plus services" model has been implemented in rural areas. The report, which includes case studies and resource guides, is available online at [www.ruralhome.org/manager/uploads/HousingPlusServices.pdf](http://www.ruralhome.org/manager/uploads/HousingPlusServices.pdf).

**Promising Strategies to End Family Homelessness** is a new report from the National Alliance to End Homelessness and Freddie Mac that highlights successful strategies for reducing homelessness among families. You can download the report from [www.endhomelessness.org/pub/50472.pdf](http://www.endhomelessness.org/pub/50472.pdf).

## Websites

**The Craigslist Foundation** — <http://craigslistfoundation.org> — offers a wealth of information, contacts and resources to service its mission of "Providing knowledge, resources and visibility to the next generation of nonprofit leaders."

**TechSoup** — <http://techsoup.org> — is another online resource for nonprofit organizations that focuses on technology. In addition to offering articles, discussion groups and a newsletter, TechSoup offers commercial software at bargain prices.

## Events

**July 18 — Free Home Buying Workshop**, The Golden 1 Credit Union, 6:00 to 7:30 PM, pre-registration required, call 1-877-465-3361 ext. 5475 to sign up.

**Sept 15 — Silent Auction to Benefit the Housing Trust Fund**, Kimberly's Global Real Estate, 1243 Monterey Street, SLO, 4:30 to 7:30 PM — [www.sloctf.org/kimberlys.htm](http://www.sloctf.org/kimberlys.htm).

**Sept 16 — Housing Education Fair**, SLO Workforce Housing Coalition, Veterans Memorial Building, 11:00 AM to 3:00 PM — [www.slowhc.org](http://www.slowhc.org).

**Dec 4-6 — Mental Health and Housing Conference**, Housing California, Hilton Hotel, Pasadena — [www.housingca.org/events/creating-community](http://www.housingca.org/events/creating-community).

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.



## Notice of Funds Available: \$2.7 Million

Approximately \$2.7 million is currently available from the Housing Trust Fund to help finance affordable housing projects located in San Luis Obispo County. Loans for up to five years are available for rental and ownership housing, including transitional housing for individuals and households with special needs. Loans may be used for site acquisition, site development, construction or other activities that will create or preserve affordable housing for very low, low or moderate income individuals or households.

Visit our website - [www.sloctf.org/loans.htm](http://www.sloctf.org/loans.htm) - to learn more and download our NOFA (Notice of Funds Available), Program Guidelines, Loan Review Process and Underwriting Guidelines and other documents.

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