



Housing for All

San Luis Obispo County Housing Trust Fund

SLO County Approves \$200,000 Grant to HTF

On August 15, 2006, the SLO County Board of Supervisors unanimously approved a \$200,000 grant to the HTF. Like our original County grant, this one requires that we match County funds dollar for dollar from other sources, including the cities in the county. It also requires that we reach various benchmarks.

Because it has a multi-year term, the new grant provides added security for our operations over

the coming years. It will also help us raise funds from other sources because every dollar that is contributed to the HTF will be matched by the County.

We thank the members of the County Board of Supervisors for their ongoing support. We also thank County staff, in particular Dana Lilley and David Edge, for their assistance in processing our request and contract.

Prop 1C Takes The Lead

A new statewide poll shows Proposition 1C, the \$2.85 billion affordable housing and emergency shelter bond on the Nov. 7 ballot, leading by a 25-point margin, with strong support in every geographic region of California.

The mid-August survey by the non-partisan Public Policy Institute of California found that 57% of likely voters support Prop 1C while 32% oppose it. Prop 1C currently has the highest support of the five infrastructure bond measures that are on the ballot.

Participants in the survey also ranked affordable housing as the state's most pressing infrastructure need. Thirty-two percent listed housing as their top priority, compared to 25% who listed schools, 21% for transportation and 12% for flood-control systems.

At the state level, Prop 1C has been endorsed by a wide range of organizations, including:

- AARP
- League of Woman Voters
- California Chamber of Commerce
- League of California Cities
- California Association of Realtors
- California Building Industry Association
- Western Growers Association

Local endorsements include:

- SLO Chamber of Commerce
- Habitat for Humanity for SLO County
- Workforce Housing Coalition of SLO County
- The Mortgage House, Inc.

Register your support, by signing the endorsement form at: www.sloctf.org/files/Prop1C.pdf.

HTF Fundraiser
Friday, September 15
4:30 to 7:30 PM

Kimberly's Global Real Estate
1243 Monterey Street
San Luis Obispo, CA
www.sloctf.org/kimberlys.htm

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Community Land Trusts



Gerald L. "Jerry" Rioux
SLOCHTF Executive Director

At this year's strategic planning retreat, the San Luis Obispo County Housing Trust Fund's Board of Directors decided to explore the Community Land Trust or CLT model as an additional way to create affordable housing in our community. This article introduces the CLT model and will be followed by others as we explore the CLT model.

The Community Land Trusts create permanently affordable ownership housing by splitting ownership of the homes from the land. CLTs are non-profit corporations that own land for the benefit of the community. Individuals buy their homes and receive long-term leases for the land from the CLT.

A Popular and Flexible Model

The CLT model is in use throughout the United States — there are nearly 200 CLTs located in 41 states plus the District of Columbia. While all

CLTs share certain characteristics (see below), the model is quite flexible. This allows each CLT to adapt its structure and operations to meet local needs and take advantage of local opportunities.

Community Land Trusts create permanently affordable ownership housing

Most, but not all, CLTs are housing development corporations that build homes on the land that they own. Others purchase existing homes, then sell the homes and lease the land to individual buyers. Some assemble land for development by others.

Long-term Leases

While owning your home and leasing the land may sound like a mobile home park, there are many significant differences. The first is that CLTs are non-profit corporations that are governed by local boards of directors that include both individual home owners and community representatives.

The second is that while most mobile home park spaces are rented month to month and few can be

leased for longer than five years, most CLTs offer renewable 99 year leases. CLT leases also provide individual home owners with most of the rights of traditional home owners.

Because of their long-term leases, CLT homes are considered real estate, while mobile homes are generally considered personal property. As a result, Fannie Mae, FHA, USDA and other lenders will finance CLT homes with the same terms as traditional homes.

Permanent Affordability

Unlike other approaches to affordable ownership housing, homes in CLTs can be permanently affordable. This is because CLTs always own the land beneath the homes and the occupancy and sale of the homes are always subject to the lease.

CLT leases typically require owner-occupancy and include limits on the amount that the homes can appreciate. They also include either an option for the CLT to purchase homes that are offered for sale or require that sales be to income-eligible buyers.

Online Resources

Extensive information on CLTs is available online from the following organizations:

- Burlington Associates CLT Resource Center — www.burlingtonassociates.com/resources
- Institute for Community Economics (ICE) — www.iceclt.org
- EF Schumacher Society — www.smallisbeautiful.org/clts.html
- PolicyLink — www.policylink.org/EDTK/CLT

NPR: Buy the House, Lease the Land —

CLTs were featured on the August 1, 2006 "All Things Considered" show. Listen to the story at: www.npr.org/templates/story/story.php?storyId=5598859

Community Land Trust Features: The CLT model is characterized by the following 10 features:

- 1. Nonprofit tax-exempt corporation.** CLTs are independent nonprofit organizations that generally qualify for tax-exempt 501c3 status.
- 2. Dual ownership.** The CLT owns the land and individual home owners own their homes.
- 3. Leased land.** Individual home owners receive renewable long-term ground leases for their lots (typically 99 years).
- 4. Perpetual affordability.** The CLT has the right to purchase homes at a controlled price that gives current owners some return on their investment and is affordable for future buyers.
- 5. Perpetual responsibility.** The CLT has ongoing responsibilities that include monitoring property maintenance, curing loan defaults and overseeing resales.
- 6. Community base.** The CLT operates within a defined geographic area, which can be a neighborhood, city or region.
- 7. Tripartite governance.** The CLT's board has an equal numbers of seats for CLT home owners, community members and public stakeholders.
- 8. Resident control.** CLT home owners and community members nominate and elect their representatives to the board.
- 9. Expansionist acquisition.** CLTs are committed to increasing the land and number of homes that are under their stewardship.
- 10. Flexible development.** The CLT model accommodates various housing types, including apartments, cooperatives, condominiums and mobile home parks, as well as single family homes.

Lenders Embrace Inclusionary Housing

Fannie Mae, which sets the standards for home lending throughout the US, estimates that there are now 250 local inclusionary housing programs nationwide. In addition, New Jersey and Massachusetts have statewide inclusionary requirements. The number of inclusionary programs is increasing steadily as communities respond to high housing costs. In response, the lending industry is adapting to work with and support these programs.

Fannie Mae

Fannie Mae has purchased loans for deed restricted inclusionary homes for decades. Historically, Fannie Mae has required that these programs be subordinate to its loans and be wiped out if its loans are foreclosed. As of May 2006, Fannie Mae will allow the restrictions to survive foreclosure and will work with local programs to preserve affordable units from foreclosure.

Information on Fannie Mae's new standards are available online at www.efanniemae.com/sf/guides/ssg/rclt/pdf/rfaq.pdf and www.efanniemae.com/sf/guides/ssg/rclt/pdf/rroverview.pdf.

CalHFA

CalHFA, which offers low cost financing and down payment assistance for first time home buyers, has historically refused to make loans for deed restricted inclusionary homes. CalHFA's position has moderated over the past two years and numerous inclusionary programs have been approved, including the City of Atascadero's recently updated inclusionary program.

Instructions for obtaining CalHFA's approval of the legal documents for a local inclusionary program is online at: www.calhfa.ca.gov/homeownership/bulletins/2002/2002-18.pdf.

Short Notes

Rioux to Speak in NH

HTF director, Jerry Rioux, will speak on resident-owned and controlled mobile home parks at the Meredith Institute in Manchester, NH. Rioux is a nationally recognized expert in this field. He created and managed California's Mobilehome Park Resident Ownership Program and has assisted with the purchase of numerous parks by the residents and nonprofit corporations over the past 20 years.

Bakersfield Partnership

Mathews Homes and Self-Help Enterprises have entered into a unique partnership that will produce 52 affordable homes for low income home buyers in Bakersfield. Since the developer agreed to include affordable homes in its 260-home subdivision, the city granted a 20% density bonus. The affordable homes will be built by Self-Help Enterprises (SHE), a Visalia-based nonprofit, using the "sweat equity" of the home buyers.

License Plates for Affordable Housing

The Florida Association of Realtors® initiated legislation that authorizes the state to issue "Support Homeownership for All" license plates. The annual cost for the special license plates will be \$25. The sales proceeds will be used to fund housing programs (90%) and market the plates (10%).

Population Growth & Housing Affordability

While some people believe that rapid population growth increases housing affordability, the data indicates otherwise. Four of California's five fastest-growing cities had median home sales prices that were higher than the medians for the counties in which they are located (see below). Population growth was reported by the US Census for cities with populations of at least 100,000 between July 1, 2004 and July 1, 2005 and home sales prices were reported by DataQuick for April 2006.

Population Growth vs. Housing Affordability

City	County	Population Growth			Median Sales Price	
		Rate	State Rank	Nat'l Rank	City	County
Elk Grove	Sacramento	11.6%	1	1	\$433,750	\$360,000
Moreno Valley	Riverside	7.3%	2	6	\$370,000	\$405,000
Rancho Cucamonga	San Bernardino	6.4%	3	7	\$495,000	\$363,000
Irvine	Orange	4.9%	4	10	\$697,500	\$635,000
Bakersfield	Kern	4.4%	5	11	\$295,000	\$273,750

San Luis Obispo County Housing Trust Fund



Opening Doors for Affordable Housing
Annual Report—2005

Annual Report Available

The San Luis Obispo County Housing Trust Fund's 2005 Annual Report is now available to download from our website: www.sloctf.org/files/annual-report-2005.pdf

CalHFA Update

CalHFA recently increased its purchase price limits in SLO County to \$526,977 for new homes and \$552,842 for existing homes. Local home buyers who receive CalHFA first mortgages are now eligible for HiCAP seconds — \$12,500 loans with no monthly payments for up to 30 years. For more info, go to www.calhfa.ca.gov.

Items of Interest...

Publications

San Luis Obispo County Housing Trust Fund Annual Report — The HTF's 2005 Annual Report is now available online at www.sloctf.org/files/annual-report-2005.pdf.

Housing Facts & Findings is a publication of the Fannie Mae Foundation. A recent issue — "*Easing the Affordability Crunch: The Inclusionary Housing Option*" — focuses on the responses of local governments to the need for affordable housing. It is available online at www.fanniemaeoundation.org/programs/hff/pdf/HFF_v8i1.pdf (large file, be patient).

Moving Home: Manufactured Housing in Rural America is a Housing Assistance Council report on manufactured housing in rural America that includes a variety of perspectives on the pros and cons of using manufactured homes to provide affordable sustainable home ownership. You can download it from www.ruralhome.org/manager/uploads/MovingHome.pdf.

Websites

Visualizing Density is a Lincoln Institute of Land Policy website that includes information, photos, a tutorial and a game to help people understand and visualize a broad range of housing densities in both urban and rural settings. Free registration is required to access portions of the site. Check it out at: www.lincolnst.edu/subcenters/visualizing_density.

The **Local Government Commission** is a nonprofit organization that assists local governments to create livable and sustainable communities. LGC's website — www.lgc.org — includes extensive information on community design, transportation, economic development, energy, the environment and other inter-related topics.

Events

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. Please **RSVP to info@kimberlysre.com by Friday, September 8th.**

Sept 16 — Housing Education Fair, Workforce Housing Coalition of SLO County, Veterans Memorial Building, 11:00 AM to 3:00 PM — www.slowhc.org or download flyer from www.sloctf.org/files/housing-fair.pdf.

Oct 26-27 — Rural Housing Summit, Asilomar, Pacific Grove, California Coalition for Rural Housing — www.calruralhousing.org/Home_RHS.htm.

Dec 4-6 — Mental Health and Housing Conference, Housing California, Hilton Hotel, Pasadena — 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 - to learn more and download our NOFA (Notice of Funds Available), Program Guidelines, Loan Review Process and Underwriting Guidelines and other documents.

Board of Directors

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