



Housing for All

San Luis Obispo County Housing Trust Fund

SLO County Adopts Inclusionary Housing

On December 9, 2008, the San Luis Obispo County Supervisors approved two inclusionary housing ordinances — one for the coastal zone and the other for the balance of the county.

The ordinances address the housing needs of households at four different income levels:

- Very low income (under 50% of the area median income or AMI),
- Low income (51% to 80% of AMI)
- Moderate income (81%-120% of AMI), and
- Workforce income (121%-160% of AMI).

The ordinances require that 15% to 20% of the housing developed in the county be affordable to and reserved for households with incomes at each of these levels, beginning with the highest level first.

Under the ordinances, home builders may satisfy their inclusionary requirement by:

- Building affordable units on-site,
- Building affordable units off-site,
- Providing land for the affordable units,
- Paying in-lieu fees, or
- Doing a combination of the above.

The ordinances apply to non-residential developments as well as housing developments. Non-residential developers must:

- Include affordable housing in their projects (i.e., build mixed use projects),
- Provide land for the affordable housing,
- Pay housing impact fees, or
- Do a combination of the above.

The ordinances are balanced, in that they include both incentives for building affordable units as well as mandates. Among the incentives are a one for one density bonus and the ability to modify, relax or waive development standards.

In addition, housing developers may choose to build projects that take advantage of the state density bonus law, rather than comply with the local inclusionary ordinance.

Due to the state of the real estate market, the ordinances will be phased in over five years.

SLO County is #1 in CA; #2 in US

The National Association of Homebuilders (NAHB) recently reported that San Luis Obispo County was the least affordable housing market in California during the third quarter of 2008. Only 13.4% of the homes sold in this county during July, August and September were affordable to home buyers that earned the county median income. Throughout the nation, only the New York City metro area was less affordable.

Even though the local median home sales price fell in each of the last two quarters, the percent of “affordable” units was lower in the third quarter. As a result, SLO County was the third least affordable market in the nation during the second quarter of 2008 and the fifth least affordable during the first quarter.

A complete ranking and additional information on the NAHB Housing Opportunity Index (HOI) is online at www.nahb.org/page.aspx/category/sectionID=135.

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Short Notes

State Freezes Almost All Housing Funds

The State Treasurer's Office has frozen the funding for all state housing programs that rely on the sale of bonds including CalVet home loans, CalHFA home and apartment loans, and the various programs funded by Propositions 1C and 46. The freeze even impacts projects that are under construction and will continue until the state adopts a budget and is able to sell bonds again.

The freeze does not effect projects funded through the Mental Health Services Act (MHSA) or federal housing program that are administered by the state, such as HOME, CDBG or ESG.

Supportive Housing Has Little Impact on Surrounding Housing Values

The Furman Center for Real Estate and Urban Policy found that supportive housing for people who are disabled and formerly homeless has little impact on local property values. The study of supportive housing in New York City analyzed 123 buildings with 7,500 units that were built between 1985 and 2003. The report, [The Impact of Supportive Housing on Surrounding Neighborhoods: Evidence from New York City](http://furmancenter.org/files/FurmanCenterPolicyBriefonSupportiveHousing_LowRes.pdf), is online at http://furmancenter.org/files/FurmanCenterPolicyBriefonSupportiveHousing_LowRes.pdf.

Illegal Aliens have had Fewer Foreclosures

The LA Times and other publications recently reported that undocumented immigrants generally have had fewer mortgage delinquencies and foreclosures than US citizens. This conclusion is based, in part, on the performance of more than 12,000 home loans that were made through a special program that relies on government-issued taxpayer identification numbers or ITINs instead of Social Security numbers. According to banks, insurers and Realtors, these loans performed better because they had stricter lending requirements including larger down payments, pre-purchase counseling and fixed interest rates.

Talk about Toxic Assets

Another LA Times article highlighted problems at Irvine-based sub-prime lender New Century Financial Corp. As early as November 2004, 10% of New Century's borrowers had failed to make payments in the first three months of their loans! (More at www.latimes.com/news/la-fi-newcent26-2008nov26.0,2226866.story)

The Comptroller of the Currency (OCC) has some sobering statistics relative to foreclosure assistance. More than half of loans that were modified in the first and second quarters of 2008 defaulted within six months! Hopefully, things will improve when and if lenders implement the Federal Housing Finance Agency (FHFA) new industry standards for loan modifications. (More at <http://blog.hsh.com/?p=1628>)

Housing Costs Consume an Increasing Share of Household Budgets

A report from the Center for Housing Policy shows that many components of the typical household budget increased significantly faster than incomes between 1996 and 2006. During that time, housing costs increased as a percentage of the household budget relative to food, transportation, and even healthcare.

Over this ten-year period, housing costs for owners grew by 66%, while the incomes of home owners increased by only 36%. All of the major components of housing costs, including mortgage payments, utilities, property taxes and insurance, grew faster than incomes. During the same period, rents increased by 51%, while tenant incomes grew by only 31%.

The report, *Stretched Thin: The Impact of Rising Housing Expenses on America's Owners and Renters*, is available at www.nhc.org/pdf/pub_stretchedthin_2008.pdf.

HTF Funding Updates

Bank of America Awards \$10,000

The Bank of America Foundation has awarded \$10,000 in general operating support to the HTF. This is BofA's fourth grant to our organization. The bank has contributed a total of \$60,000 to the HTF, making it our top corporate contributor.



Heritage Oaks Bank contributes again

Heritage Oaks Bank has contributed nearly \$3,000 to the George Moylan Affordable Housing Fund through its 2008 Fun Run. Participants in this year's Fun Run were asked to designate which charity to support. The Bank raised \$6,000 for the Moylan Fund from the Fun Run in 2007. For more information, go to www.hobfunrun.com.



George Moylan Fund

The George Moylan Affordable Housing Fund was established in October 2005 to honor the memory and continue the work of George Moylan, a founding director of the Housing Trust Fund. Contributions to the Moylan Fund are used exclusively to finance affordable housing projects in San Luis Obispo County.

More than 300 individuals, firms and organizations have contributed roughly \$73,000 to the Moylan Fund to date. Some of the top contributors in 2008 include Heritage Oaks Bank (see story to left), First American Title Company, Coast Hills Federal Credit Union, Kathleen Copeland, Ken and Nita Kenyon, and Joseph and Madeleine Johnson.

We thank all the contributors to the Moylan Fund for your generosity. Additional information on the Moylan Fund is available online at: www.sloctf.org/moylan-fund.htm.

Items of Interest...

Publications

Deconstructing Jobs-Housing Balance is a recent report from the California Planning Roundtable that focuses on balancing jobs and housing. Having a jobs-housing balance reduces driving, congestion, pollution, energy consumption and public infrastructure costs. The report is online at www.cproundtable.org/media/uploads/pub_files/CPR-Jobs-Housing.pdf.

Growing Cooler: The Evidence on Urban Development and Climate Change is a recent report from the Urban Land Institute that concludes that smart growth and compact development can cut down drive times and reduce greenhouse gas emissions. You can download the report at http://docs.nrdc.org/cities/cit_07092401a.pdf.

Community Investments Online is an electronic newsletter of the Federal Reserve Bank of San Francisco. The December 2008 issue is online at www.frbsf.org/publications/community/investments/0812/index.html.

Home Energy Briefs are a series of nine practical guides from the Rocky Mountain Institute that describe what homeowners can do to save energy. Download the free from <http://nc.rmi.org/Page.aspx?pid=217&srcid=217>.

Videos

Community Reinvestment Act (CRA). The National Community Reinvestment Coalition (NCRC) has produced a short video to clarify the role and significance of the CRA. You can view it on YouTube at www.youtube.com/user/reinvestmentworks.

Everyone Deserves A Roof (EDAR). EDAR is mobile shelter for the homeless and the brainchild of Peter Samuelson, a philanthropist and film producer whose credits include "Revenge of the Nerds" and "Arlington Road." To see a video of EDAR and some of the people it has helped, go to www.latimes.com/video/?autoStart=true&topVideoCatNo=default&clipId=3219562.

Websites

The Places We Live is a multimedia website, book and traveling exhibit on the slums of India, Kenya, Indonesia and Venezuela by Norwegian photojournalist Jonas Bendiksen and Nobel Peace Center. For a sobering, and at times inspiring, view of life in some of the world's poorest communities, visit <http://theplaceswelive.com>.

Green Communities is an initiative of Enterprise Community Partners to promote sustainable housing for low income households. Check out their website at www.greencommunitiesonline.org.

What is Rural? The USDA Rural Information Center recently updated its online bibliography of the many definitions of what is rural at www.nal.usda.gov/ric/ricpubs/what_is_rural.shtml.

Documents & Websites on Affordable Housing & the Relationship to Property Values is a bibliography from the California Department of Housing and Community Development www.hcd.ca.gov/hpd/prop_value.pdf.

Events

April 20-21, 2009 — Annual Policy Conference — National Low Income Housing Coalition, Washington, DC — www.nlihc.org/template/page.cfm?id=134

April 27-29, 2009 — Housing California 2009 — Housing CA, Sacramento — www.housingca.org/events/annualconference

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.



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