

Housing for All

San Luis Obispo County Housing Trust Fund

Room for One: SROs an affordable housing option

By Cindy Ma, HTF Intern — San Luis Obispo (SLO) County was the 10th least affordable housing market in the nation during the second quarter of 2011 according to the National Association of Home Builders. The issue of affordable housing is a high priority for local jurisdictions throughout the county as the gap between the supply of and demand for affordable housing continues to grow.

To address affordable housing needs, jurisdictions in SLO County have passed inclusionary housing and secondary dwelling unit ordinances. Although these initiatives have offered low and moderate income families and individuals more housing options, additional options such as Single Room Occupancy (SRO) dwelling units should also be considered.

The California Department of Housing and Community Development (HCD) has identified SRO dwelling units as a promising way to provide affordable housing for lower income individuals, seniors and persons with disabilities.

SROs Defined

The term SRO can refer to an individual dwelling unit or an entire building that includes SRO units. The key characteristics of SRO dwelling units include:



The Wineman Hotel in downtown San Luis Obispo includes 48 SRO (single room occupancy) units. The rents on these units range from affordable for very low income individuals to market rate. (Photo courtesy of Anderson Commercial Real Estate Services.)

- Small size — ranging from 150* to 450 square feet,
- Small private bathrooms, and
- Partial kitchens — at least a hotplate and sink.

Although a full bathroom is typical for newer SRO units, older SRO units often

* Health and Safety Code §17958.7 allows units as small as 150 square feet (see page 3).

share bathroom facilities with other units on a floor or in a building.

SRO Brief History

SROs have always been part of America's housing stock. As early as 1880, SROs took the form of residences in hotels and boarding houses. From the 1880s to 1930s SROs were primarily occupied by transient workers and low-income laborers. These units were concentrated either downtown or in close proximity to city centers.

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LHTF Public Workshop

Nov. 9 at 3 pm in HTF Offices

Housing developers, nonprofit corporations and local governments are invited to attend a public workshop to learn more about the HTF's programs, including our LHTF and CDFI funds. Over \$2 million is currently available to help finance affordable housing projects in San Luis Obispo County. Additional information on the workshop is online at www.slochtf.org/workshop.htm.

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Housing Trust Fund Updates

US Treasury awards \$600,000 to HTF

The CDFI Fund of the US Treasury has approved a \$600,000 grant to the HTF. This is our third CDFI Fund grant in as many years and our largest to date. The \$1.6 million we received from the Treasury since 2009 is committed exclusively for financing local affordable housing projects. More information on the CDFI Fund and its programs is available at www.cdfifund.gov.

CHW invests \$500,000

Catholic Healthcare West, which owns three local hospitals, has renewed its \$500,000 investment in the HTF's revolving loan funds. CHW, which has a strong commitment to all the communities that it serves, is our third largest investor. Their renewal is for five years at 3.0%. The funds will be used exclusively to finance affordable housing for low income households.

HTF Finances New Homes in Atascadero

The HTF has provided financing to a private developer to purchase a foreclosed four-unit subdivision in Atascadero (see photo below), complete the homes and sell them to moderate income home buyers. Atascadero residents have the first priority for the homes, which will be sold from the low to high \$200,000s. For more information or to buy a home call 238-1031.



Santa Ysabel Project – affordable homes in Atascadero. For more information, call Estrella Associates at 238-1031.

Gilman joins Commission

The City of Paso Robles has appointed Councilman Nick Gilman to the HTF Commission. Gilman replaces Ed Gallagher, who has served on the Commission since its inception. A list of Commissioners is online at: www.sloctf.org/our-team.htm.

Local Governments continue their support

The HTF is grateful for the ongoing support of San Luis Obispo County and the cities in the county. So far in 2011, we have received the following amounts from local jurisdictions:

- County of San Luis Obispo — \$40,161
- City of San Luis Obispo — \$30,000
- City of Paso Robles — \$7,500
- City of Arroyo Grande — \$5,000
- City of Grover Beach — \$5,000
- City of Pismo Beach — \$2,000
- City of Morro Bay — \$500

Wells supports Moylan Fund

The Wells Fargo Foundation has awarded \$5,000 to the Moylan Fund on behalf of Wells Fargo Home Mortgage. The funds will be used exclusively to finance the development of affordable housing for lower income home buyers. More information is online at: www.sloctf.org/grant-wells.htm.

George Moylan Affordable Housing Fund

The Moylan Fund was established in 2005 to honor the memory and continue the work of George Moylan, one of our founding directors. Contributions are used exclusively to finance affordable housing projects in San Luis Obispo County. More information is available online at: www.sloctf.org/moylan-fund.htm.



Short Notes

SLO Habitat completes new homes

Habitat for Humanity for San Luis Obispo County recently completed two affordable homes in the City of San Luis Obispo. These brought Habitat's total to 14 homes in SLO County. They currently own land in the cities of Arroyo Grande, Paso Robles and San Luis Obispo for future development. Additional information on Habitat is available at www.hfhslo.org.

Habitat 6th largest builder in US

Builder Magazine has ranked Habitat for Humanity as the sixth largest builder in the United States for 2010. Habitat affiliates throughout the nation produced 6,032 homes during the year, which was 14% more than they produced in 2009. In 2009, Habitat was the nation's eight largest builder.

Peoples' joins the NeighborWorks Network

Peoples' Self-Help Housing Corporation has become a member of the NeighborWorks Network, which includes 235 local housing and community development corporations nationwide. Membership provides Peoples' access to additional resources. Additional information on Peoples' and NeighborWorks America is available at www.pshhc.org and www.nw.org, respectively.

SLO Loan Limits to Drop 20% in October

The FHA, Fannie Mae and Freddie Mac loan limits dropped nearly 20% in San Luis Obispo County effective October 1, 2011. The maximum loan for single family homes is now only \$561,200—down from \$687,500. Similar decreases occurred for two- to four-family homes.

Room for One (Continued from Page 1)

Beginning in the 1940s and through the 1960s, SROs slowly disappeared as health and sanitation regulations required larger unit areas and full and private baths. SRO buildings during this time also deteriorated due to lack of maintenance and repairs.

Today SROs are re-emerging as a viable affordable housing option, identified in many city and county housing elements, zoning codes and building regulations. Nationally, SROs have been recognized as an important affordable housing resource by the U.S. Department of Housing and Urban Development (HUD) and the rehabilitation of older SROs is encouraged.

SRO Dwellers

Although transient workers, low-income laborers, and immigrant families were historically the primary occupiers of SROs, the make-up of SRO residents is quite diverse today. Contemporary SRO inhabitants include formerly homeless individuals, the elderly, single young professionals, college students, low-income individuals and disabled persons on limited income.

Advantages and Disadvantages

Living in a SRO dwelling unit has advantages and disadvantages. These were evident from informal meetings and conversations with several residents of San Luis Obispo's landmark adaptive re-use SRO, the Wineman Hotel. Residents expressed that living at the Wineman provides a sense of community and support that is not commonly available in other housing options. Affordable rents** and the opportunity to live in a prime downtown location near activity and amenities were also mentioned as a plus to SRO living.

Disadvantages include limited opportunities for entertaining and cooking due to the small kitchen and living room setup. Occasional lack of sleep is also a reality due to the noise of downtown nightlife.

** The Wineman offers units at various rent levels that are affordable to very low, low or moderate income individuals.



Kitchen facilities in the Wineman Hotel in downtown San Luis Obispo are typical for higher-quality SRO units.

Local Jurisdiction Policies

Currently none of the jurisdictions in SLO County has SRO-specific regulations in their zoning and building codes. However, the Cities of Atascadero, Grover Beach, Morro Bay, Paso Robles, and San Luis Obispo and the County all encourage SROs in their housing elements. Intentions to create policies and definitions that preserve and support development of SROs are written in several of these housing elements.

Looking Forward

Given that regulations to guide the preservation and development of SROs do not currently exist in SLO County or any of its jurisdictions, adopting California Health and Safety Code Section 17958.1, which allows smaller efficiency units, would be a good starting point. Other cities in California such as Martinez and Moraga in the East Bay, Elk Grove in the Sacramento area and San Diego have specifically incorporated Section 17958.1 in their municipal codes.

Section 17958.1 regulates that the minimum floor area of an efficiency dwelling unit be 150 square feet for two or less occupants. By adopting or incorporating Section 17958.1 into their building and municipal codes, SLO County and its jurisdictions would allow for smaller units to be built and rehabilitated, thus further encouraging the creation of SROs. Typically, it is the minimum floor area of 220 square feet for dwelling units, as set forth in Section 32 of Title 25 of the California Code of Regulations, that presents an obstacle for developers looking to build new SROs or convert existing hotel or motel rooms into SROs.

SROs are a valuable housing option for all types of people. While small in size, SROs still encompass basic necessities of a typical dwelling unit and offer occupants the opportunity to be part of a community and have an affordable home.

Affordable Homes Available in Atascadero



Peoples' Self-Help is accepting applications from families who want to build their own homes in Atascadero.

Please tell your friends, neighbors and employees about this opportunity to own their own home. Download applications at: www.pshhc.org/programs-home-ownership.html.

Affordable Rentals Available in San Luis Obispo



The ROEM Corporation is accepting applications for new apartments at Village at Broad Street, near Broad and South Street in the City of San Luis Obispo. The one, two and three bedroom units will be available to occupy in November.

Applications and additional information is available at: www.villageatbroad.com.

Please tell your friends, neighbors and employees about this opportunity.

Items of Interest...

Publications, Videos, and Websites

Keep Your Home California is a new program of the California Housing Finance Agency (CalHFA) that offers assistance to home owners who are having difficulties paying their mortgages. CalHFA can provide temporary help with your payments, a principle reduction and even moving expenses. For help, go to: www.keepyourhomecalifornia.com.

Stable Home Ownership in a Turbulent Economy, a study from the National Community Land Trust Network, found much lower foreclosure rates among CLT owners when compared to owners of market-rate homes. Foreclosures were 10 times more likely for market-rate owners. More info is online at www.clnetwork.org/index.php?fuseaction=Blog.dspBlogPost&postID=2767.

Events

Peoples' Self-Help Housing Corporation Seminars — check for details, dates and locations:

First Time Home Buyer Education Seminars — www.pshhc.org/homebuyer_seminars.html

Foreclosure Prevention Seminars — www.pshhc.org/foreclosure_prevention_seminars.html

Oct 24-25 — Rural Housing Summit, Asilomar — CA Coalition for Rural Housing — www.calruralhousing.org/?page_id=108

Oct 24-28 — 2011 National CLT Conference, Seattle — National Community Land Trust Network — www.clnetwork.org/index.php?fuseaction=Blog.dspBlogPost&postID=2745

Nov 9 — LHTF Public Workshop, HTF Offices, San Luis Obispo — www.slocthf.org/workshop.htm

Nov 14-17 — Opportunity Finance Network Conference, Minneapolis — Opportunity Finance Network — www.opportunityfinance.net



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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\$2 Million Available

The Housing Trust Fund has over \$2 million available to help finance affordable housing projects located in San Luis Obispo County. Loans for up to five years are available for ownership and rental housing, including transitional and supportive housing.

Loans may be used for acquisition, development, construction or other activities that will create or preserve affordable housing for very low, low or moderate income households, including households with special needs.

Projects that qualify for LHTF funds currently have a priority (see www.slocthf.org/files/guidelines-lhtf.pdf)

Visit our website to down-load our guidelines and other documents — www.slocthf.org/loans.htm.