

Housing for All

San Luis Obispo County Housing Trust Fund

HTF Approves Four Loans

The Housing Trust Fund recently introduced a new loan product that was designed to help more local rental housing projects secure Low Income Housing Tax Credits from the state. These federal and state tax credits are currently the main subsidy for affordable rental housing in California. Consequently, the competition for tax credits is quite fierce.

Affordable rental housing is very difficult to develop in San Luis Obispo County. Potential projects face a myriad of obstacles starting with the lack of properly zoned land and infrastructure (primarily water and sewer), followed by neighborhood opposition and limited local subsidies. Once approved, tax credits are needed to make these projects financially feasible.

One key factor in the competition for tax credits is the level of “public support” that each project receives. Projects receive

bonus points based on their government grants, fee waivers and other public subsidies. Because of our state and federal grants, the HTF has been able to design a new loan product that meets the tax credit definition of public support and qualifies for the bonus points.

The new loan product includes a number of exceptions from the HTF’s general loan guidelines, including a 4.0% simple interest rate, 17 year loan term, and annual payments based on the project’s net cash flow. If needed, payments of both principal and interest may be deferred. Other parameters for the new loans include loan limits of \$10,000 per unit and \$400,000 per project. Our guidelines are online at www.sloctf.org/files/guidelines.pdf.

The HTF board has approved four loans using this loan product
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Create Jobs for USA

The San Luis Obispo County Housing Trust Fund (HTF) has received a \$20,025 capital grant from the Create Jobs for USA Fund (Create Jobs), which is managed by the Opportunity Finance Network® (OFN). Starbucks and OFN teamed up to launch the Create Jobs initiative in response to the jobs crisis facing America. This money will help the HTF to create and sustain jobs in San Luis Obispo County as part of this national campaign to provide financing to community businesses in underserved areas.

“Create Jobs for USA makes it possible for Americans to help other Americans who need jobs,” Mark Pinsky, president and CEO of OFN, explained. “By donating at Starbucks stores or online, individuals can help create and retain jobs in their communities because 100% of donations collected go to community businesses across the country.”

Create Jobs began in November 2011 with an initial donation of \$5 million from the Starbucks Foundation. The initiative pools additional donations from concerned citizens and select partners into a nationwide fund that is managed by OFN. Top-tier community development financial institutions (CDFIs), like the HTF, are awarded grants from the fund to provide financing for community business lending.

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Create Jobs collects donations at its website - www.CreateJobsforUSA.org - and at nearly 7000 company-operated Starbucks across the country. Donors who contribute \$5 or more receive a red, white, and blue wristband with the message Indivisible. (example to right)

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www.CreateJobsforUSA.org

HTF Updates

County approves funding

The SLO County Board of Supervisors approved \$40,161 in funding for the HTF as part of its FY 2012-3 budget. The County's support covers a critical 13.4% of our operating budget. The County has been the number one supporter of the HTF's operations since we incorporated.

BofA awards \$5,000 again

Bank of America continues to be the HTF's most consistent corporate supporter. The bank awarded a second \$5,000 in 2012 to support our operations. Our many successes would not have been possible without the bank's support.

Grover continues support

The City of Grover Beach approved a \$5,000 grant to the HTF as part of its FY 2012-3 budget. The City has supported the HTF every year since 2004.

HTF finances care facility

The HTF provided a loan to the Tri-Counties Community Housing Corporation to purchase a home in Nipomo that will be converted into a licensed residential care facility for individuals with severe developmental disabilities.

HTF Technical Assistance

Mike Zappas and Gaylen Little recently broke ground on a 100-unit apartment project in Atascadero thanks, in part, to our technical assistance. The Las Lomas apartments is the first market rate rental project to be built in the county in years.

Litzinger joins Commission

Ken Litzinger is the newest member of the HTF Commission, our loan committee. Ken is a CPA and HASLO's CFO. In addition to affordable housing, Ken has experience with nonprofit and government finances. The Commission roster is online at: www.slocthf.org/our-team.htm.

Insurance appoints Rioux

The CA Department of Insurance has appointed HTF Executive Director, Jerry Rioux, to the California Organized Investment Network (COIN) Advisory Board. COIN encourages the insurance industry to make more investments in underserved and rural communities and administers the CDFI tax credit program.

Cabreros joins HTF Board

Clarence C. Cabreros, Commercial Lending Group Manager at Heritage Oaks Bank, has joined the Housing Trust Fund's Board of Directors.

"I look forward to working with the Housing Trust Fund," said Cabreros "to help create affordable housing that will assist families in San Luis Obispo County."

Cabreros' banking career began in 1991 as a student intern at Mid-State Bank & Trust (now Rabobank). By 2004, he was managing the Mid-State's Real Estate Industries Group. He stayed on with Rabobank for 2 years, and then was a consultant, before joining Heritage Oaks Bank in 2010.

"We are very honored to have Clarence Cabreros join our board," states HTF board chair Julian Crocker. "He brings more than twenty years of commercial lending experience to our organization."

Cabreros lives in rural Arroyo Grande with his wife Julia and 5 year old daughter. He has called SLO county his home for nearly four decades. He graduated from Cal Poly in 1993 with a degree in business and concentrations in finance and real estate. He graduated from the Pacific Coast Banking School in 2008.

Cabreros is also active with both business and community groups. He is a board



member of the Santa Maria Chamber of Commerce and the San Luis Obispo County Coalition of Labor, Agriculture, and Business (COLAB). He previously served on the board of the Home Builders Association of the Central Coast.

In addition, Cabreros is the president of the Arroyo Grande High School Eagle Athletic Foundation, a member of Rotary International and on the finance committee of St. Patrick's School.

Create Jobs (Continued from Page 1)

The wristbands are individually handmade in America and all component materials are manufactured by US suppliers, so the effort is also helping support American manufacturing jobs.

The initiative has raised more than \$11.5 million dollars to date from concerned citizens and like-minded companies to help create and sustain jobs. Create Jobs' partners include Banana Republic, Google Offers, Citi Community Development and the Citi Foundation. One hundred percent (100%) of the money that is raised supports organizations like the HTF.

CDFIs provide financing to community businesses in underserved markets where would-be community business owners may

not qualify for credit from traditional lending institutions. Community businesses include small businesses, microenterprises, nonprofit organizations, commercial real estate developers, and affordable housing developers. All of these community businesses help to create and sustain local jobs.

Opportunity Finance Network (OFN) is the national network of Community Development Financial Institutions (CDFIs)—private financial institutions that are 100 percent dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream. More information is available at: www.opportunityfinance.net.

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which are identified and described below. These projects will apply for tax credits this month. Decisions on their applications will be made this fall. If approved for tax credits, the projects will start construction in the Spring of 2013 and be completed within nine to 12 months.

All of the projects will be affordable to households that earn between 30% and 60% of the area median income adjusted for household size. The monthly rent for one bedroom units will range from \$424 to \$849 including utilities. Three bedroom units will cost between \$588 and \$1,176 per month. There are often four or more different rents for each size unit.

Courtland Apartments

The Courtland Street Family Apartments is a proposed 36-unit development in Arroyo Grande that will be built by Peoples' Self-Help Housing Corporation. Peoples' is a local nonprofit that has developed affordable rental and ownership housing on the Central Coast for more than 40 years. The Courtland project has a mixture of one, two and three bedroom units. The HTF committed \$360,000 for the project. This will be the HTF's second loan for a Peoples' project and our third for a project in Arroyo Grande.

South Street Apartments

The HTF committed \$400,000 for South Street, a proposed 43-unit development that is located on South Street two blocks east of Higuera in San Luis Obispo. The project's sponsor is the ROEM Development Corporation. ROEM is a Silicon Valley-based for-profit that has developed 1,782 affordable apartment units over the past decade. This will be the HTF's second loan to ROEM. We also assisted their first local project - the Village at Broad Street, which is located four blocks to the east.

Morro Del Mar Senior Apartments

Morro Del Mar is a proposed 21-unit project for seniors in Morro Bay. The HTF committed \$210,000 for this project, which will



The 43-unit South Street Family Apartments will offer affordable one, two and three bedroom rental homes in San Luis Obispo. The developer is the ROEM Development Corporation.

have 16 one bedroom and five two bedroom apartments. It is located on Main Street south of Morro Bay Boulevard. The project's sponsor is the Pacific Southwest Community Development Corporation. PSCDC is a nonprofit corporation that has developed 47 affordable rental projects with 5,336 apartments since 1995. This will be their first project in the county and the HTF's first loan for a project in Morro Bay.

Oak Park Phase 2

Oak Park is the planned redevelopment of a 148-unit public housing project in northwest Paso Robles. Eventually, 302 new apartments will be built on the 25 acre site. The project is being developed by a partnership between the Paso Robles and Monterey County housing authorities.

Tax credits were approved for the first phase of 80 units at Oak Park in July. The HTF committed \$400,000 for phase 2, which will include 69 one, two, three and four bedroom units. This will be the HTF's first loan for a Paso Robles Housing Authority project and our second for a project in Paso Robles.



Morro Del Mar is a proposed 21 unit senior rental apartment in the City of Morro Bay. The developer is the Pacific Southwest Community Development Corporation, which is headquartered in San Diego.



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CREATE Jobs for USA



DONATE NOW

Items of Interest...

Publications, Websites, Videos, Podcasts and E-Mail Lists

Smoking Ban in Rentals — It recently became legal for California landlords to forbid renters from smoking in their units. The Santa Barbara-based Towbes Group claims to now have the largest portfolio of “smoke free” apartments in the state. As of June, smoking was banned in the individual units and common areas of the 2,000 units and 13 complexes that the Towbes Group owns. Source: www.latimes.com/business/la-fi-property-report-20120611.0.7927635.story.

Home Sweet Mobile Home: Co-Ops Deliver Ownership is a recent NPR story about how ROC USA, a national nonprofit, helps mobile home park residents become park owners. Read or listen to it at www.npr.org/2012/05/02/151863518/home-sweet-mobile-home-co-ops-deliver-ownership.

The State of the Nation’s Housing 2012 is a new report from Joint Center for Housing Studies of Harvard University. It found that rental vacancy rates are falling, rents are increasing, and multifamily construction is up. While the ownership market is improving, it still faces a number of challenges. Learn more at www.jchs.harvard.edu/research/publications/state-nation’s-housing-2012

Financial Literacy Update is a bimonthly e-newsletter from the Office of the Comptroller of the Currency that reports on new initiatives, resources and events sponsored various government agencies related to financial literacy. Subscribe to this and other newsletters at www.occ.gov/subscribe/occ-email-list-service.html.

Americans’ Wealth Plunged by 39% from 2007 to 2010 according to the Federal Reserve Board's Survey of Consumer Finances. The report is online at <http://federalreserve.gov/pubs/bulletin/2012/PDF/scf12.pdf>.

Events

Peoples’ Self-Help Housing Corporation Free Seminars — check for details and 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

Sep 10-13 — National CLT Conference, Burlington, VT — www.cltnetwork.org/2012-National-Conference.

Oct 15-18 — Opportunity Finance Network Conference, San Antonio — www.opportunityfinance.net.

Oct 25-26 — CCRH Rural Housing Summit, Asilomar (Pacific Grove, CA) — www.calruralhousing.org.



“Housing for All” has active links when you view this newsletter in Acrobat Reader.

Board of Directors

Dr. Julian D. Crocker, Chair
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Marianne Kennedy, Secretary
Clarence C. Cabrerros
R. Thomas “Tom” Jones, AIA

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“HOUSING FOR ALL”

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Funds Available

The Housing Trust Fund has **\$3 million** available to help finance affordable housing projects located throughout the county.

Loans may be used for acquisition, construction and other activities that create or preserve affordable rental or ownership housing for households with very low, low or moderate incomes, or special needs.

Visit our website for our guidelines and other documents: www.slocht.org/loans.htm.