

Housing for All

San Luis Obispo County Housing Trust Fund

2013 was an Excellent Year

The Housing Trust Fund had an excellent year in 2013. During the year, we closed six new loans and made a supplemental loan for one project. These loans totaled nearly \$3 million. Both the number of loans and their dollar value were our highest for a single year.

We assisted 103 affordable housing units plus a Head Start school last year. The housing includes 69 apartments, 30 self-help homes and four residential care beds. Since closing our first loan in 2005, we made a total of \$11.3 million in loans for 19 housing projects with 348 units throughout San Luis Obispo County.

Rental Housing. We closed loans for two rental projects last year — \$760,000 for the Courtland apartments in Arroyo Grande and \$184,450 for the Cambria Pines apartments in Cambria. Courtland is under construction and will be completed in August. Cambria Pines is in predevelopment. Hopefully, it will secure tax credits and be in construction by 2015.

Ownership Housing. We also financed two self-help ownership projects in 2013. We provided a \$600,000 construction loan for six homes in Oceano (see above right). These homes are close to half completed. We also provided \$600,000 to acquire a 24-lot undeveloped subdivision in San Miguel. The finished lots will be sold to individual owner builders beginning in 2015.

Special Needs Housing. Since the Supportive Housing Consortium started the efforts to form the HTF, special needs housing is one of our priorities. In fact, our bylaws state that 40% of our funds should benefit low income households with special needs (see www.sloctf.org/files/special-needs.pdf). This is a broad group that includes people with disabilities, those who are homeless or at risk of becoming homeless and others.



Oceano self-help homes under construction. The six owner-builders are on schedule to complete and occupy their new homes in July.

Thanks PacWestern!

Pacific Western Bank is a relatively new member of the San Luis Obispo community, having acquired three local banks since 2010. As 2013 came to a close, Pacific Western made its first contribution to support the HTF. Additional information is online at www.sloctf.org/grant-pwb.htm



(L to R) Housing Trust Fund Executive Director Jerry Rioux with Pacific Western Bank's Michael Laidlaw, VP and Branch Operations Manager, Thomas R. Strait, Executive VP and Regional Manager, and Nathan Roddick, Relationship Manager.

WINTER 2014

Inclusionary Updates	2
HTF Updates	2
Short Notes	3
Homeless Updates	3
Items of Interest...	4

Over the years, we have provided \$4 million for special needs housing, or 35% of our loan dollars. We also assisted 85 special needs units, over 24% of our total.

Inclusionary Updates

Inclusionary housing — laws that require housing developments to either include affordable units in their projects or pay in-lieu fees — continues to be a contentious topic in California. Local governments argue that inclusionary is one of their few tools for increasing the supply of affordable housing. Developers complain that the costs of providing affordable housing should be shared by the whole community, rather than be borne by them alone. Many communities offer incentives to help mitigate the cost burden of their inclusionary requirements. Others seem to use their inclusionary ordinance as another obstacle to support their no-growth policies.

Information on the County of San Luis Obispo's inclusionary ordinance is online at <http://tinyurl.com/lly42s7>. The City of San Luis Obispo's ordinance is at <http://tinyurl.com/187ugq8>. Some of the more significant things that have happened with inclusionary housing in the recent past are summarized below.

Governor Vetoes AB 1229 of 2013

In 2009, the Second District Court of Appeal ruled in *Palmer v. City of Los Angeles* that inclusionary requirements for rental housing were preempted by the Costa-Hawkins Rental Housing Act, which severely limits local rent controls. The Supreme Court refused to reconsider the decision. SB 1229 was intended to reverse the *Palmer* Decision. It was supported by the League of California Cities and many housing advocates. The bill passed by 21 to 16 in the Senate and 41 to 31 in the Assembly. Read the Governor's veto message at: <http://tinyurl.com/157omfm>.

Inclusionary Requirements are Exactions

On October 17, 2013, the state Supreme Court ruled in *Sterling Park v. City of Palo Alto* that inclusionary housing requirements are "other exactions" under the Mitigation Fee Act rather than conditions of approval under the Subdivision Map Act. As exactions, inclusionary requirements are subject to a much higher standard. Now, community's must establish the nexus or connection between new development and their inclusionary requirements. Read more about this decision and its implications at <http://tinyurl.com/lwmk5pn>, <http://tinyurl.com/17t6489> and <http://tinyurl.com/lrh2ebo>.

Inclusionary must be counted for Bonuses

On July 11, 2013, the First District Court of Appeal ruled in *LUNA v. County of Napa* that affordable housing units required by local inclusionary ordinances must be counted when determining eligibility for density bonuses and other incentives and/or concessions under state law. Napa County had contended that only units that were in excess of what their inclusionary ordinance required counted for density bonuses. Read more at <http://tinyurl.com/lswcon8> and <http://tinyurl.com/k9mthvk>.

Supreme Court to review Inclusionary

On September 11, 2013, the California Supreme Court agreed to review *CBIA v. City of San Jose*. The CBIA has challenged the legality of San Jose's inclusionary ordinance for a variety of reasons. Their hope is that the Supreme Court's review will be a referendum on inclusionary housing and that it will rationalize the current inconsistent ruling on the practice. Read more at <http://tinyurl.com/mo58uz9>.

County passes on Inclusionary adjustments

On November 5, 2013, by a four to one vote, the San Luis Obispo County Board of Supervisors voted not to increase their inclusionary requirements. When the ordinance was adopted in 2009, its requirements were to be phased in over five years. These increases were suspended due to the recession. The Supervisors felt that the local housing market still has not improved enough to move to step two. They also formed a committee to study ways to create more affordable housing in the county.

**7.1 Million low income American Families
can't find an affordable home to rent.**



HTF Updates

City of San Luis Obispo

During the last quarter of 2013, the City of San Luis Obispo approved a \$30,000 grant to support the Housing Trust Fund's operations. Since we started, the City has contributed a total of \$240,200 to the HTF. The generous ongoing support from all of our local community partners has enabled us to thrive over the years.

Alano grant recommended

The Alano Club (www.sloalano.org) hosts 12-step meetings and provides transitional housing for persons in recovery. In 2013, the Club requested an HTF loan to totally rebuild an old house on their site. Instead of the loan, we decided to provide technical assistance. We also helped the Club apply for CDBG funds. In December, a \$139,898 grant was recommended for the Club by the San Luis Obispo Human Relations Commission. City Council approval should occur in February.

George Moylan Fund

During the last quarter of 2013, local supporters contributed \$450 to the George Moylan Affordable Housing Fund. To date, more than 300 individuals, organizations and business have contributed more than \$100,000 to the Moylan Fund.

You can also help us create more affordable housing in San Luis Obispo County by making a tax-deductible contribution to the Moylan Fund. Learn more at: www.sloctf.org/moylan-fund.htm.

Short Notes



Wide angle view of the interior of a unit in the Archer Studios in San Jose. The studios average 285 sq ft in living area. Photo credit — Jeffrey Peters of Vantage Point Photography.

Archer Studios wins Builder Grand Award

Builder magazine presented its Grand Award for Affordable Workforce Housing to the Archer Studios in San Jose. The project was designed by Studio E Architects and developed by Charities Housing. It has 41 studio apartments, a manager's unit and community areas on a 0.66 acre site. The average studio has 285 sq ft of living area. Information on the project is available at <http://tinyurl.com/n67mddx>, <http://tinyurl.com/n37sojc> and <http://tinyurl.com/mtotkny>.

Small — even Tiny — Homes are Hot

Yahoo Finance recently published an article entitled “The 24 Tiniest Homes on Earth” that highlights homes that range in size from 370 sq ft New York “micro apartments” to a minuscule 11 sq ft pod. While these 24 really aren't the world's tiniest homes, the list is quite interesting. In addition to the Archer Studios (above), it includes a number of homes on wheels, such as by the Tumbleweed Tiny House Company (<http://tinyurl.com/2zesta>). Read the Yahoo article at <http://tinyurl.com/ktzmyus>.

HUD 2013 Funding Announced

The HUD formula grants for FY13 were recently announced. Overall, San Luis Obispo County saw a 5.2% drop in HUD funding compared to FY12. While the County will actually receive more Community Development Block Grant (CDBG) funds for FY13, our Emergency Solutions Grant was cut 35.4%. As the following chart shows, the county fared much worse than the nation as a whole when it comes to HUD funding.

Program	FY12	FY13	Local Change	National Change
CDBG	\$1,654,260	\$1,667,872	+0.8%	+4.4%
HOME	\$824,587	\$722,832	-14.1%	-5.2%
ESG	\$163,420	\$120,683	-35.4%	-14.0%
Total	\$2,642,267	\$2,511,387	-5.2%	

Homeless Updates

Homelessness in SLO County

The latest SLO County homeless census counted 2,186 homeless individuals in a 24 hour period in January 2013. This was a 3% increase since 2011. It was also estimated that 3,497 people are homeless at some point during the year.

While New York City, Los Angeles County and San Francisco have more homeless in raw numbers, a higher percentage of the population is actually homeless in our county. Locally, 0.87% of the population was homeless in 2013. San Francisco had a slightly lower rate (0.85%). NYC and LA County had far lower rates – only 0.77% and 0.58%, respectively.

In addition, only 10% of our homeless were in shelters – 2,122 people were living on the street, behind bushes or in their cars. We had the fourth highest rate of unsheltered homeless in the whole nation. For comparison, while NYC has 30 times our total population, its unsheltered homeless population was 3,180 people, or less than 50 percent higher than ours.

Download the SLO County homeless census report and related information from <http://tinyurl.com/kuy2kzp>.

Homelessness in the USA

HUD's 2013 Annual Homeless Assessment Report to Congress was recently released. It compiles and analyzes the 420 local homeless counts that were conducted in 2013. Nationwide, homelessness has decreased 9% since 2007. Only 35% of the homeless were unsheltered in 2013. The report can be downloaded from <http://tinyurl.com/okoeh89>. The data used in the report can be downloaded from <http://tinyurl.com/na72j5z>.

Hope's Village Moving Forward

Hope's Village has received its 501(c)(3) status, so donations are now tax deductible. The group's RVs for Veterans program has arranged for 21 homeless veterans to receive donated RVs to live in. They have also identified numerous places to park the RVs. Hope's Village is now focusing on finding land to establish a village for people who are homeless. As part of this effort, they built a model “Cabin on Wheels” to show what is possible in 7' x 12' (see below). More information on Hope's Village is online at www.hopesvillageofslo.com.



Items of Interest...

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

The downside of rising house prices is a report from the NPR program Marketplace that actually visited San Luis Obispo. Read or listen to the report at www.marketplace.org/topics/economy/downside-rising-house-prices.

Bay Area's Steep Housing Costs Spark Return To Communal Living is an NPR story on how people are coping with San Francisco's high housing costs. Read or listen to it at <http://tinyurl.com/k7etjbg>.

America's Rental Housing: Evolving Markets and Needs is a report from the Joint Center for Housing Studies of Harvard University that analyzes trends in rental housing. Spoiler alert—rental housing is getting scarcer and less affordable. Download the report from <http://tinyurl.com/ocllasx>.

Bending the Cost Curve on Affordable Rental Development is a report from Enterprise Community Partners and the Urban Land Institute that analyzes the factors that drive up the costs of rental housing. Read it at: <http://tinyurl.com/pwv46e4>.

Goldfarb & Lipman LLP is a law firm that specializes in affordable housing. The firm posts information and legal opinions on its website and also provides email alerts. Learn more and sign up for alerts at <http://goldfarblipman.com/library>.

Manufacturing Solutions—It's time to take factory-built homes seriously as affordable housing is a long article on the changing roles and impacts of manufactured housing in the affordable housing field. Read it at <http://tinyurl.com/lp6mt3a>.

Making Ends Meet: How Much Does It Cost to Raise a Family in California? is a study by the California Budget Project that estimates the minimum household budgets for four different types of families for each of the state's 58 counties. The report is available online at www.cbp.org/MakingEndsMeet.

Print a House? Researchers are making a 3D printer that can build a house in 24 hours. Learn more at <http://tinyurl.com/p84mg9x>.

Events

Feb 24-27 — Neighbor Works Training Institute, Los Angeles — www.nw.org/training.

Apr 15-17 — Housing California 2014 Conference, Sacramento — <http://tinyurl.com/mt79v8a> or <http://tinyurl.com/moj3rba>.

April 27-30 — National CLT Conference, Cleveland, Ohio — <http://tinyurl.com/mbt7m2n>.

Oct 14-17 — Opportunity Finance Network Conference, Denver — www.ofn.org.

Oct 23-24 — Rural Housing Summit 2014, Asilomar — 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
Leonard J. Grant, AIA, Vice-Chair
Clarence C. Cabrerros, Treasurer
Marianne Kennedy, Secretary
Dick Willhoit
Geri LaChance

SAN • LUIS • OBISPO • COUNTY



71 Zaca Lane, Suite 130, San Luis Obispo, CA 93401
Phone: (805) 543-5970 / Website: www.sloctf.org

Loans Available

The Housing Trust Fund has \$3 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 those with special needs.

Visit our website to download our guidelines and other documents — www.sloctf.org/loans.htm.