

Housing for All

San Luis Obispo County Housing Trust Fund

HTF lending tops \$16 Million

The Housing Trust Fund just completed its most productive year. In 2014, we closed \$5 million in loans to assist 10 affordable housing projects. Our lending to date totals over \$16 million. Since 2005, the HTF has financed 29 projects that will create or preserve 572 units of affordable housing.

We set a number of records in 2014, including both the number and value of loans closed in one year. We closed both our largest and our smallest loans ever. The largest was to Peoples' Self-Help Housing (see below) and the smallest replaced the septic system for Roandoak's transitional housing facility outside of Morro Bay.

In addition, we financed our first market-rate apartments, three tax credit rental projects and two small projects for individuals with developmental disabilities. Information on some of the projects we financed in 2014 is provided below.

San Miguel Self Help

The HTF provided Peoples' a \$2 million loan to purchase 50+ acres in San Miguel. Peoples' will develop the land into a 58 single family lots over the next two years by installing streets, curbs, sidewalks and utilities.

The finished lots will then be sold to individual families who will build their own homes using the USDA mutual self help program. USDA will provide both the construction and permanent financing for eligible families. The HTF's loan will be repaid as the families buy their lots.

(continued on page 2)



Construction of the Pike Place Apartments in Arroyo Grande is well underway. The HTF partnered with Founders Community Bank to make this 28-unit market-rate apartment possible. These new homes will be available to rent in late 2015.

HCD awards \$575,000

The California Department of Housing and Community Development (HCD) awarded \$575,000 to the HTF. The grant was made under the Local Housing Trust Fund Matching Grant Program or LHTF. Funds for the grant come from Prop 1C, which the voters approved in 2006.

"We're excited to receive a second LHTF grant from HCD," exclaimed Jerry Rioux, the HTF's executive director. The HTF received a \$1.5 million LHTF grant in 2010. The HTF's new grant was one of only seven awarded statewide.

"The grant will supplement our revolving loan funds and be used to finance affordable housing projects," explained Rioux. The new grant increases the HTF's revolving loan funds to \$9.6 million. The LHTF

funds will become disbursed on a matching basis as the HTF closes eligible loans.

The LHTF funds have various conditions. They may only benefit low income households and half must benefit extremely low income households. The assisted units also must generally have long-term affordability covenants.

Another LHTF limitation is that loans may only be made in jurisdictions that have an HCD-certified housing element. Local jurisdictions are updating their housing elements and should all be eligible soon.

For more information on our LHTF funds, download our LHTF Program Guidelines from <http://tinyurl.com/lgzcbok>.

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Example of a 400 square foot manufactured home that can be used as a secondary dwelling unit, ADU or granny flat.

Secondary Units

Secondary units, which are also known as accessory dwelling units, ADUs or granny flats, are additional homes that are built on single-family home lots. Secondary units provide supplemental income for home owners and affordable rental units for the community. Examples of secondary units include garage apartments, backyard cottages and separate apartments carved out of existing homes.

Under California law, local governments are generally required to allow secondary units, but they can place various conditions on their approval. State law also requires that manufactured homes may be used as secondary units.

Neighbors object to ADUs

A recent UCLA study — [Backyard Homes & Local Concerns](http://tinyurl.com/nxau8v4) — found widespread opposition to ADUs throughout the state. This study examines local concerns about secondary units and how those concerns might be addressed. You can download the study from <http://tinyurl.com/nxau8v4>.

Seattle Backyard Cottage Guide

To encourage the development of accessory dwelling units, the City of Seattle prepared an informative and attractive [Guide to Building a Backyard Cottage](http://tinyurl.com/nkghjoj). The guide can be downloaded from <http://tinyurl.com/nkghjoj>.

Vancouver Laneway Housing

Vancouver, Canada has a form of ADUs called laneway housing, which are placed along the back alleys of single-family homes. Their how-to guide is at <http://tinyurl.com/myg2utm>.

Santa Cruz ADU Manual

In 2003, the City of Santa Cruz developed an award-winning manual for developing accessory dwelling units in the city. The manual is at <http://tinyurl.com/popt94m>.

HTF Updates

\$16 Mil in Loans *(cont. from page 1)*

Pike Place Apartments

The HTF partnered with Founders Community Bank to provide construction financing for 28 market-rate apartments in Arroyo Grande. The bank loaned \$3.6 million and the HTF loaned \$650,000. Without our financing, the private developer could not move forward with this project. More information on this project is in our Summer 2014 newsletter (<http://tinyurl.com/pfb3ffz>).

Tax Credit Apartments

The HTF provided \$1.24 million in financing three apartment projects that received Low Income Housing Tax Credits in 2014. These projects are located in Morro Bay, San Luis Obispo and Paso Robles and will provide 134 units of affordable housing for local residents. More information on these projects is on page 3 of our Spring 2014 newsletter (<http://tinyurl.com/p6ps873>).

Tri-Counties Housing

The Tri-Counties Community Housing Corporation (TCCHC) provides housing for individuals with developmental disabilities. In 2014, the HTF assisted TCCHC with financing for two properties. The first loan was for three independent apartments in San Luis Obispo. The second was for a licensed residential care facility for severely disabled individuals in Nipomo.

Adrian Dominicans invest in Loan Fund

The Housing Trust Fund's revolving trust fund continues to grow. Last month, the **Adrian Dominican Sisters** (ADS) approved a \$200,000 investment, which will bring our revolving loan fund to nearly \$10 million.

ADS was established in the 1880s. The order has been engaged in socially responsible investing throughout the world for almost 40 years. They make both direct community investments and investments in intermediaries such as the HTF.

ADS has been a long time supporter of the HTF. They made their first \$35,000 investment back in 2005. Their latest investment is their fourth and their largest by far. Learn more about ADS's investments at <http://pab.adriandominicans.org>.

The HTF currently has applications pending for additional investments. We hope to increase our lending capital to \$12 million during 2015.

Short Notes

National HTF to be Funded

Federal Housing Finance Agency has directed Fannie Mae and Freddie Mac to begin funding the National Housing Trust Fund (NHTF) and the Capital Magnet Fund (CMF). The Housing and Economic Act of 2008 requires that Fannie and Freddie contribute funds to the NHTF and CMF based on the volume of their business. However, these contributions were immediately suspended when Fannie and Freddie went into conservatorship.

The companies returned to profitability in 2012 and the suspension was lifted. It is projected that Fannie and Freddie will contribute between \$300 and \$500 million for the NHTF and CMF for calendar year 2015. The funds must be transferred to the programs within 60 days after the year ends. The NHTF will receive 65% of these funds and the CMF will receive 35%.

National Housing Trust Fund

HUD will distribute the NHTF to states as a block grant. At least 90% of the funds must be used for the production, preservation, rehabilitation, and operation of rental housing. Up to 10% of the funds can be used for home ownership activities. At least 75% of the rental housing funds must benefit extremely low income households (those earning up to 30% of area median income or AMI). Up to 25% of the funds can be used for very low income households (50% AMI).

While HUD has issued draft regulations for the NHTF and accepted public comments, final regulations have not been issued. The Department of Housing and Community Development (HCD) will administer the NHTF funds in California.

Capital Magnet Fund

The CMF is administered by the CDFI Fund of the US Treasury. The CMF provides grants to CDFIs and others to support a range of housing and community development activities. At least 70% must be used for housing. The majority (51%) of the CMF funds must benefit low income households (80% of AMI). Since the CMF received \$80 million in 2009 as part of the stimulus bill, its regulations have already been finalized.



Homeless Center moving forward

The Planning Commission has approved the preliminary plans for CAPSLO's homeless services center at 40 Prado Road in San Luis Obispo (see rendering above). The proposed center is an 18,000 sq. ft. building that will include social services, medical offices, dining facilities, resource center, laundry and sleeping quarters for 100 individuals with the capacity to house up to 175. The building will include separate sleeping areas for men and women, and there will be a distinct accommodations area for families with children.

The Homeless Foundation of San Luis Obispo County is currently seeking funds to help build and operate the homeless center. They have established a website at <http://40prado.org>. It is only a shell at this time, but check back periodically to learn about new developments.

Mayors call for more Affordable Housing to address homelessness

The US Conference of Mayors recently issued its latest [Hunger and Homelessness Survey](#). Officials identified lack of affordable housing as the leading cause of homelessness among both families and individuals. Only 48% of the cities surveyed had an increase in homelessness over the past year. However, requests for emergency food assistance increased in 71% of the cities.

The Survey can be downloaded from <http://tinyurl.com/nfkwkrt>.

California Parcel Tax 411

Local governments throughout California use parcel taxes to finance a wide variety of things. The California Tax Foundation conducted an in-depth study of these taxes and made recommendations for improving them. Their report, [Piecing Together California's Parcel Taxes](#) is online at <http://tinyurl.com/nkhrkbg>. The Foundation's website — www.caltaxfoundation.org — has information on these and other taxes levied in California.

Tax Check-Off for Habitat

Beginning in 2015, individuals will be able to donate part of their state income tax refunds to Habitat for Humanity by simply checking a box on their tax returns. The funds received from the donations must be used for affordable housing in California.

You can also support Habitat for Humanity for SLO County directly by going to their website: www.hfhsloco.org



Items of Interest...

Publications, Websites, Videos, Webinars, Podcasts, E-Mail Lists, etc.

Community Development Loan Funds: Partnership Opportunities for Banks is a recent Community Developments Insights report from the Office of the Comptroller of the Currency. It describes how banks and loan funds can work together to further their business and civic goals. The report can be downloaded from <http://tinyurl.com/kjvbqyg>.

The Impacts of Affordable Housing on Education: A Research Summary is an updated report from the Center for Housing Policy that summarizes research on the impacts of affordable housing on the educational outcomes for children. The report can be downloaded from <http://tinyurl.com/nofqeyv>.

The Housing Trust Fund Project (HTFP) is a national organization that has been encouraging and assisting with the formation and growth of housing trust funds for nearly 30 years. The HTFP's website (<http://housingtrustfundproject.org>) has a wealth of information on state and local housing trust funds throughout the nation and their funding sources. The HTFP also has a quarterly newsletter, which can be read on their website. You can also subscribe to the newsletter at <http://tinyurl.com/nhrrdqy>.

Revisiting Poverty in Rural America is a special edition of HAC's quarterly magazine "Rural Voices." It examines what has and hasn't changed since the War on Poverty was declared 50 years ago. Both this issue and past issues of "Rural Voices" are available online at <http://tinyurl.com/k63nuc8>.

Social Media Webinar: How to Create a Social Media Strategy was created by the National Rural Housing Coalition to help organizations with limited resources create an effective social media strategy. The recorded webinar and downloadable resources are available at www.ruralhousingcoalition.org/archives/2477.

2015 Events

Feb 23-27 — Neighbor Works Training Institute, Los Angeles — www.nw.org/training.

Apr 27-29 — Housing California Conference, Sacramento — www.housingca.org/#!annual-conference/c1v9k.

May 1-2 — California Co-op Conference, Sacramento — www.cccd.coop/events/2015CCC.

Oct 19-22 — National Community Land Trust Conference, Lexington, KY — <http://tinyurl.com/l6oa3hl>.

Oct 22-23 — Rural Housing Summit 2014, Asilomar — www.calruralhousing.org.

Nov 9-12 — Opportunity Finance Network Conference, Detroit — www.ofn.org.

"Housing for All" has active links when you view this newsletter in Acrobat Reader



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Please Support the Moylan Fund

Help the HTF create more affordable housing throughout San Luis Obispo County. Make a tax-deductible contribution to the George Moylan Affordable Housing Fund. *Now, your contribution will be matched, doubling your impact!*

Learn more at:
www.sloctf.org/moylan-fund.htm

