



# Housing for All

## San Luis Obispo County Housing Trust Fund

### Our First Loan Closes!

The Housing Trust Fund closed our first loan on Thursday, March 17th. This event was a dream come true for many people in San Luis Obispo County.

The Supportive Housing Consortium started working to create a housing trust fund back in the 1990s. They were joined by leaders from the business community and local governments to incorporate the Fund in February 2003.

The Fund’s board, staff and supporters have worked for the past two years to get the organization up and running, raise lending capital and make this first loan.

The \$283,300 loan helped the Family Care Network, Inc. (FCNI) purchase a five unit apartment building in Arroyo Grande. The

apartments will provide transitional housing for eight foster care youth (age 16-21) who are in or have emancipated from the system. The youth will also receive counseling and life-skills training from FCNI.

Without programs like this, most foster kids are thrown onto the streets with little or no support when they turn 18. A very high percentage become homeless and many enter the criminal justice system because they have few options.

Additional financing for the apartments came from San Luis Obispo County’s HOME program, the Arroyo Grande Redevelopment Agency and the California Department of Housing and Community Development.

### California HTF Campaign

With California facing its greatest housing crisis ever, Housing California, the primary advocate for Proposition 46, is considering whether to ask voters to approve a dedicated revenue source for affordable housing.

Prop 46 was approved by voters in 2002. It will provided \$2.1 billion for affordable housing through 2007. It will create more than 85,000 affordable homes. It will also boost California’s economy by leveraging more than \$40 billion in housing investments and creating 276,000 jobs.

The organization recently released a report that documents California’s housing needs — the state currently needs more than 651,000 affordable homes. The report also describes how other states fund affordable housing and identifies opportunities for funding housing in California in the future. In addition, it estimates the economic impact that investing in affordable housing can make on the state’s economy.

The report can be downloaded from: [www.policylink.org/Research/HousingCalifornia](http://www.policylink.org/Research/HousingCalifornia)

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**David Thompson**  
to speak at  
**Housing Co-op Seminar**  
**April 21st at 6:00 PM**

# Housing Tenure as a Continuum



Gerald L. "Jerry" Rioux  
SLOCHTF Executive Director

Most people think of housing tenure in terms of two polar states. One either owns or they rent.

I, on the other hand, have always thought of tenure as a continuum. Fee simple home ownership is at one end of the continuum and squatting is at the other. In between, there are many different shades of owning and renting.

This column was inspired by a number of things, including a report from the Harvard Joint Center on Housing Studies. Among other things, *Rethinking Rental Housing: Expanding the Ability of Rental Housing to Serve as a Pathway to Economic and Social Opportunity*, laments the fact that federal housing policy has focused on the benefits of home ownership and largely ignored rental housing and other alternatives. (See *Items of Interest* for more information.)

While two-thirds of the nation's population owns their home, the majority of lower income households rent. Unfortunately, few renters

have the income, assets and credit to become home owners in the traditional sense — especially in California.

I have long supported alternative forms of tenure – the middle ground of my continuum. These alternatives offer many of the benefits of home ownership — control, costs savings and the accumulation of wealth — at a lower cost to individual households and society.

Three of these alternatives are described below — Community Land Trusts (CLTs), Housing Cooperatives, including Limited Equity Housing Cooperatives (LEHCs), and Mutual Housing Associations (MHAs).

More information on these and other housing alternatives will be provided in future issues of our newsletter, website and seminars.

## Community Land Trusts

CLTs are close to traditional home ownership on my continuum. In CLTs, individuals own their homes but not the land beneath the homes. The land is leased from the CLT—a nonprofit corporation. CLT owners receive the deeds to their individual homes and have most of the rights of traditional home owners. They qualify for property tax exemptions and receive income tax deductions for their mortgage interest and property taxes.

Homes in CLTs also appreciate — just not as much as homes in overheated markets like California.. This is because CLTs typically require that homes be sold to low or moderate income buyers at affordable prices. CLTs also typically require that homes be owner-occupied.

## Housing Cooperatives

Co-ops are closer to the middle of the continuum. They combine aspects of owning and renting. Rather than own their individual homes, co-op members collectively own the corporation that owns the housing development. Along with their membership, they have the right to occupy a specific unit in the co-op — they essentially rent from themselves. Co-ops typically require that units be owner-occupied.

Under California law co-op members are considered home owners. They qualify for the home owners' property tax exemption. They also get to deduct their share of the co-op's mortgage interest and property taxes on their individual state and federal income tax returns.

## Limited Equity Housing Cooperatives

LEHCs are a special type of co-op that are designed to remain affordable. LEHCs are financed like rental housing, with banks and government agencies financing 90% to 95% of the total development costs. The remaining 5% to 10% is raised by selling memberships to people who will live in the LEHC. The resale value of these memberships is restricted by state law to increase by no more than 10% per year.

## Mutual Housing Associations

MHAs are similar to co-ops, but are farther down the continuum. As with a co-op, the housing project is owned by the corporation and the units are occupied by members. However, MHA members generally do not own or control the corporation nor do they have any special rights to occupy their unit.

MHA members share responsibility for managing the corporation and property with community representatives. An MHA's board typically has a combination of residents, community leaders and people who wish to reside in MHA units in the future.

Among the advantages of this model are that MHA projects can qualify for larger subsidies and lower property taxes. Plus, MHAs generally have a commitment to acquire and develop additional units for future members. △

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**TENURE (n):** *The act, fact, or condition of holding something in one's possession, as real estate or an office...*

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# Housing Co-op Seminar April 21st



David Thompson, an internationally renowned cooperative consultant and his business partner Luke Watkins will speak in San Luis Obispo on the evening of Thursday, April 21st.

David and Luke will explain the Limited Equity Housing Cooperative (LEHC) model and how it creates permanently affordable ownership housing. They will also discuss the history, legal structure and advantages of housing cooperatives. In addition, they will describe some of their innovative projects.

The seminar will be held at the Creekside Center, 4111 Broad Street in San Luis Obispo from 6:00 to 8:00 PM. For additional information, visit [www.sloctf.org/thompson.htm](http://www.sloctf.org/thompson.htm). Please RSVP to [event@sloctf.org](mailto:event@sloctf.org).

This seminar is being underwritten by the generous support of the San Luis Obispo County Community Foundation, the Bridge Street Fund, the City of San Luis Obispo, the County of San Luis Obispo and the Housing Authority of the City of San Luis Obispo.

## Vivian Krug Joins Our Team

We are pleased to announce that Vivian Krug has joined the Fund as our new Administrative Assistant.

Vivian brings 25 years of administrative, marketing, sales, publicity and management experience to the Fund. She also owned a full service temporary and permanent placement agency whose clients included the Los Angeles Fire Department and the Housing Authority of the City of Los Angeles.

Since moving to the Central Coast, Vivian has been active in the community. She sits on the boards of the South County Historical Society,

the Arroyo Grande Village Improvement Association and the Arroyo Grande Valley Harvest Festival. Vivian is also an associate director of the Coastal San Luis Resource Conservation District.

Some of you already know Vivian through her community work. She looks forward to meeting and getting to know our partners and supporters throughout the county.

Please introduce yourself and welcome Vivian to the team. She can be reached by email at [vivian@sloctf.org](mailto:vivian@sloctf.org) or by phone at 543-5970.



## Short Notes

### Marilyn Mayor Still on Team

While no longer in the office every day, Marilyn continues to assist the Fund. She has been a consultant since before we incorporated and will continue in this capacity. Marilyn is currently working on special projects, such as our upcoming annual report. We are glad that we can continue to benefit from Marilyn's skills and commitment. Marilyn can now be reached by e-mail at [solutions-mm@thegrid.net](mailto:solutions-mm@thegrid.net).



### National HTF Campaign

The National Housing Trust Fund Campaign now has more than 5400 endorsers, including the American Bar Association which recently signed on. If your organization has not yet endorsed the campaign, please sign on at: [www.nhtf.org/forum/signup.asp](http://www.nhtf.org/forum/signup.asp).

### CalHFA Increases Purchase Price Limits

CalHFA's new purchase price limits for San Luis Obispo are \$467,583 for newly constructed homes and \$443,021 for existing homes. CalHFA's current interest rates for 30-year fixed rate loans are 4.75% for moderate income home buyers, 4.5% for lower income home buyers and 4.25% for eligible teachers and school employees. For additional information on CalHFA financing, visit their website at: [www.calhfa.ca.gov](http://www.calhfa.ca.gov).

### Housing Element Updates

San Luis Obispo County and three cities—San Luis Obispo, Morro Bay and Paso Robles—currently have state certified housing elements. The Arroyo Grande City Council recently adopted amendments that will make their housing element eligible for certification.

Information on state housing element law and the status of local housing elements can be found on state HCD's website at: [www.hcd.ca.gov/hpd/hrc/plan/he](http://www.hcd.ca.gov/hpd/hrc/plan/he)

# Items of Interest...

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## Publications

**Rethinking Rental Housing: Expanding the Ability of Rental Housing to Serve as a Pathway to Economic and Social Opportunity**, a recent report from the Harvard Joint Center for Housing Studies, identifies the shortcomings of existing research on rental housing and suggests housing policies that can better meet the needs of households with lower incomes and wealth. Download it from: [www.jchs.harvard.edu/publications/markets/w04-11.pdf](http://www.jchs.harvard.edu/publications/markets/w04-11.pdf).

**Smart Growth Resource CD** is an extensive compilation of publications, articles and other resources on various topics including transportation, planning and development, land and water conservation, affordable housing and the costs and benefits of smart growth. The CD can be ordered online from Smart Growth America at: [www.smartgrowthamerica.org](http://www.smartgrowthamerica.org).

**Communications Toolkit** is a comprehensive guide to communication for nonprofit organizations. It was prepared by Cause Communications, a nonprofit that helps other nonprofits get results by using the same communication strategies and tools that for-profit corporations use. Order your free Toolkit at: [www.causecommunications.org/CC/CC\\_news06\\_1.html](http://www.causecommunications.org/CC/CC_news06_1.html)

## Websites

The **Challenge Sprawl** webpage of the Motherlode Chapter of the Sierra Club (serving the Sacramento Valley and Northern Sierra Nevada) provides a good overview on the relationships between smart growth and both affordable housing and transportation. Check it out at [http://motherlode.sierraclub.org/challenge\\_sprawl.html](http://motherlode.sierraclub.org/challenge_sprawl.html).

## Events

**April 12** — **SLO County Supervisors** to approve HOME/CDBG and ESG Awards, County Government Center. Check the County website — [www.slo.ca.us](http://www.slo.ca.us) — for the time and to download the staff report.

**April 21** — **Housing Co-op Seminar**, Creekside Center, 4111 Broad St., SLO at 6:00 PM. Sponsored by the HTF and HASLO — visit [www.sloctf.org/thompson.htm](http://www.sloctf.org/thompson.htm) for additional information. RSVP to [event@sloctf.org](mailto:event@sloctf.org).

**April 24-26** — **Housing California 2005**, Sacramento Convention Center. Housing California is the nation's largest annual training event for housing sponsors and advocates — [www.housingca.org](http://www.housingca.org).

**May 2-3** — **Annual Conference**, National Low Income Housing Coalition in Washington, DC. [www.nlihc.org](http://www.nlihc.org)

**May 6** — **Higher Density Housing Seminar**, Workforce Housing Coalition, more to be announced.

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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.



# Board of Directors

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**Anita Robinson**, Chair—President & CEO, Mission Community Bank

**Rachel Richardson**, Vice-Chair—AIDS Support Network; Chair, SLO Supportive Housing Consortium

**Janna Nichols**, Treasurer—consultant to nonprofit and community agencies

**Dr. Allen Haile**, Secretary—Community & Government Relations Director, Cal Poly University; member, San Luis Obispo Economic Advisory Committee

**George Moylan**—Executive Director, Housing Authority of the City of San Luis Obispo

*Affiliations are listed for identification purposes only.*



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