



Housing for All

San Luis Obispo County Housing Trust Fund

People & Agriculture Can Both Thrive in SLO County

As part of our review of the Draft Environmental Impact Report (EIR) for SLO County's proposed Affordable Housing Ordinances, the HTF researched various things, including population growth, housing development and agricultural trends in SLO County. In the process, we found evidence that people and agriculture can both thrive in our community.

While the population and number of homes in the unincorporated county increased significantly between 1996 and 2004, agricultural land and the value of agricultural products also both increased (see chart to right).

The combined acreage for the three highest classes of agricultural land — prime farmland, farmland of statewide importance and unique farmland — increased by 18% over this period. During this same period, the total value of the county's agricultural products increased by more than two-thirds to \$544,398,100.

Despite what many people believe, these figures prove that agricultural acreage and production can increase at the same time that the housing stock and population increase. This is possible because SLO County has various policies that protect agriculture and others that encourage development within and adjacent to already urbanized areas.

The proposed Affordable Housing Ordinances will strengthen these policies and enable additional population growth and housing development without harming agriculture in our county. The ordinances will both encourage and require more compact development. They will also shift development from rural to urban areas of the county.

As the EIR for the Affordable Housing Ordinances is reviewed, we encourage the Board of

Changes in Population, Housing and Agriculture - 1990 to 2004

	Population (Unincorporated areas only)	Housing Units (Unincorporated areas only)	Prime Farmland, Farmland of Statewide Importance & Unique Farmland	Total Agricultural Land	Total Agricultural Production (\$ million)
1990	90,116	34,607	81,289	1,024,365	\$325.8
2004	110,13	43,506	95,955	1,027,176	\$544.4
Change	20,022	8,899	14,666	2,811	\$218.6
% Change	22.2%	25.7%	18.0%	0.3%	67.1%

Notes: Population and housing figures are for the unincorporated areas of San Luis Obispo County. Population and housing figures for 1990 are from the US Census. Population and housing figures for 2004 are from the California Department of Finance. All agricultural acreage is from the California Farmland Mapping and Monitoring Program. The value of agricultural products is from the EIR.

Supervisors to consider Alternative 5 as the best option for the County. Alternative 5 includes additional policies that will direct more development to urbanized areas. It will also result in more affordable housing and fewer impacts on the County's rural and agricultural areas.

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SLO County Home Values Fall

Falling home values is one of the hottest topics around town. Chicken Little is leading the debate, while many in the real estate industry are in total denial.

Those who have been around for awhile realize that this is just the next phase of our housing cycle. Home sales and values increase for awhile, then they decline. The cycle then repeats.

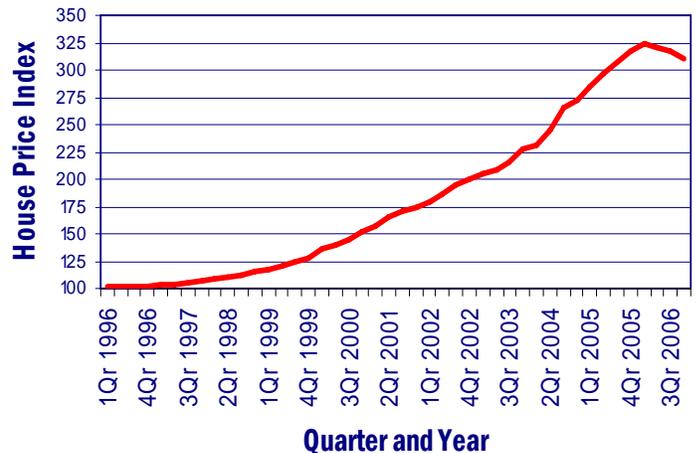
The only questions are 1) how long will each phase of the cycle last, 2) how far will prices fall before they rebound and 3) how high will prices increase before they start falling again?

The chart to the right shows that the up part of this cycle has been very good for those who own, sell and build homes. Between 1996 and 2006, home values more than tripled in SLO County.

Over the last nine months, however, values fell by 4.3% and will likely fall further. During the 1990s, local home values dropped by 17.8% from their high point. This decrease, however, reflected the loss of only the last 15 months of appreciation.

If this down cycle is as bad as the last one, homes could lose another 13% from their peak value and only be worth what they were in late 2004.

Change in House Price Index
San Luis Obispo County - 1996 to 2006



This article uses data from the House Price Index of the Office of Federal Housing Enterprise Oversight, which is based on changes in the sales prices and appraised values for the same homes as reported by Fannie Mae and Freddie Mac.

Inclusionary Housing Files

With the growing interest in inclusionary housing in San Luis Obispo County, we will continue to include information on inclusionary housing in each issue of our newsletter.

170 Inclusionary Housing Programs in CA

A soon to be released study found that 170 cities and counties in California have adopted inclusionary housing programs. This is a 59% increase from 2003 when there were 107 local programs.

Seventy percent (70%) of these inclusionary programs apply to projects with five or fewer units. Most programs target multiple income categories. For ownership units, 67% of the programs require very low income units, 87% require low income units and 73% require moderate income units. Most programs offer incentives, including density bonuses, subsidies and fee waivers.

The report, which is a joint effort of regional nonprofit housing associations, will be available online in June at www.calruralhousing.org.

Inclusionary Housing Gaining Nationwide

As housing becomes increasingly less affordable, more and more communities throughout the nation are embracing inclusionary housing as part of their affordable housing strategies.

The Town of Westerly, RI just passed an ordinance that requires new housing developments with six units or more to include affordable units. Westerly is located in the Providence metropolitan area — the 49th least affordable in the nation.

The Baltimore Planning Commission recommended approval of an inclusionary housing measure that will require developers who

receive tax breaks, surplus land, zone changes and other incentives to set aside 10 to 20 percent of their units for low- to moderate income households. Baltimore is now the 89th least affordable metro area in the nation.

Organizing for Inclusionary Housing

The main topic for the second issue of the Center for Community Change's *Housing Organizing* newsletter is inclusionary housing. The newsletter includes background information on inclusionary housing and examples of effective and inspiring efforts to enact local programs and policies throughout the nation. The newsletter is online at: www.communitychange.org/shared/publications/downloads/houscomm2004issue2.pdf.

Inclusionary Housing Database Online

The California Coalition for Rural Housing has conducted an extensive study of the features and characteristics of 134 local inclusionary housing programs and policies. They are now in the process of creating a searchable online database. The database will be online in June at www.calruralhousing.org/housing-toolbox/inclusionary-housing-policy-search.

Inclusionary Email Discussion Group

A national listserv — an email discussion group — has been formed to share information and strategies related to inclusionary housing. To sign up for the listserv, go to: www.policylink.org/discussions/InclusionaryHousing.html

Short Notes

HTF Board Elects Officers for 2007-8

At its annual meeting in April, the HTF's board of directors elected officers to serve through April 2008.

Tom Jones, Cal Poly's Dean of Architecture and Environmental Design, will succeed Anita Robinson of Mission Community Bank as the HTF's Board Chair. Rachel Richardson of the AIDS Support Network and SLO Supportive Housing Consortium will continue to serve as Vice-Chair. North-County developer Dick Willhoit was elected to replace Tom Jones as Treasurer. Allen Haile, who retired as Cal Poly's Government and Community Relations Director, was re-elected Secretary.

US Treasury Certifies HTF

The US Treasury has certified the SLOCHTF as a Community Development Financial Institution or CDFI. This certification makes the HTF eligible to receive funds from the CDFI Fund of the US Treasury.

The HTF currently has an application pending for a \$500,000 grant from the CDFI Fund. We should hear their decision on this application in September.

Habitat for Humanity Seeks Buyers

for the homes they plan to begin building in Atascadero later this year. The application and information are available online at www.hfhsloco.org/housing.html. Applicants must be county residents, meet income criteria and participate in building the homes. The deadline to apply is July 15, 2007.

Vivian Krug named Employee of the Year

The Rotary Club of Pismo Beach-Five Cities has named Vivian Krug as their 2006 Employee of the Year. Vivian received the award based upon her work with the South County Historical Society, the San Luis Obispo Law Enforcement Assistance Foundation, Arroyo Grande Village Improvement Association, Harvest Festival and Strawberry Festival as well as the Housing Trust Fund.



Congrats, Viv!

County to Approve Plans for Second Units

SLO County has conducted a design competition for secondary dwelling units. The ten winning designs, which range from 360 to 800 square feet in size, will be formally recognized by the Board of Supervisors on June 5, 2007.

These designs will be available in late July as pre-approved plans for home owners in unincorporated areas of the county. The plans will save home owners both time and money when they build a second unit on their property.

Information on the pre-approved plans is available online at www.slocounty.ca.gov/planning.htm or call (805) 781-5113.

Loan Fund Investments and Contributions

The Housing Trust Fund has raised more than \$4.1 million in lending capital to finance affordable housing projects throughout SLO County. Our primary source of lending capital are loans or investments from financial institutions and others. We have also received \$143,000 in loan fund grants and contributions.

Our most recent investment was from the Sisters of St. Joseph of Carondelet. The Sisters approved a \$25,000 investment in April with a 3.0% interest rate and a five year term. It is our fourth investment from a religious community. We also received a \$500,000 investment from Catholic Healthcare West, which owns two local hospitals.

Our top dollar investor is Mid-State Bank & Trust, now a subsidiary of Rabobank. Mid-State's latest investment was \$100,000 at 0.0% interest for five years and qualified for a 20% state income tax credit. (Information on California's CDFI Tax Credit program is online at www.slochtf.org/tax-credits.htm.)

Mission Community Bank was our first and still most generous investor. Their \$1 million investment has a 3.0% interest rate.

The California Association of Realtors provided a \$100,000 grant to our loan fund and more than 200 individuals, businesses and organizations contributed \$43,000.

We are always seeking investments and contributions to increase our lending capital. Please call Jerry at (805) 543-5970 for additional information.

Source of Lending Capital	Amount
Mid-State Bank & Trust ⁽¹⁾	\$1,100,000
Mission Community Bank	1,000,000
First Bank of SLO ⁽²⁾	1,000,000
Catholic Healthcare West	500,000
Erich & Hannah Sachs Foundation	200,000
California Association of Realtors ⁽³⁾	100,000
Seton Enablement Fund	50,000
Sisters of St. Francis of Cincinnati	50,000
George Moylan Affordable Housing Fund ⁽⁴⁾	43,000
Adrian Dominican Sisters	35,000
Sisters of St. Joseph of Carondelet	25,000
Total Lending Capital	\$4,103,000

With the following four exceptions, the above groups loaned funds to the HTF which must be repaid with interest:

- 1) Mid-State made two investments — \$1 million at 5% for ten years and \$100,000 at 0% for 5 years.
- 2) First Bank made a commitment to lend to our borrowers.
- 3) The Realtors provided a grant.
- 4) The Moylan Fund has received 200+ contributions from individuals, businesses and groups in SLO County.

Items of Interest...

Publications

“Starting a Community Land Trust” is an introductory manual from Burlington Associates that is designed to guide the sponsors of new community land trusts. It presents the range of issues that sponsors face and reviews the pros and cons of the various choices that should be considered when organizing a CLT. The manual can be purchased for \$15 or downloaded free in PDF format from <http://stores.lulu.com/BurlingtonAssociates>.

“Housing Trust Fund Progress Report: 2007” is an update from the HTF Project of the Center for Community Change. The HTF Project found that there are now nearly 600 housing trust funds in 43 states. They generate more than \$1.6 billion for affordable housing each year. The report outlines characteristics of housing trust funds throughout the nation and emerging trends within this growing network. More information is online at: www.communitychange.org/issues/housingtrustfunds/publications.

“The Name Game: Housing-Related Acronyms and Terms” provides names, definitions and related information for housing-related acronyms and terms. You can download it from the Institute for Local Government at www.ca-ilg.org/housingacronyms.

Websites

Community Connections is the technical assistance and information center for HUD’s Office of Community Planning and Development (CPD). Staff at the center will answer questions concerning CPD programs such as HOME, CDBG and ESG. They also provide copies of program guidelines, administrative notices and reports related to these programs. You can learn more and obtain a list of available publications at www.comcon.org. To ask questions or order publications call them at 1-800-998-9999.

Events

June 2 — Community 2050 Smart Growth Leadership Workshop with Stefanos Polyzoides, Templeton — www.slocog.org/ecm/Community2050/News/Home.html or www.slochtf.org/files/event-polyzoides.pdf

Aug 13-17 — NeighborWorks Training Institute, Washington, DC — www.nw.org/network/training/training.asp

Sept 22-23 — Heritage Oaks Bank Family Fun Day & Fun Run, Paso Robles — www.hobfunrun.com

Oct 31- Nov 1 — 2007 National Inclusionary Housing Conference, San Francisco — www.inhousing.org/conf

Dec 3-5 — Housing California’s Mental Health and Housing Conference 2007, Long Beach — www.housingca.org/events/mentalhealthandhousing



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.

Notice of Funds Available: \$2.85 Million

Approximately \$2.85 million is currently available from the Housing Trust Fund to help finance affordable housing projects located in San Luis Obispo County. Loans for up to five years are available for rental and ownership housing, including transitional housing for individuals and households with special needs. Loans may be used for site acquisition, site development, construction or other activities that will create or preserve affordable housing for very low, low or moderate income individuals or households.

Visit our website - www.slochtf.org/loans.htm - to learn more and download our NOFA (Notice of Funds Available), Program Guidelines, Loan Review Process and Underwriting Guidelines and other documents.

Board of Directors

R. Thomas “Tom” Jones, Chair
Rachel Richardson, Vice-Chair
Dick Willhoit, Treasurer
Dr. Allen Haile, Secretary
Joseph M. “Chip” Visci
Anita Robinson

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“HOUSING FOR ALL”

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