



Housing for All

San Luis Obispo County Housing Trust Fund

Rental housing is "Out of Reach"

According to a recent report from the National Low Income Housing Coalition, a family in California needs to earn at least \$24.01/hour - working 40 hours a week, 52 weeks a year - to be able to afford rent and utilities in California's housing market. This represents an increase of 44.3% since 2000.

California is the second most expensive state in the nation for renters. The typical renter in California earns \$16.67, which is \$7.34 short of what's needed to afford a modest apartment.

"Throughout the state, we are hearing stories of families who are becoming homeless because their paychecks aren't keeping pace with rental costs," said Julie Spezia, Executive Director of Housing California, a statewide advocacy group. "This report clearly illustrates why we need to build more apartments that working families can afford."

The situation for renters in San Luis Obispo County is even worse. While a modest two-bedroom unit only requires a \$20.67 per hour job in this county, the average renter only earns \$10.88 per hour. This leaves a much larger gap of almost \$10 per hour.

A minimum wage earner in this county would need to work 103 hours per week to afford a modest two-bedroom unit. To be affordable for a minimum wage earner, rent and utilities must not exceed \$416 per month. For a senior or disabled person who receives SSI, an affordable rent would be \$246, including utilities.

The San Luis Obispo County Homeless Enumeration of 2006 found that 30.9% of those surveyed became homeless because they were unable to pay their rent or mortgage.

The report, *Out of Reach 2007-2008*, was prepared by the National Low Income Housing Coalition (NLIHC) and provides rent and wage data for every state and county in the country. It is available at www.nlihc.org/oor/oor2008.

Support Inclusionary Housing on May 22

The San Luis Obispo County Planning Commission will hold its final hearing on the adoption of an inclusionary housing ordinance on May 22 at 8:30 in the County Supervisors Chambers at 1055 Monterey Road. The hearing may be continued to May 29, if necessary.

Please come to show your support for affordable housing at this hearing. Encourage the Planning Commission to adopt a balanced inclusionary housing ordinance that:

- Provides density bonuses and other incentives to offset the cost of providing affordable housing.
- Allows builders to choose how they will comply with the ordinance — build units on- or off-site, donate land or pay in-lieu fees.
- Phase in the inclusionary requirements over four years to account for the current poor economy.

(See page 4 for link to a website.)

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New Study: Inclusionary Zoning and its Effects on Housing Markets

A new study by the Center for Housing Policy and New York University's Furman Center for Real Estate and Urban Policy, released in March 2008, investigates the effects of inclusionary zoning (IZ) policies on the production of affordable housing. Focusing on San Francisco, suburban Boston, and the Washington, DC region, the study asks,

- What kinds of jurisdictions have adopted IZ?
- How much affordable housing has been produced in different IZ programs, and what factors have influenced production levels?
- What effects has IZ had on the price and production of market-rate housing?

In response to the first question, the research finds that larger, more affluent jurisdictions, jurisdictions that are close to other areas that have adopted IZ programs, and jurisdictions that have adopted other land use regulations such as growth management or cluster zoning polices, are more likely to have adopted IZ programs.

This study also finds that the longer an IZ program has been in place, the greater the number of affordable units it has produced. In San Francisco, the programs that exempt smaller projects or provide density bonuses produce more units than less flexible programs. The data in San Francisco show that almost every jurisdiction with an IZ program has produced affordable housing units.

The results are not as encouraging in suburban Boston, where 43% of the jurisdictions have not produced any affordable units through the IZ programs, and one third are unable to report on how many units have been produced. The authors indicate that the reasons for the low production of affordable units in suburban Boston could be that the IZ programs are relatively new, many are voluntary, and they apply only to a narrow range of developments.

Finally, this report finds no evidence that IZ programs in the San Francisco area have had an impact on the prices of market-rate single-family houses or on the production rates of these homes. However, the results in suburban Boston do show a small nega-

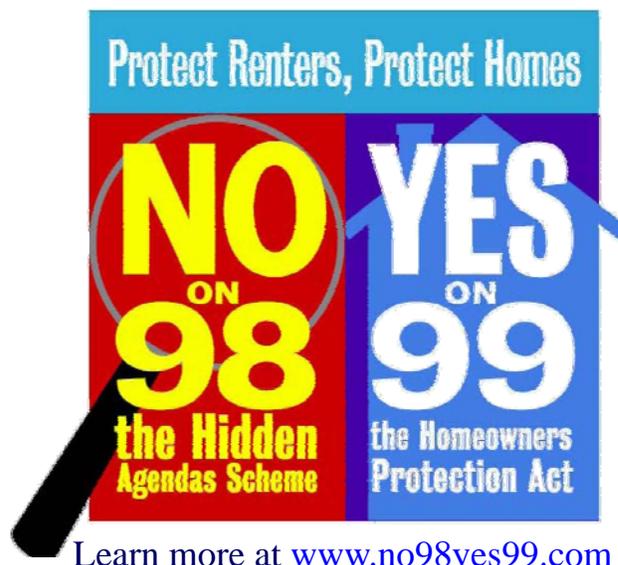
tive impact on the production of market-rate housing and a resulting increase in the prices of single-family homes. Unfortunately, the small number of jurisdictions in the DC area prevented the researchers from conducting statistical analysis on the data from that area.

The authors encourage policymakers to take the following points into consideration when considering implementing IZ programs:

- IZ programs certainly have the potential to produce affordable housing, but should not be seen as a complete solution to a community's many housing challenges.
- More flexible programs may produce more affordable units.
- Finally, IZ policies will be less likely to have an adverse impact on the price and production of market-rate housing if they provide developers with meaningful density bonuses or effective offsets to the costs of producing affordable housing.

The policy brief and the full working paper can both be found here: www.nhc.org/housing/iz

Reprinted from *Memo to Members*, V13N15, April 11, 2008, National Low Income Housing Coalition.



HTF Funding Updates

Downey Savings contributes \$4,000

The Downey Savings and Loan Association has contributed \$4,000 to the HTF. This is Downey's second grant to support the HTF. Headquartered in Newport Beach, Downey Savings is one of the oldest and largest savings and loans in California. They have six branches throughout San Luis Obispo County.



CDFI Tax Credit Investments

With the recent drop in interest rates, CDFI tax credit investments in the housing trust fund has become more attractive. Under the program, investors receive a 20% state income tax credit for lending the HTF least \$50,000 at 0% interest. For more information, go to www.sloctf.org/tax-credits.htm or call the HTF at (805) 543-5970.

Short Notes

Habitat moving forward in Atascadero

Habitat for Humanity has recorded the final map for its four unit subdivision in Atascadero. Habitat recently started preparing the site (see photo, below) and will soon begin building the homes. Midland Pacific Homes (www.midlandpacific.com) will manage the home construction. The homes are scheduled to be completed by the end of this year.

This project exemplifies the need for partnerships between local nonprofits, businesses and governments to make any affordable housing possible in this county. The HTF financed the site purchase using funds received from local banks, Catholic Healthcare West and other sources. The project is also receiving both Atascadero Redevelopment funds and County HOME funds.

To volunteer to help with the construction of the homes, call Austen at (805) 782-0687 or volunteer@hfhsloco.org.



Paso NP Housing completes first project

The Paso Robles Nonprofit Housing Corporation has completed its first affordable housing project – 40 rental apartments for very low-income seniors (see photo, below right).

The housing corporation is affiliated with the Paso Robles Housing Authority. It was created to take advantage of tax credits and other funding programs.

The corporation and housing authority are currently studying the potential to redevelop the Housing Authority's Oak Park public housing project. The City of Paso Robles is preparing a specific plan for the whole Northwest area which encompasses this project.

The senior apartments are located at the corner of 28th and Park Streets in Paso Robles. For more information, call (805) 238-4015.



Oak Park Senior Housing recently completed by the Paso Robles Nonprofit Housing Corporation.

Peoples' opens Villas at Higuera

The Villas at Higuera is a new affordable housing complex built by Peoples' Self-Help Housing in the City of San Luis Obispo. It is a mixed-use development that provides 28 permanently affordable apartment units, 3,000 sf of commercial space and nearly 3,000 sf of community space.

The Villas is Peoples' first project that has housing built on a platform over parking. This made it possible for the project to be built without being surrounded by a sea of parking. It exemplifies the type of smart growth and compact development that will increasingly be needed in this county in the future.

The Villas is located at 3071 S. Higuera Street. For more information, contact Peoples' Self-Help at (805) 781-3088 or visit their website — www.pshhc.org.

Affordable housing & growth management

Critics of growth management accuse it of driving up housing prices. A new study by the Brookings Institution found that lower income families are often priced out of housing in areas

that lack growth-management measures. In these communities, exclusionary zoning practices squeeze out less affluent groups.

Smart-growth policies that attempt to ensure that jurisdictions provide their fair share of affordable, workforce housing can mitigate against this. The study – *The Link between Housing Affordability and Growth Management: The Academic Evidence* – is available online at www.brookings.edu/es/~urban/publications/growthmang.pdf.

Items of Interest...

Publications

The Department of Housing and Community Development's **Financial Assistance Programs Annual Report** for 2006-07, is now available online at www.hcd.ca.gov/fa/AnnualReport_FY06-07.pdf. It includes information on HCD's various housing finance programs, including those funded by Propositions 46 and 1C.

Getting to the Heart of Housing's Fundamental Question: How Much Can a Family Afford? is a primer on housing affordability standards from the National Low Income Housing Coalition — www.nlihc.org/doc/AffordabilityResearchNote_2-19-08.pdf.

Density Guide for Affordable Housing Developers explains the difference between housing density and population density. It also shows examples of housing projects with densities that range from 4.5 to 214 dwellings units per acre. The guide is available from the Southern California Association of Non Profit Housing (SCANP) at www.scanph.org/files/Density%20Guide.pdf.

Websites

The Caritas Corporation (www.caritascorp.org) owns and operates mobile home parks on a nonprofit basis. Caritas owns Rancho del Arroyo in Oceano.

Millennium Housing (www.millenniumhousing.net) also owns and operates mobile home parks on a nonprofit basis.

Events

May 14, 15 or 16 — Nuts and Bolts of Co-Operative Housing: Creating Sustainable, Affordable Homeownership — one-day conferences in Sacramento, Oakland and Los Angeles — www.ccd.coop.

May 15 — Housing First: Helping Chronically Homeless Individuals Access and Stabilize in Housing — an online chat with the National Alliance to End Homelessness — www.knowledgeplex.org/xchat.html.

May 22 — Housing First: Rapidly Re-housing Families Who Experience Homelessness — an online chat with the National Alliance to End Homelessness — www.knowledgeplex.org/xchat.html.

May 22 (and maybe May 29) — Hearings on Inclusionary Housing — County Planning Commission, Board of Supervisors Chambers, SLO — www.slocounty.ca.gov/planning/meetingcalendar/Planning_Commission_Hearings_9791.htm

Dec. 3-5 — National Rural Housing Conference 2008, Washington, DC — www.ruralhome.org/Conf2008/index.php.

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.



Loan Funds Available: \$3.5 Million

Approximately \$3.5 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.

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 download our Program Guidelines, Loan Review Process and Underwriting Guidelines and other documents.

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