

# Housing for All

## HTF finances market-rate rentals in Arroyo Grande

The HTF recently closed two loans for the development of the Pike Place Apartments — 28 new rental homes located at Elm and The Pike in Arroyo Grande. Pike Place is a market-rate development that includes 23 two-bedroom homes with two-car garages and five studio apartments.

The homes at Pike Place will be affordable to households that earn from the moderate to workforce income levels. Due to the extreme shortage of rental housing in the five cities area, Pike Place will free up more modest apartments for households with lower incomes.

The Pike Place loans epitomize the HTF's goal of partnering with private lenders to increase the supply of affordable housing throughout our county.

Founders Community Bank provided a \$3.6 million construction loan for Pike Place. The HTF provided both a \$450,000

loan secured by the Pike Place property and a \$200,000 loan secured by other property owned by the developer. Without the HTF's participation, the development was not financially feasible. There is no government financing for this development.

### HTF Mission: increasing the supply of affordable housing

The Pike Place loans brought the HTF's cumulative lending to over \$12.6 million since 2005. Since closing our first loan, we have assisted in the development or preservation of 419 affordable homes. The HTF also has over \$1.6 million in loan commitments, including 133 additional apartments (see article to right).

## Tax Credits Awarded!

On June 11, the California Tax Credit Allocation Committee awarded Low Income Housing Tax Credits to three local apartment developments:

- South Street Family Apartments, 43 affordable rentals in San Luis Obispo,
- Morro del Mar Senior Apartments, 21 affordable rentals in Morro Bay, and
- Oak Park Apartments II, 69 affordable rentals in Paso Robles.

The rents in these developments will be affordable to individuals and families that earn from roughly \$15,000 to over \$50,000 per year. Construction of these apartments will begin by December 2014. Homes will be completed and available to rent in about 12 to 18 months.

The HTF has made loans commitments for all three developments. For more information, see the Spring issue of this newsletter ([www.sloctf.org/files/news-14-02.pdf](http://www.sloctf.org/files/news-14-02.pdf)).

## Voters Support Veterans Housing — Pass Prop 41



Voters in California and San Luis Obispo County overwhelmingly passed Proposition 41 on the June 3rd ballot. Prop 41, the Veterans Housing and Homeless Prevention Bond Act of 2014, makes \$600 million available for affordable rental housing for veterans and their families. Prop 41 was supported by 65% of the voters statewide and 61% in San Luis Obispo County. The measure passed in every county, except Modoc.

Prop 41's funding will focus on providing supportive housing for veterans who are homeless or at risk of becoming homeless. HUD reported that California had 15,179 homeless veterans on a single night in 2013 — more than a quarter of the homeless veterans in the nation. Locally, 260 homeless veterans were counted in San Luis Obispo County and 236 of them were living on the streets or in their cars.

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# Housing Trust Fund Updates

## Rabobank contributes \$7,500

Rabobank recently awarded an additional \$7,500 to the HTF. The bank's first contribution was made in 2003. The total contributions over the past decade exceed \$60,000.

Rabobank has also been the largest investor in our revolving loan fund. The bank currently provides us a \$1 million revolving line of credit and is about to close an additional \$500,000 investment. More information is online at [www.sloctf.org/grant-rabo.htm](http://www.sloctf.org/grant-rabo.htm).

## Union Bank contributes \$5,000

The Union Bank Foundation (<http://tinyurl.com/9a9etv3>) has supported the HTF since 2005. The bank and its foundation recently made their seventh contribution to the HTF. The \$5,000 grant will support our mission and services. Additional information is online at [www.sloctf.org/grant-ubank.htm](http://www.sloctf.org/grant-ubank.htm).



Steve Harding (left) and Linda Minton (middle) of Rabobank present the bank's contribution to Jerry Rioux of the HTF.



Union Bank staff pose with Jerry Rioux from the HTF after presenting the bank's contribution. (Front Row: Marian Anderson, Shannon Santos, Christine Moreno, Jerry Rioux and Erin Bailey. Back row: Dustin Reese, Donna Milne.)

## Local Governments support HTF

While roughly two-thirds of the HTF's operating budget comes from our interest and fee earnings, the balance is provided by generous contributions from businesses and local governments. Local governments provide about 25% of our operating funds.

As part of the annual budget process, the County of San Luis Obispo recently approved \$40,161 in general fund support for the HTF. The City of Grover Beach included \$5,000 in general funds for the HTF as well. The City of Morro Bay contributed \$1,000 from its affordable housing fund. Earlier in the year, the City of San Luis Obispo contributed \$30,000 to the HTF from its affordable housing fund. Other requests are pending.

## HTF increases Loan Limits

The HTF Board recently approved increased loan limits, which are summarized in the chart below. Note that we have separate limits for tax credit project loans and longer-term loans (over five years). We also have separate per borrower, per project and per unit limits.

For additional information on our loans and applying for a loan, see our "Loan Review Process and Underwriting Guidelines" online at [www.sloctf.org/files/guidelines.pdf](http://www.sloctf.org/files/guidelines.pdf).

The HTF is currently accepting applications. We currently have nearly \$2 million available for new loans and expect to receive at least an additional \$1.5 million over the next six months. Please call Jerry at 543-5970 to discuss your project and its financing.

### Housing Trust Fund Loan Limits

	Tax Credit Project Loans	Longer-Term Loans	All Loans
<b>Per Unit</b>	\$10,000	As needed	As needed
<b>Per Project</b>	\$600,000	\$600,000	\$2.0 million
<b>Per Borrower</b>	\$1.2 million	\$1.2 million	\$4.0 million
<b>Aggregate</b>	\$2.0 million	\$3.5 million	Available funds

Notes: The longer-term loan limits include tax credit project loans. The per borrower loan limits includes loans to a single borrower and all related entities (e.g., LLCs and partnerships). Our loan limits are subject to review and adjustment as needed.

# Short Notes

## Population Drops; Housing Stock Increases

The state Department of Finance recently released its January 1, 2014 population and housing estimates for every city and county in the state. While the state's overall population increased by almost 1% in 2013, SLO County's population dropped just slightly. Every city in the county experienced a population decrease. The population of the unincorporated county would have also dropped if not for a significant increase in the number of persons in group quarters (e.g., college dormitories, nursing homes and correctional facilities).

While the county's population dropped, the local housing stock increased by 594 units or .50% during 2013. The housing stock increased in every jurisdiction in the county. Atascadero had the highest rate of increase (1.00%), followed by the unincorporated county (.60%) and Paso Robles (.43%). Nearly half of the new units were in unincorporated areas. More than one-fifth of the units produced last year were in multifamily housing developments with five or more units.

## Housing is still Unaffordable in SLO County

For the first quarter of 2014, the National Association of Home Builders ranked SLO County as the 8th least affordable housing market out of 225 metro areas in the US. This county consistently has among the least affordable housing in the nation when compared to local incomes. This time, we were slightly less affordable than New York City (#7) and more affordable than San Jose (#9). Learn more about NAHB's Housing Opportunity Index at [www.nahb.org/reference\\_list.aspx?sectionID=135](http://www.nahb.org/reference_list.aspx?sectionID=135).

## SLO County Homeless Fact

HUD data for 2013 shows that San Luis Obispo County had more unsheltered homeless—people living in their cars, on the streets, in the creek beds, etc—than the states of Wisconsin, South Dakota, Kansas, Arkansas, New Hampshire, Vermont, Nebraska, Iowa, Rhode Island, Maine, and Delaware **COMBINED!**

## CalHFA lends to Non-First-Time Buyers

The California Housing Finance Agency has opened its first mortgage loans to more buyers who have owned a home in the past. Now, borrowers cannot own another home at closing. CalHFA down payment assistance is still limited to first-time home buyers. First-time buyers have not owned and occupied their own home in the last three years. For more information, go to <http://tinyurl.com/oypc3op> or [www.calhfa.ca.gov](http://www.calhfa.ca.gov).

## Housing, Health & Education are Connected

The John D. & Catherine T. MacArthur Foundation has released research briefs from its [How Housing Matters to Families and Communities Initiative](#). The research explores how improving housing impacts education, employment, and health outcomes for families. It's no surprise that better housing tends to improve other areas of a person's life. The briefs and links to the full studies are available at: <http://bit.ly/1nEZHG8>.

## CAPSLO owns 40 Prado

Thanks to financial support from the City, County and State, and a partnership with Regional Transit, CAPSLO closed escrow on the purchase of 40 Prado Road. CAPSLO plans to develop a new homeless center that will include both emergency shelter and a wide range of services on the site. Construction should start in 2015.

# State Budget Fund\$ Housing

## HCD's Multifamily Housing Program (MHP)

received \$100 million in state general funds as part of the FY15 budget deal. Half of these funds are for permanent supportive housing for persons who are homeless and have extremely low incomes. Additional information on the MHP program is online at [www.hcd.ca.gov/fa/mhp](http://www.hcd.ca.gov/fa/mhp).

This is the first significant appropriation of general funds for any state housing program in 14 years.

## The Affordable Housing & Sustainable Communities

program was created to promote affordable housing that reduces greenhouse gas emissions. This program will receive \$130 million in Cap-and-Trade auction revenues for FY15 and at least 10% of all future revenues, which could reach hundreds of millions of dollars per year.

While it was initially feared that these funds would only be for transit-oriented development in highly urbanized areas, the budget language should allow the funds to be used in small cities and rural areas as well. Examples of potentially competitive local projects include zero net-energy affordable housing developments and housing in walk-able communities.

Additional Cap-and-Trade proceeds were allocated for the weatherization of low income rental and ownership housing. The allocation for FY15 is \$75 million. Specific amounts were not allocated for weatherization in future years.

## The Veterans Housing and Homeless Prevention

which was approved by Prop. 41, is also in the budget. The state will sell \$600 million in general obligation bonds for affordable multifamily supportive housing to relieve homelessness, affordable transitional housing, affordable rental housing, or related facilities for veterans and their families. Information on VHHP is online at [www.hcd.ca.gov/fa/vets](http://www.hcd.ca.gov/fa/vets).

# Items of Interest...

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

**SLO May 9th Homeless Forum online.** AGP Video's recording of the SLO Homeless Forum is available to download or watch at: <http://tinyurl.com/ljkauq4>.

**Home, Food Or Health Care: A Choice Many Renters Can't Afford** is a recent NPR program that explores the impact that the mortgage crisis and economic meltdown have had on renters. Listen to it at <http://tinyurl.com/pdpgu6v>.

**Out of Reach 2014** is a report from the National Low Income Housing Coalition that documents the disparity of rents and tenant incomes in every county in the US. In SLO County, the average wage needed to afford a modest two bedroom rental is \$23.37 per hour. Local renters, however, only earned an average of \$11.71 per hour. Download the report at <http://nlihc.org/oor/2014>.

**The State of the Nation's Housing**, the annual checkup from Harvard's Joint Center for Housing Studies, finds that Millennials are the key to a stronger Housing Recovery. Learn more at [www.jchs.harvard.edu/research/state\\_nations\\_housing](http://www.jchs.harvard.edu/research/state_nations_housing).

**Redevelopment Agencies in California: History, Benefits, Excesses, and Closure** is a new HUD report that looks at the successes and failures of RDAs over the years. It concludes that the loss of RDA funds will result in the loss of 4,500 to 6,500 new affordable housing units each year. The report is online at <http://tinyurl.com/plnk22l>.

**A Brief History of Rural Mutual Self-Help Housing in the United States** is a research report from the Housing Assistance Council on USDA's self-help program including data through 2013. The report is online at <http://tinyurl.com/ma9sqqp>.

**Advocates' Guide to Housing and Community Development Policy**, National Low Income Housing Coalition, compiles resources for advocates on affordable housing programs and policies. Check it out at <http://nlihc.org/library/guides>.

**Roots & Branches: A Gardener's Guide to the Origins & Evolution of the Community Land Trust** is a new website filled with photos, videos, documents, interviews and other historical information on the CLT model. Check it out at [www.cltroots.org](http://www.cltroots.org).

**The 2014 Online Fundraising Survival Guide** is a free handbook from the Network for Good for nonprofits that want to increase their online fundraising. Download it at <http://learn.networkforgood.org/OnlineFundraisingSurvivalGuide.html>.

## Events

**July 16 at 2:30 — Prop 41 - Veterans Housing and Homeless Prevention Program Stakeholder Meetings**, Van Nuys, CA — register at <http://tinyurl.com/ncbpyjn>.

**Oct 14-17 — Opportunity Finance Network Conference**, Denver — [www.ofn.org](http://www.ofn.org).

**Oct 23-24 — Rural Housing Summit 2014**, Asilomar — [www.calruralhousing.org](http://www.calruralhousing.org).

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



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

## 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.

Learn more at:  
[www.slocthf.org/moylan-fund.htm](http://www.slocthf.org/moylan-fund.htm)

