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County Affordable Housing Fund Gets a Boost

In February, the nonprofit got \$750,000 in commitments, including \$500,000 from the owner of three local hospitals, meaning that \$4 million is available for low-income projects
By, Ermina Karim – The Tribune

A record number of revolving loan fund commitments in February has placed the San Luis Obispo County Housing Trust Fund within striking distance of its 2006 goal of \$5 million.

The nonprofit organization, which celebrated its third anniversary on Monday, received \$750,000 in investments during the month to its revolving loan fund, anchored by a \$500,000 commitment by Catholic Healthcare West.

The investment by the San Francisco-based health system, which owns and operates French Hospital Medical Center, Arroyo Grande Community Hospital and Marian Medical Center in Santa Maria, increases the revolving loan pool to nearly \$4 million in private lending capital. The money is used to help organizations finance affordable housing projects in San Luis Obispo County. The loans are then repaid to the fund.

With nine months left in this year, the Housing Trust Fund is about \$1 million shy of its year-end goal of \$5 million.

"We're having a great start to the year," said Jerry Rioux, executive director of the Housing Trust Fund. "I hope to beat our goal for this year."

Rioux anticipates that the Catholic Healthcare West funds will be put toward one of the two projects the Housing Trust Fund is currently involved with in the communities of San Luis Obispo and Nipomo. The two projects will offer 37 units of lower-cost housing for first-time home buyers for families earning between \$50,000 and \$80,000 a year.

"Lack of affordable housing is a critical issue in the county and it is often noted as problematic in the recruitment of nurses, physicians and support staff," said Pablo Bravo, director of community investments and grants for the hospital chain. "We see this as a critical first step in the support of affordable housing for San Luis Obispo County."

The county's median home price — the statistical point where half of homes sell for more and half for less — was \$592,590 for January, a 10.8 percent increase over the December 2005 median home price of \$534,930. The minimum household income required to purchase the December median-priced home was \$130,900, assuming a 6.33 percent interest rate and a 20 percent down payment. Only 10 percent of county residents could afford it, according to the most recent data available.

Also during February, the Housing Trust Fund received a \$200,000 commitment from the Sonoma-based Erich and Hannah Sachs Foundation and a \$50,000 investment from the Sisters of Charity of Cincinnati.

"There are a number of nonprofits and religious organizations that are focused on supporting community efforts that are consistent with their mission," said Rioux. He said that the fund currently has three applications pending seeking support from religious organizations around the country.

Other investors in the Housing Trust Fund include Mission Community Bank, Mid-State Bank & Trust and the Adrian Dominican Sisters of Adrian, Mich.

"It's pretty exciting to see a lot more interest from organizations, not just locally but around the nation, that are interested in creating affordable housing in the county," said Anita Robinson, president of Mission Community Bank and chairman of the Housing Trust Fund's board of directors.

So far this year, the revolving loan fund has also received a \$100,000 grant from the California Association of Realtors and about \$5,000 in contributions through the George Moylan Affordable Housing Fund. In addition, First Bank of San Luis Obispo has committed funds to finance projects.

In February 2004, the Housing Trust's board of directors set a goal of reaching a total of \$1 million for that year, \$3 million by the end of 2005 and \$5 million by the end of 2006. The board will hold two planning sessions this month and April to set new financing and housing goals through 2008. The fund's goal is to help create 100 units of lower-cost housing in 2006.

The operational costs of the Housing Trust are met by direct contributions and earnings from its loan fund, such as interest on loans and deposits and loan fees. It has a 2006 annual budget of approximately \$260,000, of which about \$180,000 is required in direct contributions and the remainder will come from its earnings from its loan fund and professional services. So far this year, the Housing Trust Fund has not received any substantial direct contributions, said Rioux.