



**Letters submitted for tomorrow 's BoS hearing (Nov. 5, 2013)**

**Ted Bench** to: cr\_board\_clerk Clerk Recorder  
Cc: Annette Ramirez

11/04/2013 03:37 PM

History: This message has been forwarded.

Hi there -

The Planning & Building Dept. has received two letters for Item 33 on tomorrow's Board of Supervisor's agenda. Item 33 - Title 29 annual fee adjustment.

The two letters are attached.

Thanks !



2014-Title 29 HBACC letter.pdf 2014-Title 29-WHC letter.pdf



November 4, 2013

San Luis Obispo County Board of Supervisors  
Room D-430, County Government Center  
San Luis Obispo, California 93408

To Whom it May Concern:

On behalf of the Home Builders Association of the Central Coast I would like to thank your Board and County staff for working with our industry on the issue of Inclusionary Housing Fees. By holding off implementation of these fee increases until the housing market advances in its recovery, and by allowing our builders needed assistance as we too attempt to recover, your actions will help the housing industry and our local economy to rebuild.

We all agree that there should be an adequate supply of affordable workforce housing within our communities. The HBACC has demonstrated that we care about affordability and we have been an active participant in working with other SLO County stakeholders to make affordability a top priority. While some may question the fairness and equity of burdening market-rate home buyers with buying-down the cost affordable units, we understand the community's desire to have a mechanism to help provide affordable housing for our citizens. We hope that in the future this affordability subsidy will be shared by all in our community, not by just those of us who provide new housing for our neighbors and friends. The HBACC welcomes the opportunity to be part of the discussion regarding a sustainable broad based source of funding for affordable housing as we move forward into the future.

We encourage the Board to maintain the Title 29 Residential In-Lieu Fees at the current Year 1 level. Of the nearly \$1.8 million in fees identified in the 2012 nexus study available under the Year 1 level, only \$4,984 was collected from October 2012 to October 2013. This gives credence to the fact that the economic recovery in the residential development sector has yet to gain any momentum.

The County's September 2013 Building Permit Activity Report <sup>1</sup> identified the issuance of 30 residential building permits in the month of September and a total of 104 for the 2013 fiscal year. The building permits issued have been primarily from individual owner/builders or custom home sites and not related to new subdivisions. The County has received only 3 new tentative subdivision applications this fiscal year (2 Parcel maps and 1 tract map) which is equivalent to last year. The County's September 2013 monthly statistics report identified an increase in subdivisions only because the subdivision application intake total includes "voluntary lot mergers" and "Lot Line Adjustments". These two activities are not considered subdivisions and do not create new residential lots, but rather reconfigure existing legal lots

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<sup>1</sup> Source: <http://www.slocounty.ca.gov/Assets/PL/pdfs/Stats+September+2013.pdf>



or reduce existing lots. Taking out “voluntary lot mergers” and “Lot Line Adjustments” shows that there has not been an increase in new subdivisions.

HBACC does agree there has been an increase of building permit activity in Fiscal Year 2012/2013 and for the beginning fiscal year 2013/2014, but the county has not yet approached the permit issuance levels of 2008.

HBACC does have an additional request. **We would like the County to allow builders to pay our inclusionary housing fees at close of escrow.** This would help improve affordability by reducing the interest cost of early funding that benefits only the lending institutions. These simple acts by your Board would provide some needed cost relief as we all work toward achieving stable housing production that we all desire.

As we move forward and work together to ensure long term solutions for affordable housing, we also encourage the County to take the following steps:

- Zone more land for all types of housing
- Approve higher density developments
- Make the approval process for new housing more streamlined and predictable
- Support more secondary housing units in existing residential areas
- Further develop broad community-based funding sources for affordable housing and minimize reliance on homebuilders and unfairly taxing new homebuyers

We look forward to continue being active partners with other workforce housing stakeholders and providing the insight and support for solutions that benefit all.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Wes Willhoit', written over a horizontal line.

Wes Willhoit  
President  
Home Builders Association of the Central Coast



P.O. Box 293, San Luis Obispo, CA 93406

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Delivered via email

Board of Supervisors  
San Luis Obispo County  
San Luis Obispo, CA 93408

**SUBJECT: WORKFORCE HOUSING COALITION SUPPORTS  
INCREASING INCLUSIONARY HOUSING REQUIREMENTS**

Dear Chairman Gibson and Members of the Board:

The Workforce Housing Coalition (WHC) supports increasing the inclusionary housing requirements for residential development by moving to "Year 3" of the adopted five-year phase-in schedule.

We believe that the housing market has improved sufficiently to finally move beyond "Year 1." The county's median home sales was \$420,000 in September 2013, which was 16.7% higher than the median for all of 2012 and 23.9% higher than the median for 2011. In addition, the 30 new homes sold in September 2013, while still small, was five times the number sold in the same month of 2012.

With the improved market and rising interest rates, housing has become increasingly less affordable in San Luis Obispo county. The County planning department calculates that low income households can only afford to pay \$174,000 for a three bedroom home and moderate income households can only afford \$338,000.

Increasing the inclusionary requirements will result in more affordable units being built either directly or through the payment of in-lieu fees.

While we support increasing the residential development, we do not support adjusting the housing impact fees, except for a small amount based on the construction cost index, for nonresidential development at this time because the commercial real estate market has not improved.

Thank you for your consideration.

Sincerely,

Jerry Rioux, Vice Chair

C: Ted Bench