

ATTACHMENT A

Title 29
Affordable Housing Fund
Action Plan

YEAR 2012

Department of Planning and Building
County of San Luis Obispo

Approved by the Board of Supervisors
December 6, 2011

COUNTY OF SAN LUIS OBISPO

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Summary of Activities for Year 2012 Action Plan

Title 29 – Affordable Housing Fund has been active since 2008. As of November, 2011, there is \$39,155.15 in the Fund. This amount includes \$5,922.38 in the In-Lieu Fee account and \$33,232.37 in the Housing Impact Fee account. In-lieu fees may be spent on construction related costs (i.e. permit fees), but housing impact fees must be spent on the construction of affordable housing units within projects identified in the annual Action Plan. The Fund must be spent in the same area as the projects that paid the fees. Residential development pays in-lieu fees and commercial development pays housing impact fees.

During 2011, \$4,512.97 from the in-lieu fee account was used to help pay the permit fees for 11 affordable housing units in Nipomo. For the year 2012, the total \$39,155.15 amount in the Fund will be available to help pay for direct construction costs of affordable housing units in the north, central, and south county areas.

The 2012 Action Plan identifies three projects that may use all of the Fund for the construction of affordable housing units. These projects will produce 115 affordable units. During 2012, more fee payments may be deposited or some funds may remain unspent. At the end of 2012 the Board of Supervisors shall consider the available revenue amounts in all of the accounts of the Affordable Housing Fund and determine how to allocate the Fund in 2013.

Introduction

This Year 2012 Action Plan has been approved by the Board of Supervisors of San Luis Obispo County. It guides the use of the Affordable Housing Fund. An Annual Report has also been prepared by the County, pursuant to Title 29 – Affordable Housing Fund.

Both the Action Plan and the Annual Report illustrate the process by which the County collects and disburses the Affordable Housing Fund. Priorities for spending the Fund are set by the County’s housing policies and goals, which are described in the General Plan – Housing Element, in Title 29 – Affordable Housing Fund, and in the Inclusionary Housing Ordinance (Land Use Ordinance Section 22.12.080 and Coastal Zone Land Use Ordinance Section 23.04.096).

Available Funding for Year 2012

Available Revenue in the Affordable Housing Fund Accounts

Table 1 from the Annual Report (below) summarizes the available revenues in all of the Affordable Housing Fund accounts.

FY 2010 / 2011 Annual Report
Table 1
Summary of All Accounts
Between October, 2010 and October 2011

Account	Starting Balance (+)	Income from Fees** (+)	Income from Interest (+)	Disbursements (--)	Amount Available
In-Lieu Fees	\$8,747.95	\$1,640.00	\$47.40	\$4,512.97	\$5,922.38
Housing Impact Fees	\$27,542.11	\$5,484.92	\$205.74	\$0	\$33,232.77
Total	\$36,290.06	\$7,124.92	\$253.14	\$4,512.97	\$39,155.15

** A 5% administrative fee has already been subtracted from the fee amounts shown in this column as provided for by Section 29.03.010.

NOTE: Residential development pays in-lieu fees and commercial development pays housing impact fees. In-lieu fees may be spent on construction related costs (i.e. permit fees), but housing impact fees must be spent on the construction of affordable housing units within projects identified in the annual Action Plan.

The following table summarizes the funding amounts available for each area of the County.

2012 Action Plan – Table 1
Funds Available for Each Area of the County**

Account	North County	South County	Central County	North Coast	Interest	Total
In-Lieu Fees	\$5,874.98	\$0	\$0	\$0	\$47.40	\$5,922.38
Housing Impact Fees	\$6,898.83	\$4,880.35	\$21,247.85	\$0	\$205.74	\$33,232.77
Total	\$12,773.81	\$4,880.35	\$21,247.85	\$0	\$253.14	\$39,155.15

**The County is divided into four Housing Market Areas (see Appendix - Housing Market Area Map).

Title 29 allows the Board of Supervisors to allocate the Title 29 funds to affordable housing projects within the same planning or housing market area as the projects that generated the funds.

Action Plan from the Previous Year

Summary of Previous Year's Action Plan Projects (for In-Lieu Fee Account)

The following table shows the status of the project(s) funded through the previous year's Action Plan:

2012 Action Plan – Table 2
Projects Funded by the In-Lieu Fee Account of the Previous Year (2011 Action Plan)

Project Name	Amount Allocated	Amount Drawn	Remaining Amount (if any)	Was Project Completed?
Tract 1747 Oak Leaf (Nipomo)	\$4,512.97	\$4,512.97	\$0	Yes – helped to pay permit fees for 11 affordable houses

The 2011 Action Plan made its entire In-Lieu Fee account available to assist with construction related costs for affordable housing units (i.e., permit fees). Of the \$8,747.95 in available funds, \$4,512.97 was for south county projects and \$4,234.98 was for north county projects. No north county affordable housing projects obtained construction permits or used the funds in 2011. In south county, one project obtained construction permits and used all of the available \$4,512.97 in funds - the Oak Leaf subdivision in Nipomo.

Achievements of Individual Projects (for In-Lieu Fee Account)

- Project Name: Tract 1747 - Oak Leaf
- Location: Nipomo
- What Funding Paid For: The Oak Leaf subdivision, a sweat-equity project by People's Self-Help Housing Corporation, used the funds to help pay the public facilities fees for 11 affordable houses (\$410.27 per unit). This covered only a portion of the \$4,260.98 public facility fee for each house.

- **Achievements & Beneficiaries**
 - Number of Affordable Housing Units Constructed or Assisted – 11 units.
 - Number of Beneficiaries – Eleven low and very low income home owners
- **Additional Funding Considerations**
 - Does this Project need additional funding? Yes. The Oak Leaf subdivision in Nipomo is a 34 lot subdivision, and only 11 houses received help with fee payment.
 - Why should additional funding be awarded? (if applicable) – Unfortunately, there is no more funding available in the In-Lieu Fee account for south county in 2012. The funding for north county should remain available to help pay the permit fees or construction costs for any eligible affordable housing projects. Also, the Housing Impact Fee funds could be used for direct construction costs.

Summary of Previous Year's Action Plan Projects (for Housing Impact Fee Account)

Housing impact fees must be spent on the construction of affordable housing units within projects identified in the annual Action Plan. During 2011, none of the funds in housing impact fees account were spent.

Achievements of Individual Projects (for Housing Impact Fee Account)

None at this time.

Action Plan for Year 2012

Summary of Funding for Year 2012 Projects

The funds from both the in-lieu fees and housing impact fees may be used to pay for the construction of affordable housing. For the purpose of using the \$39,155.15 of Year 2012 funds, eligible units shall be affordable housing units that are deed restricted or that conform to the standards of Land Use Ordinance Section 22.12.070 – Housing Affordability Standards.

Action Plan Table 1 (above) shows the amount of funds available for each area of the county. Title 29 allows the Board of Supervisors to allocate the Title 29 funds to affordable housing projects within the same planning or housing market area as the projects that generated the funds.

Title 29 requires the Action Plan to identify specific projects that will receive the affordable housing funds. People's Self-Help Housing Corporation has two "sweat equity" subdivisions that will start or be completed in 2012. Tract 2975 is a six unit townhouse project in Oceano, and Tract 2458, Terebinth Lane, is a 29 lot subdivision in Templeton. All units in both projects are being built by low and very low income homeowners. Also, the Housing Authority of the City of San Luis Obispo has started construction of Moylan Terrace, an 80 unit project in the City of San Luis Obispo. The 80 units will be sold to homebuyers of very low, low, moderate and workforce income levels. The 2012 Action Plan has allocated its funds to these three projects in the amounts shown in the table below. All units that receive the funds shall be deed restricted affordable housing units, or shall comply with San Luis Obispo County Land Use Ordinance Section 22.12.070 – Housing Affordability Standards.

2012 Action Plan – Table 3
Projects to be Funded in 2012

Project Name	Amount Allocated
Tract 2975 Oceano (6 units)	\$4,880.35 + \$13.20 (\$2.20 X 6 units)**
Tract 2458 Terebinth Lane Templeton (29 units)	\$12,773.81 + \$63.80 (\$2.20 X 29 units)**
Moylan Terrace San Luis Obispo (80 units)	\$21,247.85 + \$176.00 (\$2.20 X 80 units)**
Total amount allocated	\$39,155.01

**Table 1 of the 2012 Action Plan shows a total interest deposit of \$253.14. This amount shall be divided among the three projects identified above. $\$253.14 / 115 \text{ units} = \2.20 per unit .

Funding Amounts and Goals for Individual Projects

Project Description – Tract 2975 – People's Self-Help Housing Corporation. Title 29 funds will be used to pay construction costs. All of the funds available for the south county housing market area (\$4,880.35) are being allocated to this subdivision in Oceano (see map in Appendix). The subdivision is being managed by the People's Self Help Housing Corporation and will produce six “sweat equity” townhouses. The Title 29 funds will be spread evenly among the six housing units. Project compliance will be verified when the project manager submits to the county requests for reimbursement of construction work completed. All sweat-equity units will meet the standards for low and very low income units pursuant to Land Use Ordinance Section 22.12.070 – Housing Affordability Standards.

- This is a new project, starting in 2012
- Project Location – Tract 2975 – Oceano.
- Housing Unit Description – Two & three bedroom single family townhouse units – all six units are “sweat equity” units being constructed by income eligible (low and very low income) home owner(s).
- What the funding will pay for – \$4,893.55 (\$4,880.35 + \$13.20 interest) in funds is available to assist with paying the construction costs of the six “sweat equity” townhouse units. The funds will be divided evenly amount the units.

Achievements & Beneficiaries

- Number of Affordable Housing Units to be Constructed or Assisted – 6 units.
- Number of Beneficiaries – 6 low or very low income households

County Housing Policy or Goal being met –

- Housing Element Program HE 1.C: Reduce and defer fees for affordable housing development.

Project Description – Tract 2458 – People’s Self-Help Housing Corporation. Title 29 funds will be used to pay construction costs. All of the funds available for the north county housing market area (\$12,773.81) are being allocated to this subdivision in Templeton (see map in Appendix). The subdivision is being managed by the People’s Self Help Housing Corporation and will produce 29 “sweat equity” single family dwellings. The Title 29 funds will be spread evenly among the 29 housing units. Project compliance will be verified when the project manager submits to the county requests for reimbursement of construction work completed. All sweat-equity units will meet the standards for low and very low income units pursuant to Land Use Ordinance Section 22.12.070 – Housing Affordability Standards.

- This is a new project, starting in 2012
- Project Location – Tract 2458 – Templeton.
- Housing Unit Description – Two & three bedroom single family dwellings – all 29 units are “sweat equity” units being constructed by income eligible (low and very low income) home owner(s).
- What the funding will pay for – \$12,837.61 (\$12,773.81 + \$63.80 interest) in funds is available to assist with paying the construction costs of the 29 “sweat equity” single family dwelling units. The funds will be divided evenly amount the units.

Achievements & Beneficiaries

- Number of Affordable Housing Units to be Constructed or Assisted – 29 units.
- Number of Beneficiaries – 29 low or very low income households

County Housing Policy or Goal being met –

Housing Element Program HE 1.C: Reduce and defer fees for affordable housing development.

Project Description – Housing Authority of the City of San Luis Obispo – Moylan Terrace. Title 29 funds will be used to pay construction costs. All of the funds available for the central county housing market area (\$21,247.85) are being allocated to this subdivision in San Luis Obispo City (see map in Appendix). Project compliance will be verified through proof of deed restriction for each unit.

- This is a new project, starting in 2012
- Project Location – Humbert Street in San Luis Obispo City
- Housing Unit Description – 80 unit project - all units will be ownership units (not rentals). Unit sizes range from one to three bedroom units.
- What the funding will pay for – \$21,423.85 (\$21,247.85 + \$176.00 interest) in funds is available to the Housing Authority to assist with paying the project construction costs.

Achievements & Beneficiaries

- Number of Affordable Housing Units to be Constructed or Assisted – 80 units.
- Number of Beneficiaries – 80 very low, low, moderate and workforce income households

County Housing Policy or Goal being met –

Housing Element Program HE 1.C: Reduce and defer fees for affordable housing development.

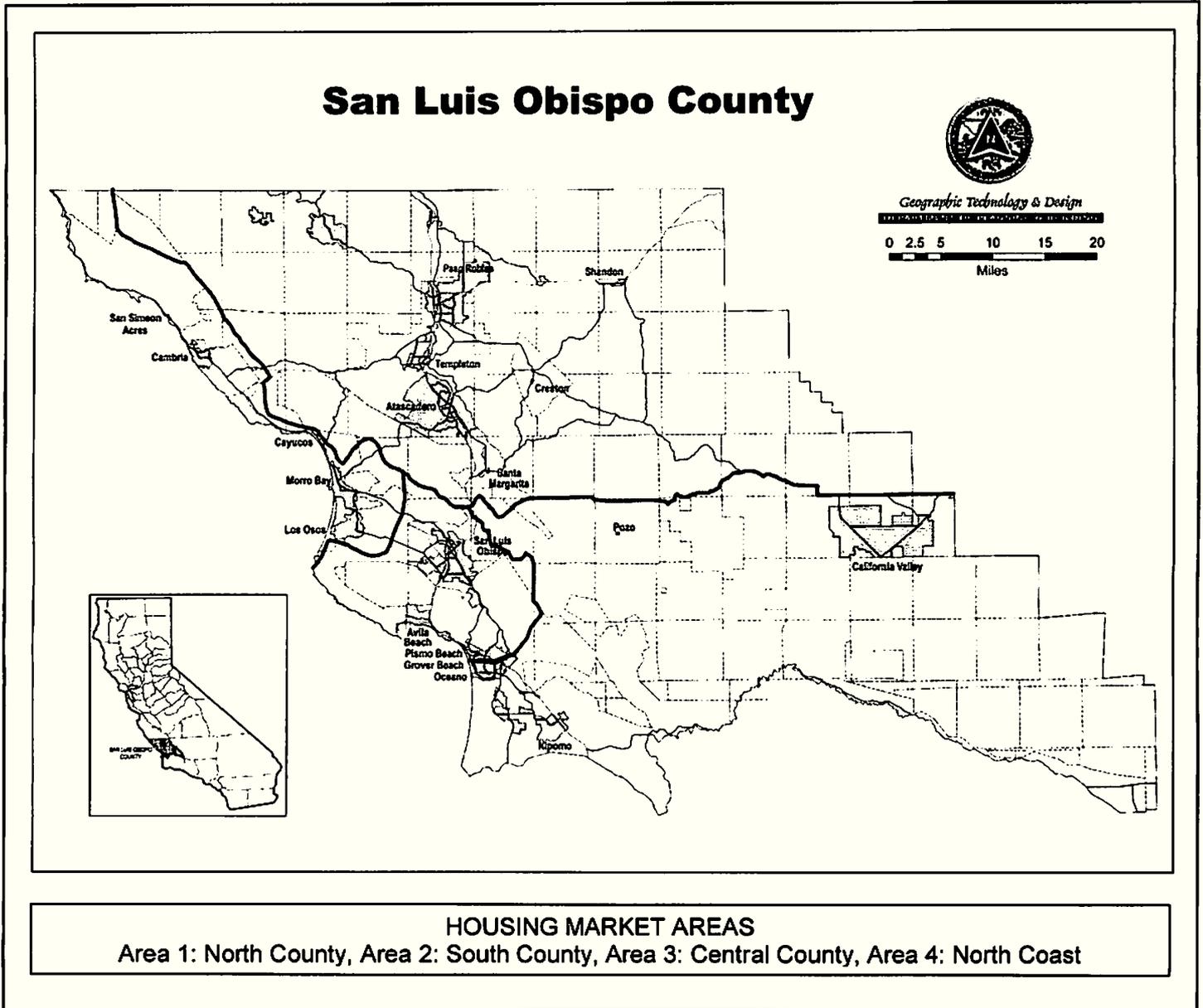
Refund Payments

Certain circumstances require that unspent Fund amounts be repaid to the original contributing developers. Title 29 Section 29.05.010.d requires that unspent Funding shall be refunded whenever the County targets an affordable housing development and determines that adequate funding is available to complete the said project, but the project is never completed.

List of Payees

Whenever refunds are made pursuant to Title 29 Section 29.05.010.d the name of the original contributing developer and the amount of the refund shall be described here.

Appendix: Housing Market Area Map



Area 1: North County – includes Santa Margarita, Atascadero, Creston, Templeton, Paso Robles and Shandon.

Area 2: South County – includes Oceano, Nipomo, Woodlands, Pozo and California Valley

Area 3: Central County – includes San Luis Obispo, Avila Beach and Arroyo Grande

Area 4: North Coast – includes Los Osos, Morro Bay, Cayucos, Cambria and San Simeon