

**Title 29**  
**Affordable Housing Fund**  
**Annual Report**

**2010/2011 FISCAL YEAR**

**Department of Planning and Building**  
**County of San Luis Obispo**

**Accepted by the Board of Supervisors**  
**December 6, 2011**

## **COUNTY OF SAN LUIS OBISPO**

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**Summary of Activities for FY 2010/2011 Annual Report**

***The Affordable Housing Fund has been active since 2008. At the beginning of 2011, the Fund had a combined total of \$36,290.06. In 2011, \$7,378.06 of revenue and interest payment was received and \$4,512.97 was spent. As of November, 2011, the Fund has a combined total of \$39,155.15. For the Year 2012, the County will use the \$39,155.15 to help pay the construction costs for 115 affordable housing units in three projects. The 2012 Action Plan describes the individual projects and their funding amounts.***

## **Introduction**

Every year the Planning Director shall report to the Board of Supervisors on the status of the Affordable Housing Fund. This report shall include a statement of income, expenses, disbursements and other uses of the Affordable Housing Fund. The report shall describe the number of individuals assisted and the number of housing units constructed or assisted during the previous fiscal year. The report shall also describe the assisted units, including the unit types (rental or ownership), targeted income levels, geographic location, the amount of assistance provided and the amount of local, state and federal funds leveraged. The report shall contain a discussion of how well the goals of the previous year's Affordable Housing Fund Action Plan were met. The Planning Director shall also make recommendations regarding any changes to county code, (i.e., to this Title, other ordinances or the General Plan), or other actions that may be necessary to carry out the purposes of this Title, including any adjustments necessary to the fees or fee administration.

## **Affordable Housing Fund Accounts**

### ***Summary of All Accounts***

The following table summarizes the activities in all of the Affordable Housing Fund accounts during the period between October, 2010 and October, 2011.

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.

### ***In-Lieu Fee Account***

The in-lieu fee is collected from residential development projects. Land Use Ordinance Section 22.12.080 (Inclusionary Housing) requires the provision of affordable housing. The required number of affordable housing units is based on the number of market-rate units in the project. Applicants may choose to pay an in-lieu fee rather than provide some or all of the affordable housing units. San Luis Obispo County collects and uses the in-lieu fees to support the construction of affordable housing units or to subsidize housing programs.

The following table summarizes the activities of the in-lieu fee account during the period between October, 2010 and October, 2011.

Table 2  
Summary of In-Lieu Fee Account  
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       |

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

***Housing Impact Fee Account***

The housing impact fee is collected from commercial / industrial development projects. Land Use Ordinance Section 22.12.080 (Inclusionary Housing) requires the provision of affordable housing. The housing requirement is based on the number of employees who work in commercial projects. Applicants may choose to pay a housing impact fee rather than provide any affordable housing units. San Luis Obispo County collects and uses the housing impact fees to support the construction of affordable housing units.

The following table summarizes the activities of the housing impact fee account during the period between October, 2010 and October, 2011.

Table 3  
Summary of Housing Impact Fee Account  
Between October, 2010 and October 2011

| Account             | Starting Balance (+) | Income from Fees** (+) | Income from Interest (+) | Disbursements (--) | Amount Available |
|---------------------|----------------------|------------------------|--------------------------|--------------------|------------------|
| Housing Impact Fees | \$27,542.11          | \$5,484.92             | \$205.74                 | \$0                | \$33,232.77      |

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

**Funded Projects**

***Summary of Funding for All Projects***

The 2011 Action Plan designated one project to receive funds from the In-Lieu Fee account. No projects were identified for receiving funds from the Housing Impact Fee account. Table 4 below summarizes the distribution of the affordable housing funds.

**Table 4  
Summary of All Projects Funded during FY 2010 / 2011**

| Project Name                                       | Starting Balance for '10-'11 | Amount Allocated in '10-'11      | Amount Drawn in '10-'11 | Ending Balance |
|----------------------------------------------------|------------------------------|----------------------------------|-------------------------|----------------|
| Use In-Lieu fee to pay for permit fees (south co.) | \$0                          | \$4,512.97<br>(for south county) | \$4,512.97              | \$0            |
| Use In-Lieu fee to pay for permit fees (north co.) | \$0                          | \$4,234.98<br>(for north county) | \$0                     | \$4,234.98     |
| No projects for Housing Impact Fee                 | \$0                          | \$0                              | \$0                     | \$0            |

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

**2012 Action Plan – Table 1  
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.

**2011 Action Plan Summary**

The 2011 Action Plan allocated all of the money in the In-Lieu Fee account to help pay the construction related costs (permit fees) for eligible affordable housing units. Title 29 requires that the funds be spent in the same planning or housing market area as the projects that paid the fees. Roughly half of the In-Lieu fees came from north county and half from south county. An eligible south county project used the In-Lieu Fee funds for its area. Eleven "sweat equity" single family dwellings in Nipomo received the funding. No eligible north county project obtained construction permits or used the funds to pay for permit fees. The remaining funds in the In-Lieu Fee Account will be allocated to new projects by the 2012 Action Plan.

The 2011 Action plan did not identify any projects to receive the funds from the Housing Impact Fee account. The 2012 Action Plan has identified new projects that may use the funds from this account.

***Achievements and Goals Met***

Roughly half of the funds in the In-Lieu Fee account were used to help pay the permit fees for affordable housing units. Eleven low and very low income households from Nipomo each received \$410.27 to help pay the permit fees for their "sweat equity" houses.

**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.

**Recommended Ordinance Amendments**

Normally, County staff would use this section to request authorization to initiate changes to the affordable housing ordinances and policies. The need for the ordinance changes and the expected benefits of those changes would also be described. The recommendations would come as a result of staff's observations from working with the ordinance over the past year.

This year staff is making no recommended changes. The Board of Supervisors has already authorized County staff to prepare a set of amendments to the inclusionary housing ordinance.

***Anticipated Benefits of the Amendments***

This section will describe the anticipated benefits of any proposed amendments.