
Path to a Home



***San Luis Obispo
Countywide 10 Year
Plan to End
Homelessness***

We envision a future in which the housing and comprehensive services necessary to remain housed are available for all, affording everyone maximum self-sufficiency, and the opportunity to be productive and participating members of our community

**HOMELESS SERVICES OVERSIGHT COUNCIL (HSOC)
Housing Committee Meeting Agenda
February 21, 2017 from 2:00-3:30 p.m.
Department of Social Services
3433 S. Higuera, San Luis Obispo
Room 356**

1. Call to Order and Introductions of Guests
 2. Public Comment
 3. Consent Items:
 - 3.1 Approval of Minutes
 4. Action/Information/Discussion:
 - 4.1 Action Item: Endorse the recommendations from the Inclusionary Housing Working Group and identify next steps

Attachment 4.1A – Recommendation letter from the Inclusionary Housing Working Group
 - 4.2 Discussion: Update on affordable housing programs
 5. Future Discussion/Report Items:
 6. Next Meeting Date: March 21, 2017 from 2-3:30 p.m.
 7. Adjournment
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**HOMELESS SERVICES OVERSIGHT COUNCIL
HSOC HOUSING COMMITTEE MEETING
December 17, 2017, 2:00-3:30pm
Department of Social Services
Room 356**

MEMBERS PRESENT	MEMBERS ABSENT	STAFF & GUESTS	
Jerry Rioux Tim Waag Marianne Kennedy Aurora William Bob Ellis	Anne Robin Anne Wyatt Joe Madsen Scott Smith	Laurel Weir Jessica Lorange Ivana Yeung Mike Byrd Jackie Andrews Mike Hopkins	
AGENDA ITEM	CONCLUSIONS/ACTIONS		FOLLOW UP
1. Call to Order and Introductions of Guests	Marianne called the meeting to order and welcomed the group and introductions were made.		
2. Public Comment	Mike shared with the group that there will be a celebration of life for Martin Meltz Saturday, January 28 th from 10am-12pm in the Venetian Room at the Madonna Inn. Jerry shared about the statewide housing plan and that there is a first draft of the no place like home program.		
3. Review and Approval of Minutes			Jerry made a motion to approve the minutes, seconded by Mike Byrd. All voted unanimously to approve the minutes.
4. ACTION/INFORMATION/DISCUSSION			
4.1 Discussion: Review and discuss recommendations from the Inclusionary Housing working group	Jerry Rioux presented on a letter prepared by the Inclusionary Housing working group. In the letter, the group recommended supporting implementation of the planned fee increases contained in the Inclusionary Housing ordinance. The group also recommended working with the Home Builders Association to discuss incentives that could be created that would result in an increase in affordable housing		

<p>4.2 Discussion: Update on Continuum of Care 2016 funding awards</p>	<p>unit production. Such incentives could include:</p> <ul style="list-style-type: none"> - Adopting fee deferment for affordable units as a policy; - Expanding incentives, exemptions, or concessions under the existing Inclusionary Housing Ordinance to include smaller square footage, lower cost homes and apartment units; -Exempting projects from the County’s Conditional Use Permit (CUP) if a project complies with zoning and includes affordable units; and/or; - Creating a shared appreciation mechanism for inclusionary for-sale units similar to the one required under State Density Bonus Law. <p>The group also recommended conducting public education regarding inclusionary housing and monitoring the effects of the streamlined permit approval process to ensure that such efforts result in a quantifiable and substantial increase in housing units with linkage to decreased development costs and the market prices of housing units.</p> <p>Mike Hopkins provided information about a multifamily home project in Templeton that People’s Self Help Housing had constructed with the help of in lieu fees to illustrate the role that in lieu fees play in the development of affordable housing. The project included units ranging in size from 1-3 bedrooms. Rents vary from \$429-1191 per month. He also provided a handout showing the project received approximately \$52,000 in in lieu funds.</p> <p>Laurel informed the group that all of the existing programs in our Continuum that requested funding were awarded funds. Additionally, TMHA was awarded funding for four new permanent supportive housing beds and CAPSLO was awarded funding for Coordinated Entry. The new fiscal year doesn’t start until July and the new projects will not begin until</p>		
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<p>4.3 Information: Update on HomeShare SLO</p>	<p>HUD issues their contracts, which may be later than July, and the contracts have been signed.</p> <p>Tim shared with the group that Anne Wyatt has been moving forward on HomeShare SLO. Laurel summarized an email from Anne, stating that things are progressing and that the website will be up and running soon, as well as a press release that would be going out next week. Marianne shared with the group the Home Share Program’s goal of becoming a nonprofit.</p>		
<p>4.4 Discussion: Update on local housing conference</p>	<p>Laurel shared with the group that the Housing Coalition of the Central Coast was sponsoring Housing Summit on March 9, 2017. There is a \$50 fee to attend and the event appears to be focused on workforce housing, not low-income housing. For more information, visit the SLO Chamber of Commerce website.</p>		
<p>4.5 Discussion: Update on affordable housing programs</p>	<p>Tim Waag reported that he’s interested in trying to identify vacant homes that are not second homes and trying to reach out to owners to see if they’d be willing to rent them.</p> <p>Mike Hopkins reported People’s Self Help Housing’s Rolling Hills II project had a groundbreaking recently in Templeton.</p> <p>Jerry reported there Veteran Homelessness Prevention Funding workshops happening for groups interested in applying for state funding under that program.</p> <p>Jerry also reported that the Housing Trust Fund has applications in process for Bishop Street Studios and Oak Park III. He noted that tax credits are important and it’s harder to get tax credits in urban areas than</p>		

	<p>rural. Mike Byrd asked why. Jerry said it's because of who you're competing with. Rural areas competing against smaller areas with few resources.</p> <p>Scott Smith noted that it has become harder to find buyers for Tax Credits recently. One company backed out of purchasing the credits for a local project, noting that they thought they would be receiving other tax relief through tax reform that may be in the works at the federal level.</p>		
5. Future Discussion/Report Items:	Action item for next meeting – put letter from Inclusionary Housing ad hoc committee on the agenda.		
6. Next Meeting Date:			
7. Adjournment	The meeting was adjourned at 3:30pm		

January 11, 2017

Laurel Weir, Homeless Services Coordinator
San Luis Obispo County HSCOC Housing Committee
3433 South Higuera Street, PO Box 8119
San Luis Obispo, CA 94303-8119

RE: Inclusionary Housing Ordinance Working Group Recommendations for the San Luis Obispo County Homeless Services Oversight Council (HSOC) Housing Committee.

Per the HSOC Housing Committee's instruction, several stakeholder members met to discuss the next steps for the County's Inclusionary Housing Ordinance following the Board of Supervisor's decision to increase the in-lieu fee to "Year 2" levels.

During a productive meeting on January 3, 2017, the Inclusionary Housing Ordinance Working Group agreed to recommend that the Housing Committee should:

1. Demonstrate support for the incremental increase of the in-lieu fee, pending the continued strength of the private housing market. This increase will provide greater incentives for private developers to include affordable housing on-site and also create more funding for nonprofit developers to build units. An increase to the in-lieu fee will allow the County to meet the state-mandated affordable housing goals set forth in its Housing Element without utilizing taxpayer dollars from the General Fund.
2. Collaborate with the Home Builders Association to discuss incentives to produce affordable units. Such incentives may include:
 - Adopting fee deferment for affordable units as a policy, not as an approval on a project-by-project basis;
 - Expanding incentives, exemptions, or concessions under the existing Inclusionary Housing Ordinance to include smaller square footage, lower cost homes and apartment units;
 - Exempting projects from the County's Conditional Use Permit (CUP) if a project complies with zoning and includes affordable units; and/or,
 - Creating a shared appreciation mechanism for inclusionary for-sale units similar to the one required under State Density Bonus Law.
3. Advise the County to monitor the effects of the streamlined permit approval process to ensure that such efforts result in a quantifiable and substantial increase in housing units with linkage to decreased development costs and the market prices of housing units. It is important to analyze this data, as this information may inform other housing policies, such as the inclusionary housing ordinance.
4. Continue to educate the Board of Supervisors regarding the merits of the Inclusionary Housing Ordinance and its economic and social benefits to the community.

The adoption of these four policies will not only support low-income residents, but also, stimulate the local economy through the creation of jobs and increased private lending and investment.

Sincerely,

Members of the Inclusionary Housing Working Group:

Scott Smith

Executive Director, Housing Authority of the City of San Luis Obispo

Jerry Rioux

Executive Director, San Luis Obispo Housing Trust Fund

Ann Wyatt

Program Coordinator, HomeShareSLO

John Fowler

President & CEO, Peoples' Self-Help Housing

Michael Hopkins

Policy Analyst, Peoples' Self-Help Housing

**HOMELESS SERVICES OVERSIGHT COUNCIL
HOUSING COMMITTEE
ACTION ITEM
February 21, 2017**

AGENDA ITEM NUMBER 4.1

ITEM

Endorse the recommendations from the Housing Committee's Ad Hoc Inclusionary Housing Working Group and identify next steps.

ACTION REQUIRED

Vote to endorse the following recommendations from the Ad Hoc Inclusionary Housing Working Group of the Homeless Services Oversight Council's (HSOC) Housing Committee, as set forth in Attachment 4.1A.

DISCUSSION

Background: Ad Hoc Inclusionary Housing Committee

Recognizing that there was a critical need for production of more affordable housing to help prevent and address homelessness, the HSOC Housing Committee created an Ad Hoc Committee in December 2016 to examine existing opportunities to increase housing production, as well as identifying additional opportunities that could be created through other approaches.

The Ad Hoc Committee met and brought back initial recommendations to the HSOC Housing Committee in January 2017 for discussion. Following discussion, it was requested that staff bring the recommendations to the committee as an action item at the February 2017 meeting.

The recommendations focused on existing opportunities that may be available through the Affordable Housing Fund and Inclusionary Housing Ordinance, as well as steps the Committee recommended to explore possible areas for collaboration and development of potential additional avenues for creation of more affordable housing.

Title 29 – the Affordable Housing Fund and the Inclusionary Housing Ordinance

In 2008, the County adopted Title 29 – the Affordable Housing Fund and the Inclusionary Housing Ordinance (IHO), to help alleviate the ongoing affordable housing shortage. Title 29 sought to promote affordable housing through the creation of an Affordable Housing Fund. Moneys for this fund were to be provided by the collection of in lieu fees from developers for certain types of development in the county.¹ The Inclusionary Housing Ordinance also was created to promote production of affordable housing, using a combination of incentives and fees.²

Under Title 29 and the IHO, in lieu fees would be assessed for certain types of developments and those fees would then be made available through the Affordable Housing Fund to be used for development of affordable housing. The in lieu fees were to be phased in over a period of five years. In Year 1, only 20% of the approved fee would be collected, increase to 40% in the next year and increasing by 20% over the next three years until 100% of the approved fee would be collected in the fifth year.

In 2009, in recognition of the economic downturn and its impact on the housing market, the planned fee increases were suspended, but the County continued to collect the 20% of the fees.³ Since 2009, the county has provided approximately \$456,000 in lieu fees to support development of 242 units of affordable housing.⁴ These funds have also helped nonprofit housing developers leverage more than \$18 million in low-income housing tax credits to use for the development of these units. On December 6, 2016, the County Board of Supervisors voted to move forward with the proposed Year 2 increase in lieu fees collected, as proposed by the original ordinance.

¹ For more information about Title 29, see <http://www.slocounty.ca.gov/Assets/PL/Ordinances/Title+29-Affordable+Housing+Fund.pdf>, and <http://agenda.slocounty.ca.gov/agenda/sanluisobispo/6755/SXRlBSBEb2N1bWVudCAoUHVibGJiKSA=/14/n/70528.doc>.

² The Inclusionary Housing Ordinance may be found here: <http://www.slocounty.ca.gov/Assets/CR/New+Codes/3238.pdf>. For more information about the history, see <http://agenda.slocounty.ca.gov/agenda/sanluisobispo/6755/SXRlBSBEb2N1bWVudCAoUHVibGJiKSA=/14/n/70528.doc>.

³ See <http://agenda.slocounty.ca.gov/agenda/sanluisobispo/6755/SXRlBSBEb2N1bWVudCAoUHVibGJiKSA=/14/n/70528.doc>.

⁴ See <http://agenda.slocounty.ca.gov/agenda/sanluisobispo/6755/SXRlBSBEb2N1bWVudCAoUHVibGJiKSA=/14/n/70528.doc>.

Incentives and Fee Reductions to Promote Affordable Housing Development

Leading up to the Board vote on December 6, some housing advocates and community members recommended eliminating or maintaining in lieu fees at Year 1 levels, noting that fees add to the cost of development for all housing projects affected by the fees. These advocates recommended use of incentives rather than fees to promote affordable housing development, and making housing more affordable by reducing the development costs required to bring such housing to market. The Inclusionary Housing Ordinance as originally adopted also provided for certain opportunities to use incentives to promote the creation of affordable housing.

Ad Hoc Committee

As noted above, an Ad Hoc Committee was formed to examine possible options for increasing the supply of affordable housing in the County, including Title 29 opportunities as noted above, as well as other options designed to reduce development costs and streamline and accelerate the development process. This Committee prepared preliminary recommendations (see Attachment 4.1A) as to options that could be pursued and brought those recommendations to the HSOC Housing Committee for preliminary discussion at the January 17, 2017 meeting. The recommendations are spelled out in Attachment 4.1A and summarized below:

1. Demonstrate support for the incremental increase of in-lieu fees each year until 100% of in lieu fees are collected.
2. Collaborate with the Home Builders Association to discuss incentives, such as fee deferments, exemption from certain permitting requirements etc. to produce affordable units.
3. Asking the County to monitor the effects of the streamlined permit approval process to ensure that such efforts result in a quantifiable and substantial increase in housing units with linkage to decreased development costs and the market prices of housing units
4. Conduct public education regarding the merits of the inclusionary Housing Ordinance.

It is requested that the Committee endorse these recommendations and identify next steps for the Ad Hoc Committee.

FINANCIAL CONSIDERATIONS

No financial impact is anticipated from the current action. If new policies are proposed as a result of a collaboration with the Home Builders or other organizations, such

policies, if adopted by the County, could result in a financial impact. Any such impact would be considered at the time the County considered adopting any proposed policies.