

COUNTY OF SAN LUIS OBISPO

**Analysis of Impediments
to
Fair Housing Choice**



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Prepared by:

County Department of Planning and Building

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Chapter 1 - Executive Summary

1. Executive Summary

1.1 Who Conducted the “AI” and Who Participated

This Analysis of Impediments to Fair Housing Choice (“AI”) has been prepared by the San Luis Obispo County Department of Planning and Building in cooperation with the cities of San Luis Obispo, Paso Robles, Arroyo Grande, Atascadero and Grover Beach. The County prepared the original AI in 1996 and the subsequent revisions in 2005 and 2010.

San Luis Obispo County is an entitlement jurisdiction with the U.S. Department of Housing and Urban Development (“HUD”). Each year the County receives and administers funding from HUD. The County allocates a portion of the funds to the cities that participate in the funding programs. These cities are: San Luis Obispo, Paso Robles, Arroyo Grande, Atascadero and Grover Beach.

1.2 Purpose

When Congress passed the Housing and Community Development Act of 1974, HUD instructed each agency that receives federal housing funds to “affirmatively further fair housing.” HUD requires each entitlement jurisdiction to complete an Analysis of Impediments to Fair Housing Choice. The Analysis shall identify impediments to fair housing choice; take appropriate actions to overcome impediments; and maintain records which reflect the analysis and actions in this regard.

The AI is intended to be the foundation for fair housing planning. It gives important information to policy makers, administrative staff, housing providers, lenders and fair housing advocates. The AI may also be used to inform the public and to gain support for fair housing efforts.

1.3 Definitions

The following definitions are consistent with the scope and intent of the AI:

- **Impediment to fair housing choice.** Any actions, omissions, or decisions taken because of race, religion, sex, national origin, disability, or familial status which restrict housing choices or the availability of choice.
- **Fair housing choice.** The ability of persons of similar incomes to have available to them the same housing choices, regardless of race, religion, sex, national origin, disability, or familial status (family size). California law expands on federal law to include the following protected classes - age, sexual orientation, marital status, association and source of income.

- **Analysis of Impediments.** A comprehensive review of policies, procedures, and practices within your jurisdiction that affect the location, availability and accessibility of housing and the current residential patterns and conditions related to fair housing choice.

1.4 Methodology Used

The AI includes a review of public and private housing activities, laws, regulations, and government policies and procedures that may adversely affect fair housing choice. The AI consolidates fair housing information from a wide variety of sources. This information is evaluated, impediments are identified, and an action plan is prepared to address the impediments. Community participation is assured through information gathering efforts, surveys, interviews, and public workshops. The information sources include:

- Case summaries from housing agencies documenting the nature and extent of fair housing complaints and lawsuits;
- Federal data regarding home mortgage lending characteristics (Home Mortgage Disclosure Act);
- Demographic patterns obtained from the U.S. 2000 Census and American FactFinder (<http://factfinder.census.gov>);
- City and County public policies, practices and procedures involving housing and housing related activities throughout the county;
- City and County zoning, building codes and land use policies;
- Interviews with local housing agencies, including the Housing Authority of San Luis Obispo and California Rural Legal Assistance, Inc. (CRLA);
- County Sheriff & City Police Departments (hate crime statistics)
- San Luis Obispo County Council of Governments annual Transit Needs Assessment (2009);
- 2010 Consolidate Plan survey (fair housing questions);
- A 2004 fair housing survey conducted by the County and completed by groups and agencies active in the local housing market. A partial list of respondents include: Economic Opportunity Commission (homeless shelter), women’s shelters, mental and physical handicap service agencies, League of Women Voters, homebuilders’ groups, lenders, attorneys, and property managers.

1.5 How Funded

The costs of preparing the AI were covered entirely by the County using HOME funds. San Luis Obispo County is an entitlement jurisdiction with the U.S. Department of Housing and Urban Development (“HUD”). Each year HUD provides to the County an allotted amount of funds from the following programs:

- HOME Investment Partnerships Program (“HOME”)
- Community Development Block Grant Program (“CDBG”)
- Emergency Shelter Grant Program (“ESG”)

1.6 Impediments and Actions

The impediments that were identified and the actions to be taken to eliminate the impediments are listed in the boxes on the next page. For each impediment that is described there is a corresponding action in the adjacent box.

The 1996 AI identified the five impediments appearing on the next page. The 2005 AI dropped Impediments # 4 & 5, and revised the recommended actions for Impediments # 1, 2 and 3. Further research in 2010 concluded that no significant new issues have developed. But Impediments # 1, 2 & 3 are on-going, and so the work underway with Actions # 1, 2 & 3 shall be continued.

Success in implementing the actions requires the participation of both the public and private sectors. The public sector involves governmental planning agencies (i.e., zoning, building codes and enforcement), human service agencies and non-profit groups. The private sector involves real estate and property management groups, financial institutions, insurance companies and builders that are involved in providing, financing, and insuring housing in San Luis Obispo County.

Each year the County submits a report to HUD summarizing the progress in carrying out the activities identified in the AI and in the County’s Action Plan/Consolidated Plan. This annual report is known as the Consolidated Annual Performance Evaluation Report (“CAPER”).

1.7 For more Information...

If you have questions about the Analysis of Impediments or would like to review the entire document, please contact Ted Bench of the County Planning Department at (805) 781-5701, or at tbench@co.slo.ca.us.

1.8 Impediments and Actions

<u>IMPEDIMENTS</u>	<u>ACTIONS</u>
<p>Impediment #1: Lack of local organization for receiving, coordinating, and following-up on fair housing complaints (1996, 2005 & 2010 AI).</p> <p>Impediment #2: Lack of public information programs to inform communities of fair housing laws and their rights under these laws (1996, 2005 & 2010 AI).</p> <p>Impediment #3: Home Mortgage Disclosure Data indicates few discrepancies with local lending practices. But this should be regularly monitored as the nation recovers from its economic recession (1996, 2005 & 2010 AI).</p> <p>(Dropped in 2005) Impediment #4: Local ordinances that require a conditional use permit for residential care facilities should be investigated further to determine if they are an impediment to fair housing choice (resolved, see the 2005 AI - Chapter 4 -Section 4.1.1).</p> <p>(Dropped in 2005) Impediment #5: The public transportation system is limited in areas that have low/moderate cost housing. Transportation links between these communities and job centers need to be improved (resolved, see the 2005 AI - Chapter 4 - Section 4.1.4).</p>	<p>Action #1: Continue to promote public awareness of a network of agencies that provide mediation, and if necessary, litigation, regarding fair housing laws. Coordinate county-wide referral to California Rural Legal Assistance, Inc. (CRLA) to serve low and very low income households. Coordinate a network of agencies to serve moderate and above moderate income households.</p> <p>Action #2: Continue to expand existing fair housing education and outreach activities.</p> <p>Action #3: County to continue monitoring and evaluating Home Mortgage Disclosure Act (HMDA) data for trends or patterns that may affect fair housing choice. Monitor percentage of approved home mortgage loans for all ethnic groups.</p>

1.9 Milestone Schedule

MILESTONE SCHEDULE

Action	Timetable		Milestone/ Product
	Start Date	Target Date	
<i>Action #1: Promote public awareness of the network of agencies that provide mediation, and litigation if necessary, regarding fair housing laws.</i>	February 2005	On-Going	Solidify the existing network of agencies that handle housing complaints for all income levels. Promote public awareness of the agencies and groups that provide counseling, mediation, and litigation if necessary, regarding fair housing laws.
<i>Action #2: Expand existing fair housing education and outreach activities.</i>	February 2005	On-Going	County to co-sponsor more fair housing workshops with CRLA. County has added a fair housing link to its web-site.
<i>Action #3: County to continue monitoring and evaluating Home Mortgage Disclosure Act (HMDA) data for trends or patterns that may affect fair housing choice.</i>	February 2005	On-going	Monitor percentage of approved home mortgage loans for all ethnic groups. If trends in mortgage lending decline significantly towards unfair housing practices, County will inform lending groups of the trends and fair housing laws.

Chapter 2 - Jurisdictional Background Data

2 Background Information

This chapter provides a general description of the County's population base, income levels, and housing stock. It is divided into several sections:

- 2.1 Demographic Data
- 2.2 Income Data
- 2.3 Employment Data
- 2.4 Housing Profile
- 2.5 Other Relevant Data (2004 County-wide Fair Housing Survey)

An extensive description of the County's demographic characteristics is available in the 2010 Consolidate Plan of the County of San Luis Obispo.

2.1 Demographic Data

Population Growth Trends

Between 1980 and 1990 San Luis Obispo County's population grew by 40%, from 155,435 to 217,162 residents. Between 1990 and 2000 the county's population increased by just 14%, to a total of 246,681 residents in 2000. Between 2000 and 2008 the County population increased by 9% to 269,336 residents. In 2009 the population stood at 270,429 (California Department of Finance, 2009). The annual growth rate has dropped from a high of 4% per year between 1980 and 1990 down to just over 1% per year between 2000 and 2009. From 2009 to 2013 the population growth rate is expected to be between 0.8% and 1.1% per year (UCSB Economic Forecast Project, 2009).

Table 2.1 - U.S. Census Population Estimates 1950-2000
for San Luis Obispo County

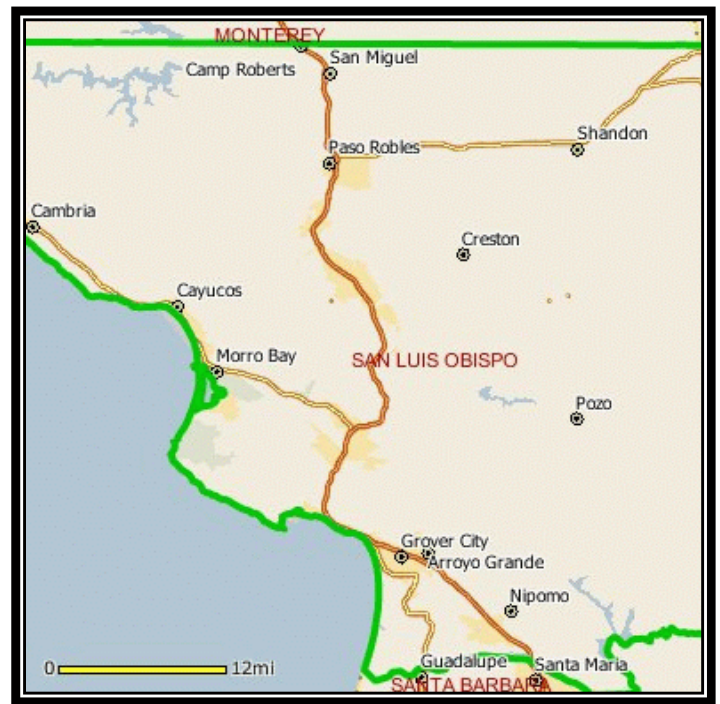
Community	1950	1960	1970	1980	1990	2000	2008**
Arroyo Grande	1,723	3,291	7,454	11,290	14,378	15,851	16,826
Atascadero	3,443	5,983	10,290	16,232	23,138	26,411	26,947
Grover Beach	1,446	1,317	2,564	4,551	11,656	13,067	13,087
Morro Bay	1,659	3,692	7,109	9,163	9,664	10,350	10,350
Paso Robles	4,835	6,677	7,168	9,163	18,583	24,297	29,682
Pismo Beach	2,278	3,582	4,043	5,364	7,669	8,551	8,576
San Luis Obispo	14,180	20,437	28,036	34,252	41,958	44,174	42,835
Total Incorporated (with group quarters)	29,564	44,979	66,664	90,015	127,046	142,701	148,303
Avila Beach	500	550	400	963	873	797	1,012
Cambria	788	1,260	1,716	3,061	5,382	6,232	6,408
Cayucos	924	1,400	1,772	2,301	2,960	2,943	3,132
Baywood/Los Osos	600	1,480	3,487	10,933	14,377	14,351	14,803
Nipomo	2,125	5,210	5,939	5,247	7,109	12,626	14,726
Oceano	*	2,430	3,642	4,478	6,169	7,228	7,941
San Miguel	572	910	808	803	1,123	1,427	1,699
Santa Margarita	535	630	726	887	1,173	*	1,372
Templeton	795	950	743	1,216	2,887	4,687	5,464
Total Unincorporated (with group quarters)	21,853	36,065	39,026	65,420	90,117	103,980	121,033
Total County	51,417	81,044	105,690	155,435	217,162	246,681	269,336

* = not available

** = Economics Research Associates - Report, "Update to Long Range Socio-Economic Projections", Revised May 15, 2009 and San Luis Obispo County Population Projections, June 10, 2009. Prepared for San Luis Obispo Council of Governments



General Map of San Luis Obispo County



Enlarged Map of San Luis Obispo County

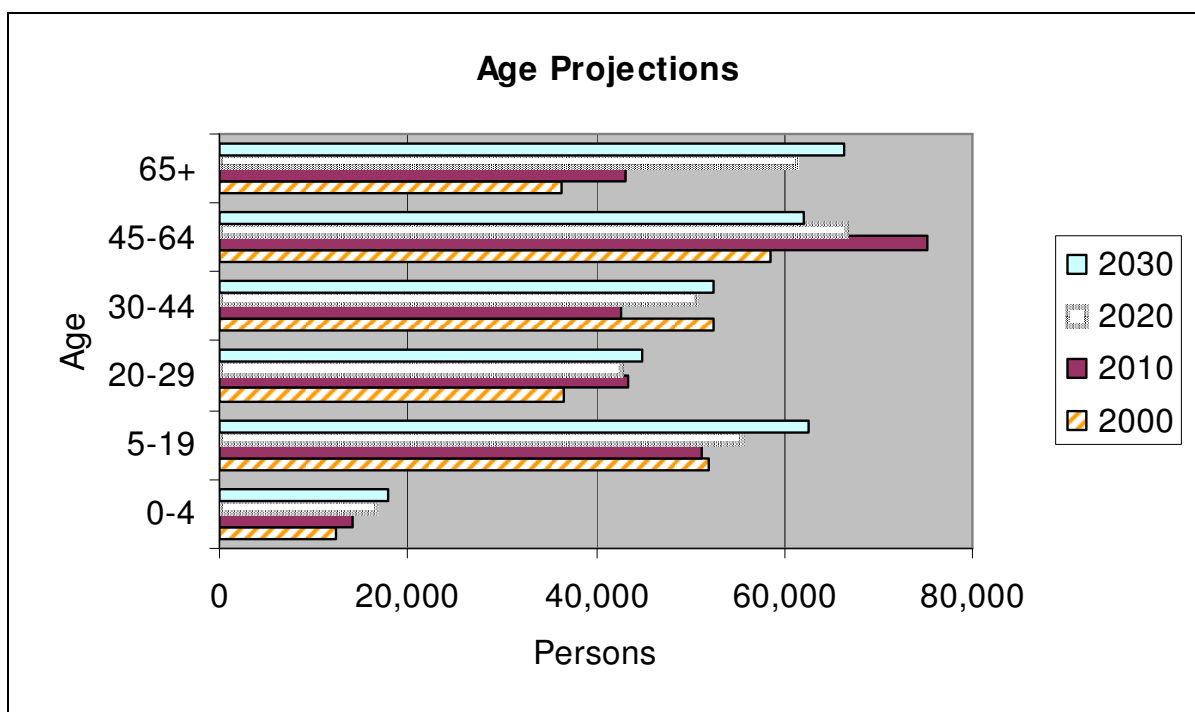
Between 1990 and 2000, a majority of the new residential development followed the Highway 101 corridor to the north and south of the City of San Luis Obispo. The communities of San Miguel, Paso Robles, Templeton and Nipomo are along this growing population corridor.

The county's population growth reflects a strong in-migration of affluent, retired people, a drop in the natural birth rate, and an exodus of young professionals with families. San Luis Obispo County experienced a 30% drop in the natural birth rate between 1990 and 2000. At the same time, 60% to 80% of the county's population growth was due to in-migration of people arriving from outside of the county. (Source: "Trouble on the Home Front", San Luis Obispo Tribune, June 16-23, 2002).

From 2000 to 2007, natural births began increasing. Natural births totaled 2,435 in 2000 and increased to 2,884 in 2007 (an 18% increase), and births are projected to increase another 4% from 2008-2015 from 2,909 births to 3,033 (California Department of Finance). The Department of Finance projects that the countywide population will grow by over 41,000 from 2000 to 2020, and that the population make-up will include the following changes:

- Young professionals and families (30 to 44 years of age) will decrease by 5%, from 22% of the total population in 2000 to only 17% in 2020.
- Older professionals (45 to 64 years of age) will decrease by 1%, from 24% of the total population in 2000 to 23% in 2020.
- Newly retired individuals (60 to 64 years of age) will increase by 3%, from 4% of the total population in 2000 to 7% in 2020.
- Retired individuals (65+ years of age) will increase by 6%, from 15% of the total population in 2000 to 21% in 2020.

The following graph shows age population projections through the year 2030.



Many people, particularly retiring, affluent “baby-boomers” from the San Francisco Bay Area and from Southern California are attracted by the county’s natural beauty, its central coast location between large population centers, and the fact that housing is still more affordable here than in other coastal counties. Until recently, young professional workers and others came to San Luis Obispo County and accepted lower average salaries because they enjoyed the local lifestyle. However, housing costs in San Luis Obispo County tripled since 1995, rapidly outpacing local salary increases. The County is now the 3rd most unaffordable area in the nation, with only 32.1% of the homes being affordable to median income households (National Association of Homebuilders, 4th Quarter, 2009). Young workers and families are leaving the county to find quality jobs and more affordable housing elsewhere. Local school enrollment is declining in some communities. The student population was 34,953 in 2007 (for K-12), but it is projected to drop to 34,537 students by 2012 (California Department of Finance). Local school districts have cut popular programs, close schools and reduce the teacher workforce in response to these changes.

The County’s Geographic Areas and Centers of Ethnic Minority Concentration

San Luis Obispo County has three geographical areas that are defined by their climate zones and major industries. They are the north county, south county, and the coastal area. In the north and south county areas the major industry is agriculture, with wineries, ranching and row crops. Along the coast tourism is the major industry. Many people are also in government work (government agencies, colleges, the state prison, the state mental hospital, etc.). The major population centers are along the Hwy 101 corridor and along the coast.

The following table compares the County’s population base with those of the state and the nation. San Luis Obispo County’s ethnic mix is similar to that of the nation’s population base, except that fewer Blacks live in the County. California’s ethnic mix is unlike the national or county-wide census bases, and reflects an urban population. The County is rural in nature.

Table 2.2 - Ethnic Mix of Local, State & National Population Bases (2008)

Ethnic Group	United States	California	San Luis Obispo Co.
Total Population	301,237,703	36,418,499	262,238
White	76.2%	63.8%	88.3%
Hispanic	15.1%	36.1%	18.8%
Black	13.1%	7.0%	1.9%
Asian	4.9%	13.5%	4.1%
American Indian	1.5%	1.7%	2.1%
Hawaiian/Islander	0.3%	0.6%	0.2%
Total*	111.1%*	122.7%*	115.4%*

* Total percentage includes individuals of mixed race

Source: U.S. Census – American FactFinder – AC S Demographic & Housing Estimates – 2006-2008

The County’s population base is gradually becoming more diverse. Between 1990 and 2000 the ethnic minority groups grew to provide a larger portion of the County’s total population. The White portion of the population base decreased from 81.2% in 1990 to 76.1% in 2000.

Table 2.3 - Ethnic Mix of Local Population Base - 1990 to 2008

Ethnic Group	1990 County Population	2008 County Population
Total Population	217,162	262,238
White	81.2%	88.3%
Hispanic	13.3%	18.8%
Black	2.0%	1.9%
Asian	2.7%	4.1%
American Indian	0.8%	2.1%
Hawaiian/Islander	0.1%	0.2%
Total*	100.1%*	115.4%*

* Total percentage includes individuals of mixed race

Source: U.S. Census – American FactFinder – AC S Demographic & Housing Estimates – 2006-2008

The cities and communities near the agricultural lands of north and south county tend to have an ethnic mix in which 30% to 40% or more of the residents are of a minority group. This includes Paso Robles, Nipomo, San Miguel, Oceano, and Shandon. The demographic information from three of these communities is shown below:

Paso Robles*
 64.2% - 15,600 White
 27.7% - 6,735 Hispanic
 4.1% - 1,005 Black
 2.6% - 643 Asian
 2.5% - 604 Native American
 0.3% - 81 Hawaiian/Pacific Islander
 101.4% - 24,668 Total (includes individuals of mixed race)

Nipomo*
 60.6% - 7,653 White
 34.5% - 4,362 Hispanic
 2.7% - 336 Asian
 2.6% - 333 Native American
 0.9% - 116 Black
 0.3% - 44 Hawaiian/Pacific Islander
 101.6% - 12,844 Total (includes individuals of mixed race)

Oceano*	48.9%	3,548	White
	44.6%	3,240	Hispanic
	3.2%	233	Native American
	3.1%	225	Asian
	1.6%	114	Black
	0.3%	23	Hawaiian/Pacific Islander
	101.7%	7,383	Total (includes individuals of mixed race)

*Source: U.S. Census Bureau - Census 2000 – Profiles of General Demographic Characteristics.

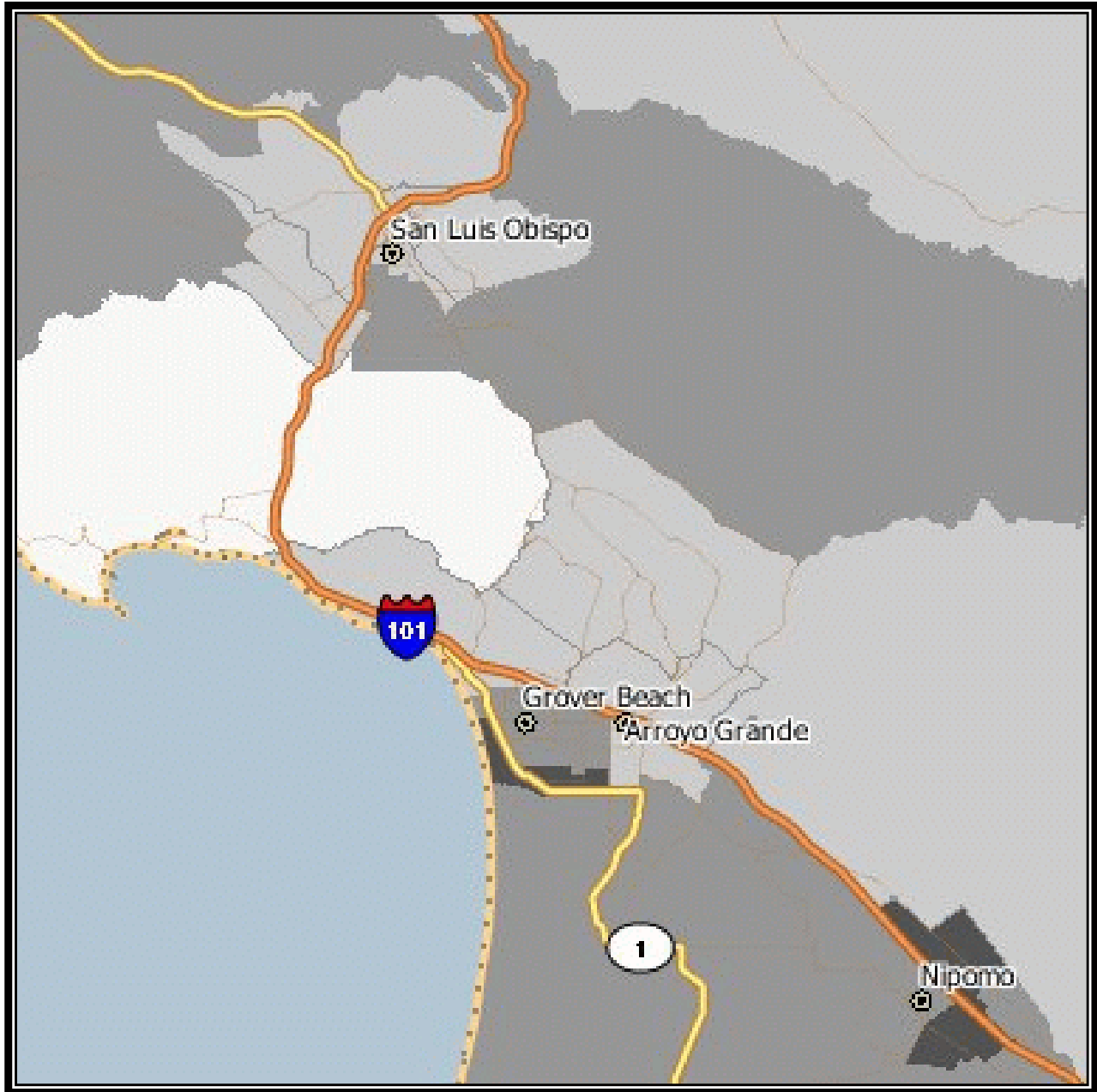
Most of the County’s large cities and small coastal communities tend to have an ethnic mix in which 80% or more of the population is white. This group includes San Luis Obispo, Arroyo Grande, Atascadero, Templeton, Cambria, Morro Bay, Pismo Beach, Los Osos and Cayucos. The demographic information from two of these communities is shown below:

City of San Luis Obispo*	78.7%	34,756	White
	11.7%	5,147	Hispanic
	6.5%	2,855	Asian
	1.9%	853	Black
	1.5%	683	Native American
	0.4%	157	Hawaiian/Pacific Islander
	100.7%	44,451	Total (includes individuals of mixed race)

Cambria*	82.7%	5,153	White
	14.0%	874	Hispanic
	1.8%	114	Native American
	1.7%	104	Asian
	0.5%	34	Black
	0.4%	24	Hawaiian/Pacific Islander
	101.1%	6,303	Total (includes individuals of mixed race)

*Source: U.S. Census Bureau - Census 2000 – Profiles of General Demographic Characteristics.

The following maps show the concentrations of the Hispanic and Asian populations, which are the largest ethnic minority groups in San Luis Obispo County.

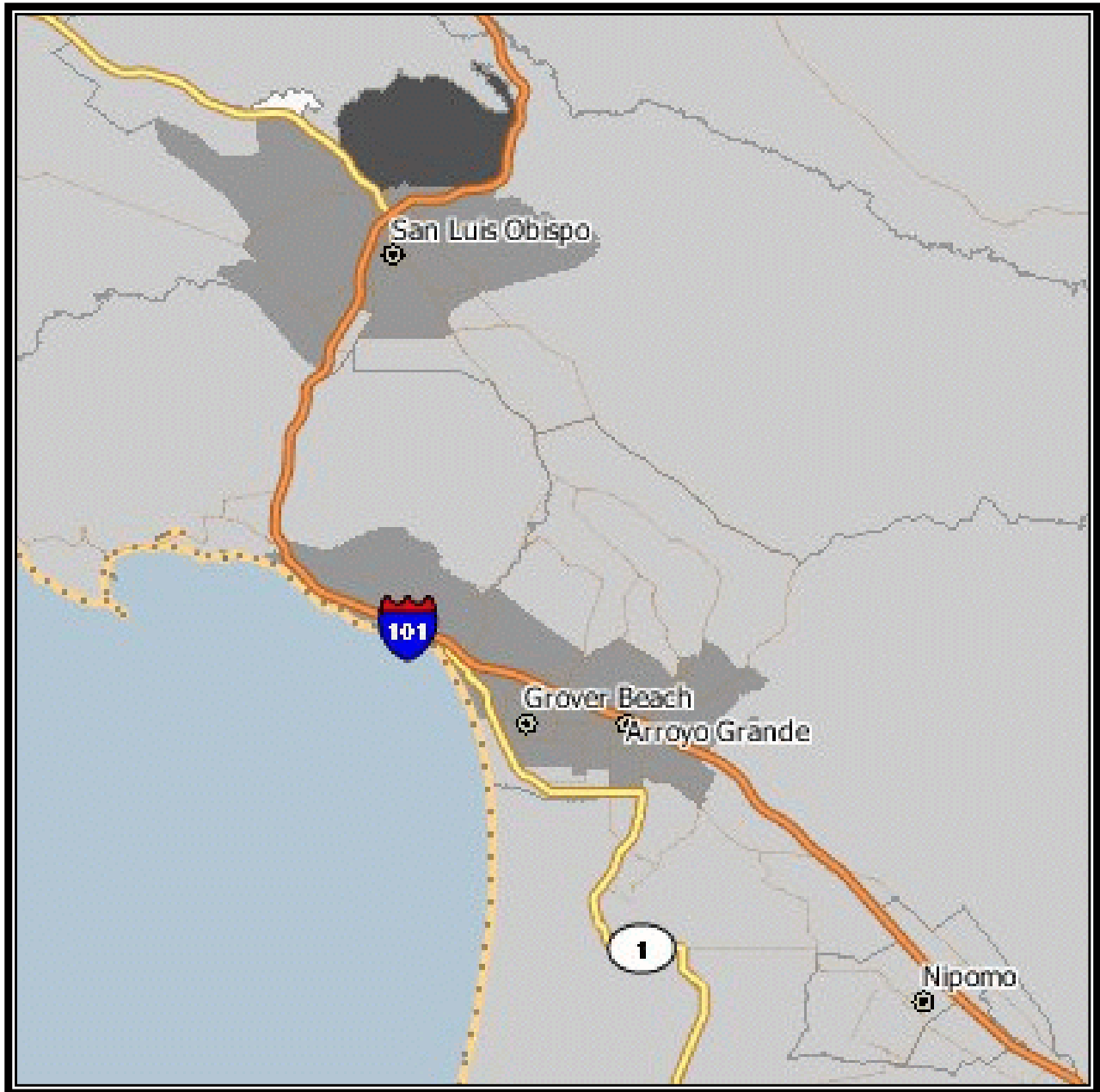


Hispanic Population - San Luis Obispo to Nipomo

- No color = 0% to 6.20%
- Light grey = 6.21% to 14.96%
- Medium grey = 14.97% to 34.28%
- Dark grey = 34.29% or more

Map Source: Neighborhood Knowledge Program/UCLA & U.S. Census 2000 - <http://164.67.52.243/nkca/Master.cfm>

Summary - Large Hispanic populations are in urban communities of Oceanos (south of Grover Beach) and in Nipomo. Also in the farm areas around Oceanos, Nipomo, and San Luis Obispo.

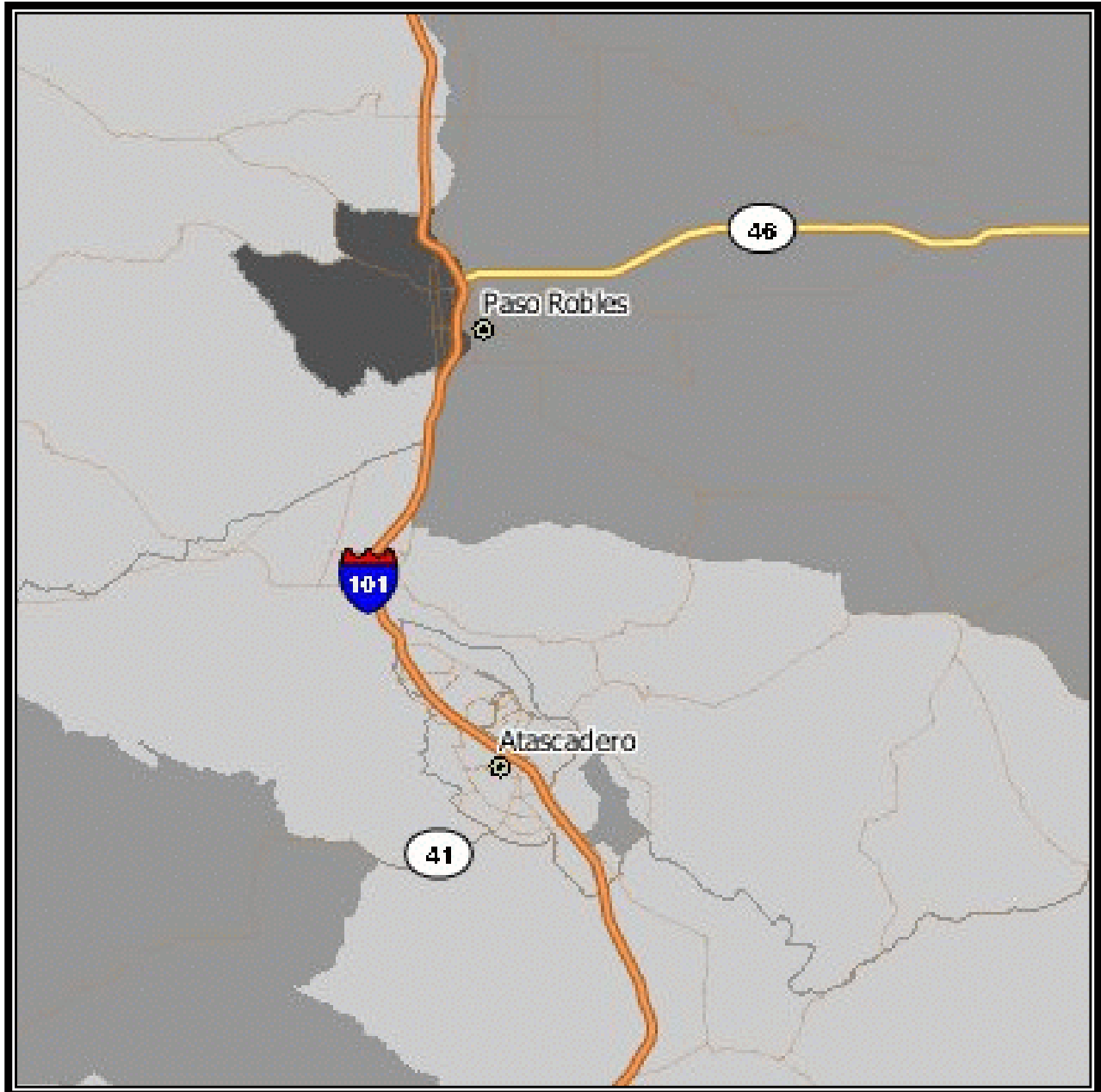


Asian Population - San Luis Obispo to Nipomo

- No color = 0% to 0.36%
- Light grey = 0.37% to 2.68%
- Medium grey = 2.69% to 7.65%
- Dark grey = 7.66% or more

Map Source: Neighborhood Knowledge Program/UCLA & U.S. Census 2000 - <http://164.67.52.243/nkca/Master.cfm>

Summary - Large Asian populations are in urban communities of San Luis Obispo, Grover Beach and Arroyo Grande. Highest density is in northern San Luis Obispo, by Cal Poly college.

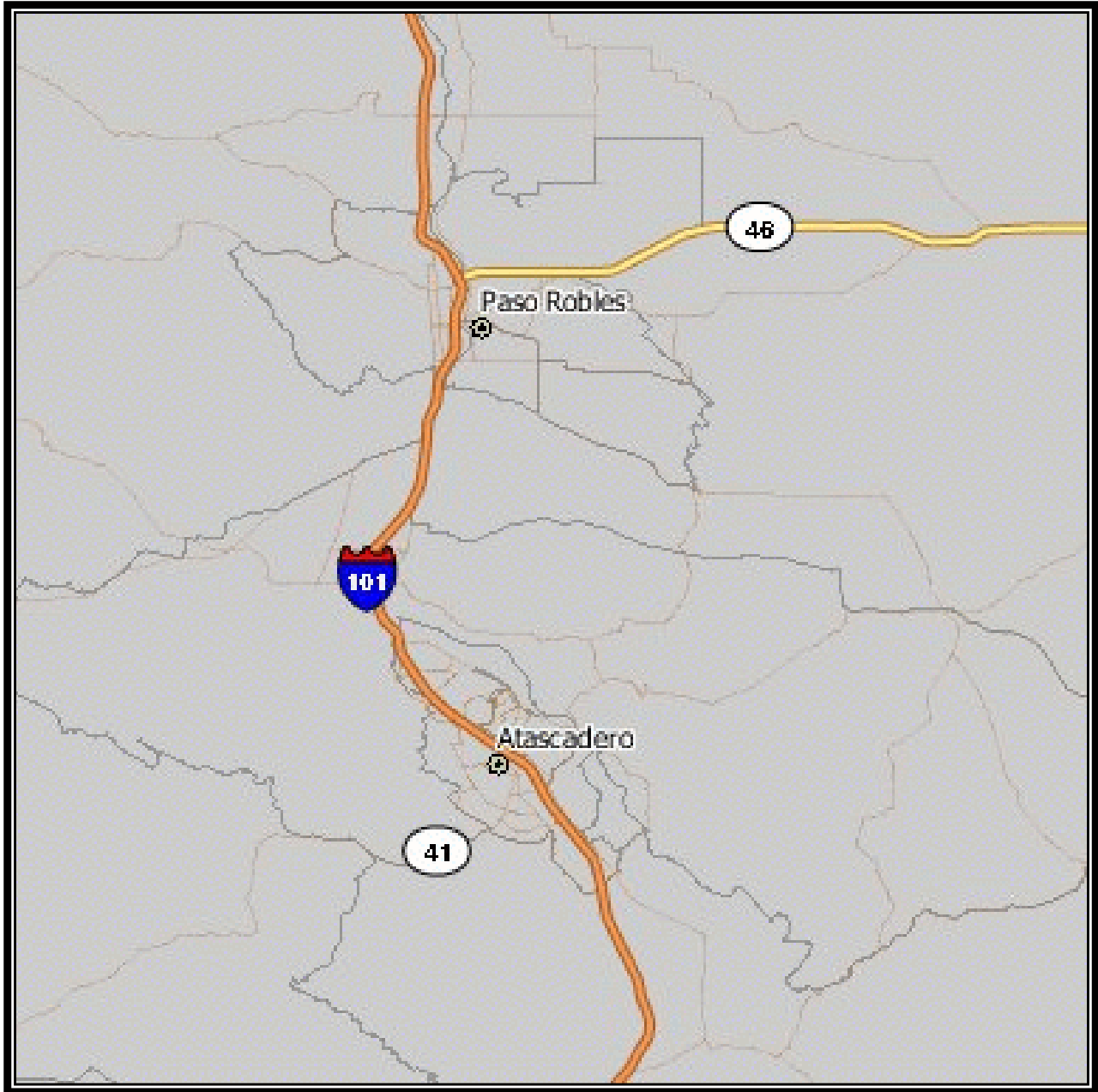


Hispanic Population - Paso Robles to Atascadero

Light grey = 6.21% to 14.96%
Medium grey = 14.97% to 34.28%
Dark grey = 34.29% or more

Map Source: Neighborhood Knowledge Program/UCLA & U.S. Census 2000 -
<http://164.67.52.243/nkca/Master.cfm>

Summary - The largest Hispanic population is in the older part of Paso Robles (west side). There are also large concentrations in the rural areas east of Paso Robles and further west of Atascadero.



Asian Population - Paso Robles to Atascadero

Light grey = 0.37% to 2.68%

Map Source: Neighborhood Knowledge Program/UCLA & U.S. Census 2000 -
<http://164.67.52.243/nkca/Master.cfm>

Summary - The Asian population is located throughout the north county area in a low density.



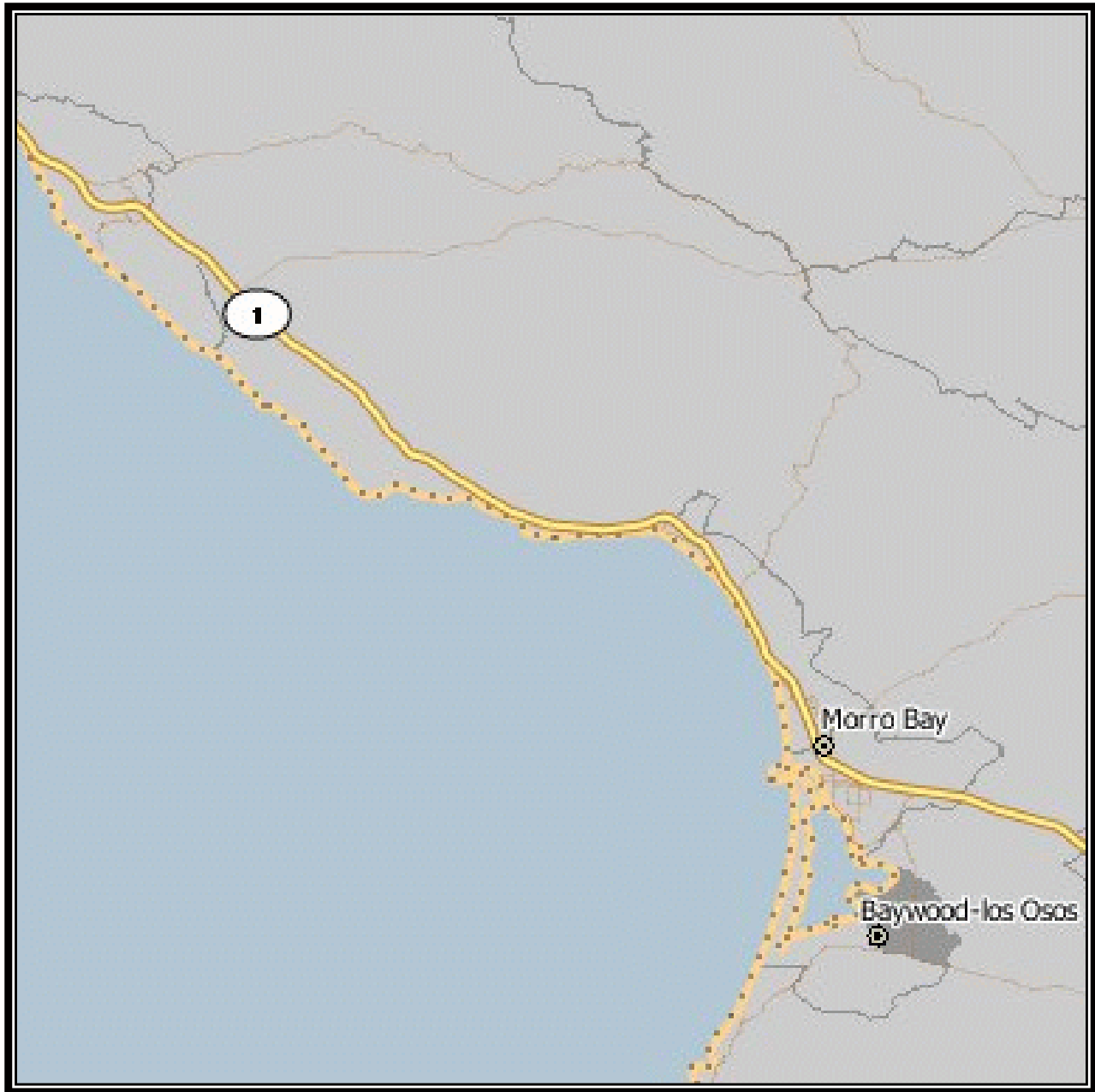
Hispanic Population - Los Osos to Cambria

No color = 0% to 10.52%

Light grey = 10.53 to 21.94%

Map Source: Neighborhood Knowledge Program/UCLA & U.S. Census 2000 -
<http://164.67.52.243/nkca/Master.cfm>

Summary - Hispanic populations occur in low densities in the urban coastal communities of Los Osos and Morro Bay/Cayucos. The Hispanic populations occur in a modest density throughout the rural coastal area and in Cambria (Cambria is unmarked, but on the northwest corner of the map).



Asian Population - Los Osos to Cambria

Light grey = 0.37% to 2.68%

Medium grey = 2.69% to 7.65%

Map Source: Neighborhood Knowledge Program/UCLA & U.S. Census 2000 -
<http://164.67.52.243/nkca/Master.cfm>

Summary - The Asian population is located throughout the north coastal area in a low density, with a modest concentration located on the east side of Los Osos.

2.2 Income Data

Pursuant to the U.S. Census, the local, state and national median incomes and percentage of people living below poverty in 2008 were as follows:

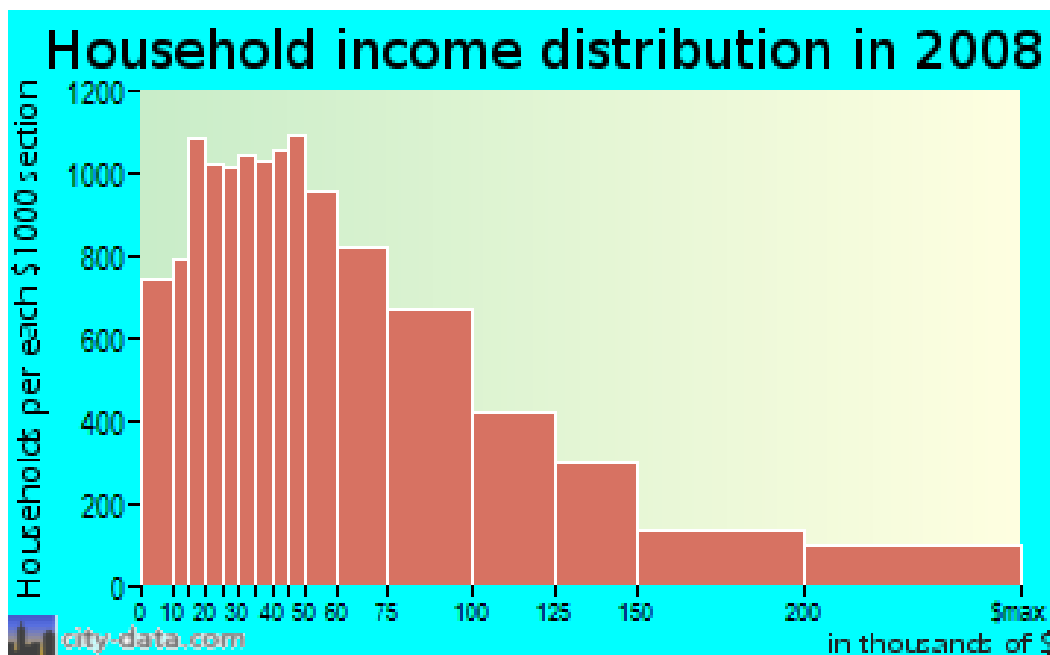
Table 2.4 - Median Household Incomes and Persons Below Poverty Level

Income Data	United States	California	San Luis Obispo County
Median Household Income	\$52,175	\$61,154	\$57,722
Persons below Poverty	13.2%	12.9%	12.9%

Source: U.S. Census - American Fact Finder – S1901.Income in the Past 12 Months ; 2006-2008

U.S. Census - American Fact Finder – M1701 – Percentage of People Below Poverty Level in the Past 12 Months : 2006-2008

Between 2000 and 2004, the County’s median income rose from \$41,994 to \$61,700, and was almost even with the 2004 California’s median income of \$62,500. The jump in the county’s median household income was a mixed blessing. Until 2002, the county’s median income increased in small increments, according to the federal Department of Housing & Urban Development (HUD). The median income for a family of four rose only \$100 between 2001 and 2002. In 2003 the increase was \$7400 (from \$50,300 in 2002 to \$57,700 in 2003). This increase did not reflect a rise in local wages, but rather an increase in the personal wealth and income of new households moving into the county. Nearly half of the County’s households earned less than \$53,600 in 2008, the average (median) amount for a lower income family of four.



Source: City-Data.com (www.city-data.com/county/San_Luis_Obispo_County-CA.htm, March, 2010)

The “Employment by Industry” chart on page 29 shows that the leading employment sectors are tourism (leisure & hospitality) and retail. Within these sectors are a substantial number of low paying jobs. For example, the retail sector has lower-paid workers such as cashiers, retail salespersons and waiters and waitresses. The two leading local industries, tourism and agriculture, do not provide many high paying jobs.

Average Annual Wages, 2008

Area	2008	2001-2008 Absolute Chg.	2001-2008 (%) Change
San Francisco County	75,062	16,367	27.9
Los Angeles County	56,615	11,804	26.3
Ventura County	56,615	13,754	32.1
San Diego County	54,171	11,765	27.7
Santa Barbara County	51,818	12,012	30.2
San Luis Obispo County	47,255	10,621	29.0
California	56,927	11,999	26.7

Source: California Employment Development Department

(Above chart from UCSB Economic Forecast Project – San Luis Obispo County 2010 Economic Outlook, p. 84)

The average annual wages in the County are lower than the state average. The County’s average annual wage is \$9,700 lower than that of the state, which is 83% of the state’s average wage.

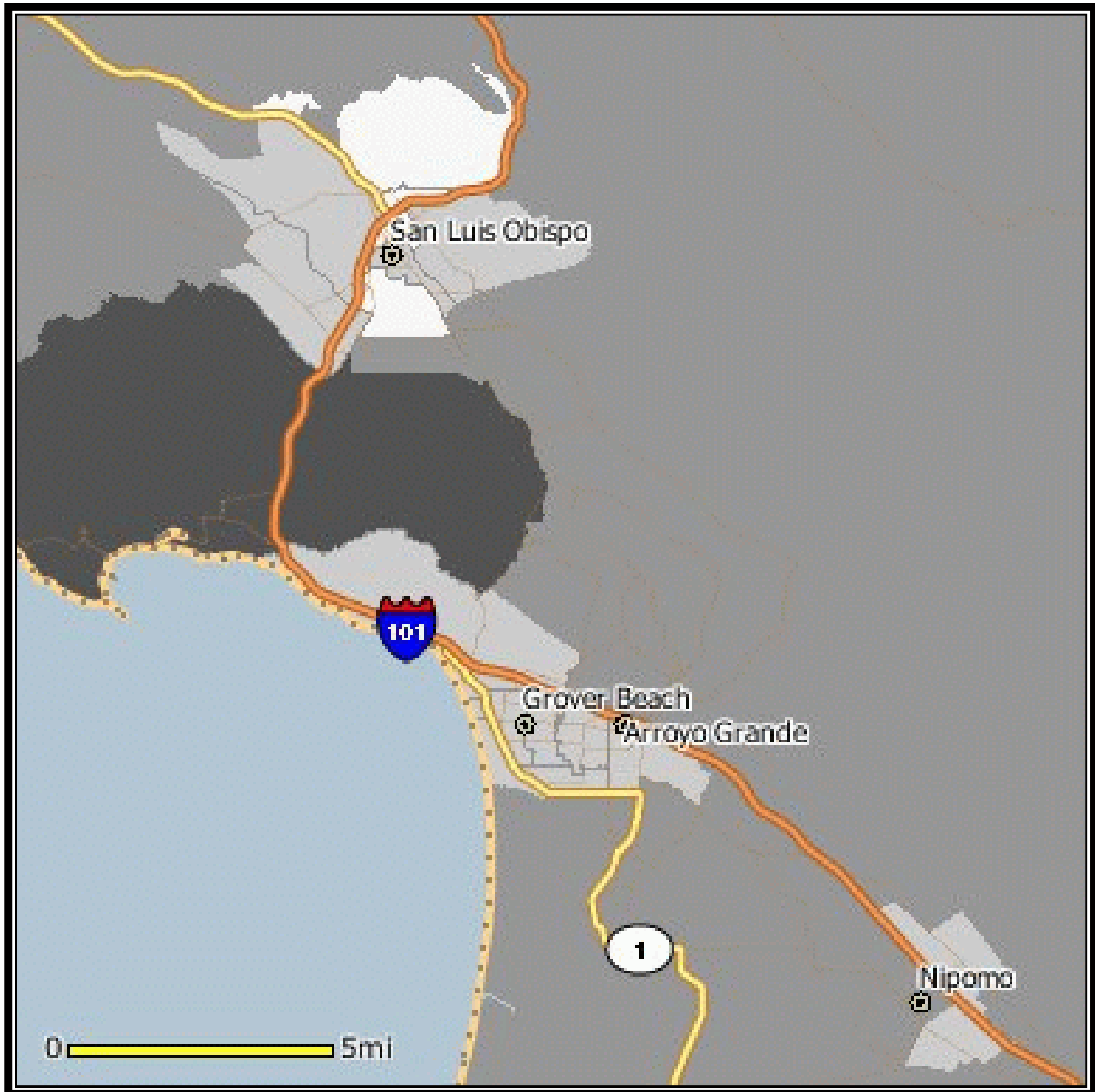
The table below compares the Year 2000 median household incomes for national and local population bases (Year 2008 figures were not yet available for the County). White and Asian households typically earn more than other ethnic households. It is noteworthy that the median household income of Asians in the County is lower than for Asians nationwide.

Table 2.5 - Median Income of Various Ethnic Groups (Year 2000)

Ethnic Group	United States	San Luis Obispo County
Am. Indian	\$30,293	\$36,957
Asian	\$51,967	\$39,861
Black	\$29,445	\$30,755
Hispanic	\$33,676	\$35,233
White	\$45,367	\$44,302

Source: U.S. Census Bureau - 2000 Census - Table DP-1 - Profile of General Demographic Characteristics: 2000
 Note: 2000 Census reported household income by race alone/Hispanic mix and by race alone/not Hispanic. This table uses the categories of Hispanic, and race alone/not Hispanic.

The following maps show the (Year 2000) location of households with low, moderate and high income levels, as well as the concentrations of individuals with a poverty income level.

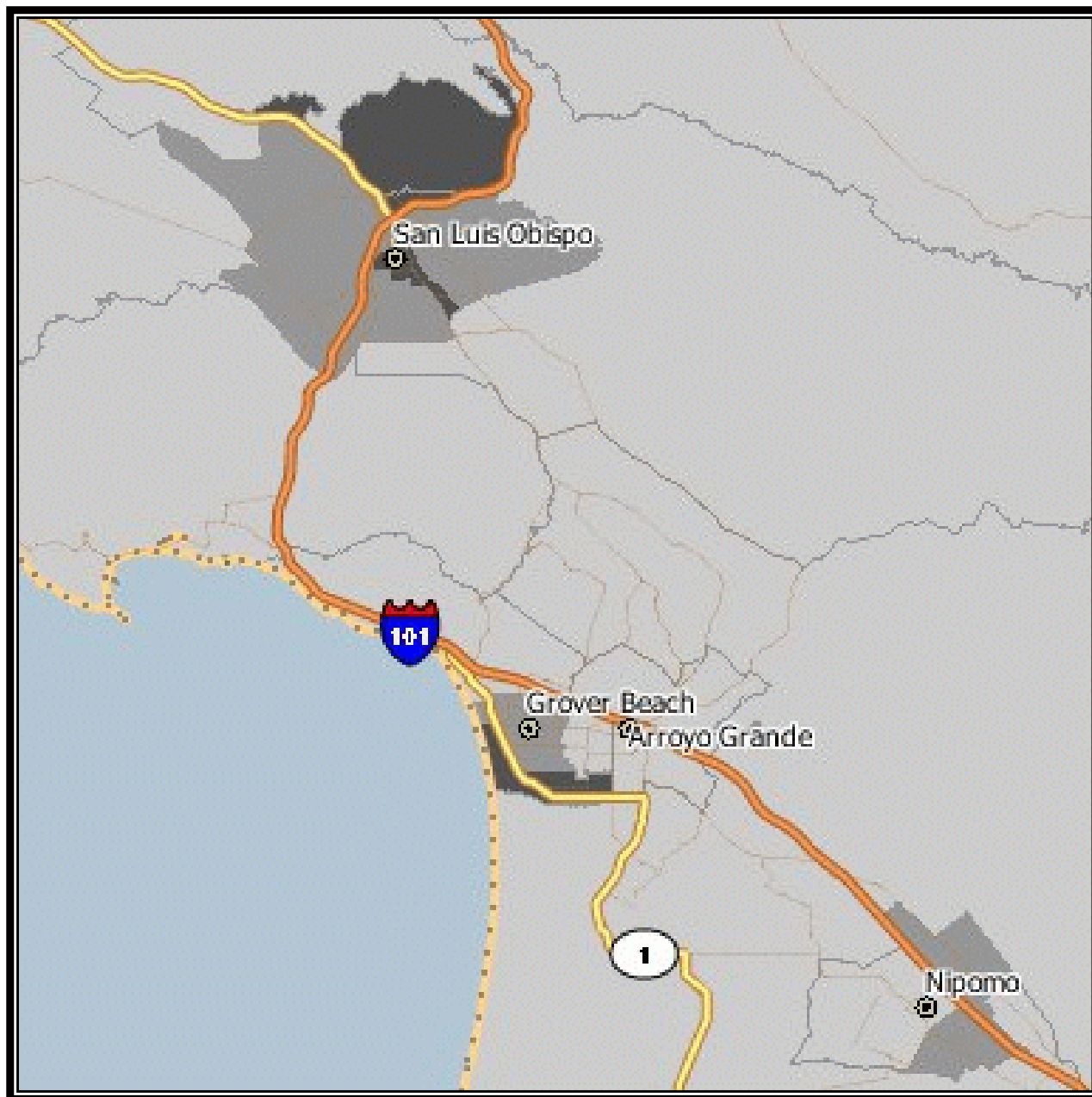


Median Household Income - San Luis Obispo to Nipomo

No color	= \$0 to \$31,183
Light grey	= \$31,184 to \$41,807
Medium grey	= \$41,808 to \$56,915
Dark grey	= \$56,916 to \$196,298

Map Source: Neighborhood Knowledge Program/UCLA & U.S. Census 2000 - <http://164.67.52.243/nkca/Master.cfm>

Summary - Lowest income areas are in urban cores, especially in San Luis Obispo by the Cal Poly college and the airport. Higher income areas are rural areas, especially Avila Valley.



Concentrations of Poverty Level Individuals - San Luis Obispo to Nipomo

(Ratio of Income to Poverty: 0.50 to 0.99)

Light grey = 2.63% to 5.75%

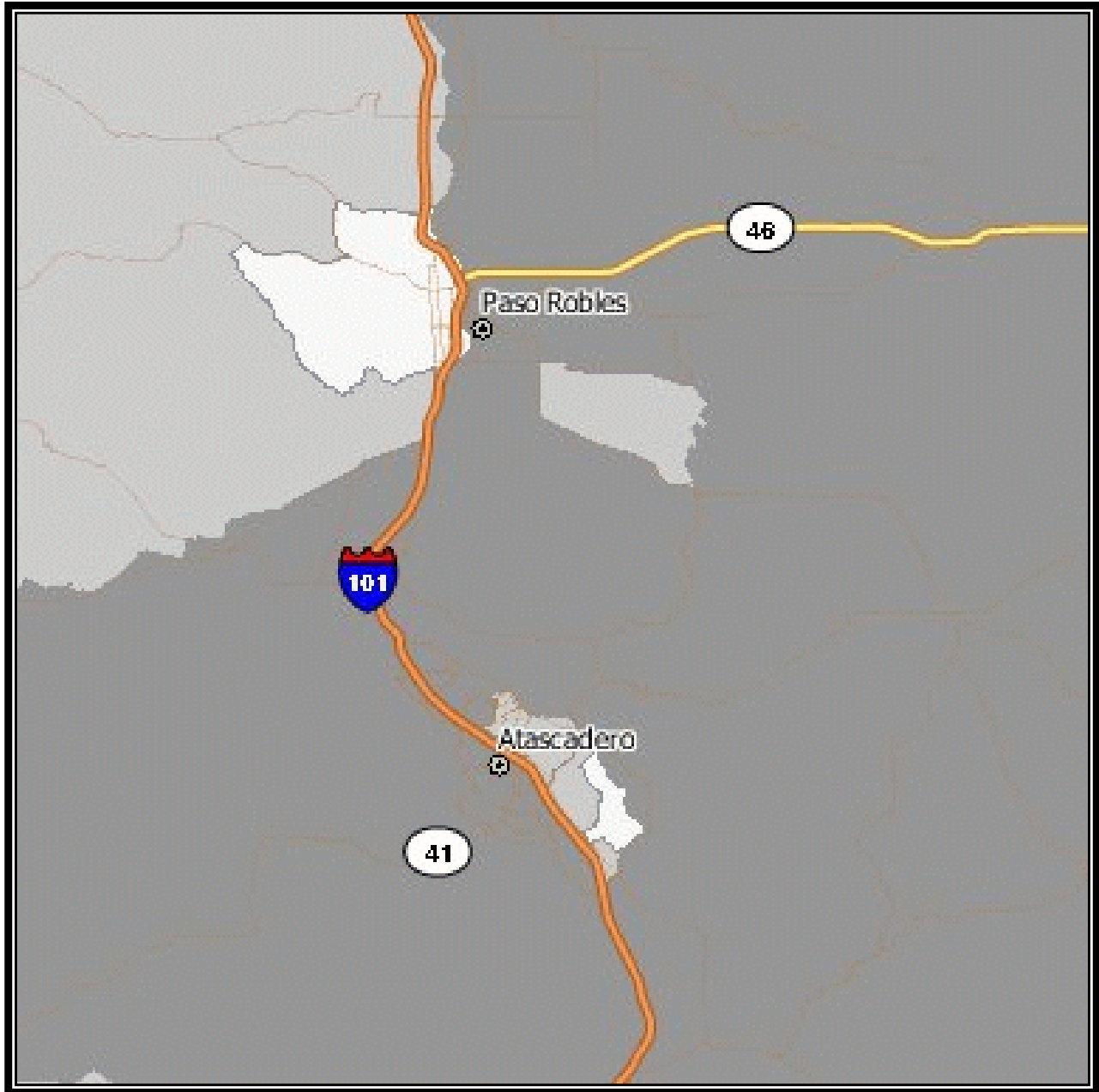
Medium grey = 5.76% to 11.47%

Dark grey = over 11.48%

Map Source: Neighborhood Knowledge Program/UCLA & U.S. Census 2000 -

<http://164.67.52.243/nkca/Master.cfm>

Summary - Highest concentrations of people in poverty are on the north side of San Luis Obispo (by the Cal Poly college campus) and in Oceano (south of Grover Beach).

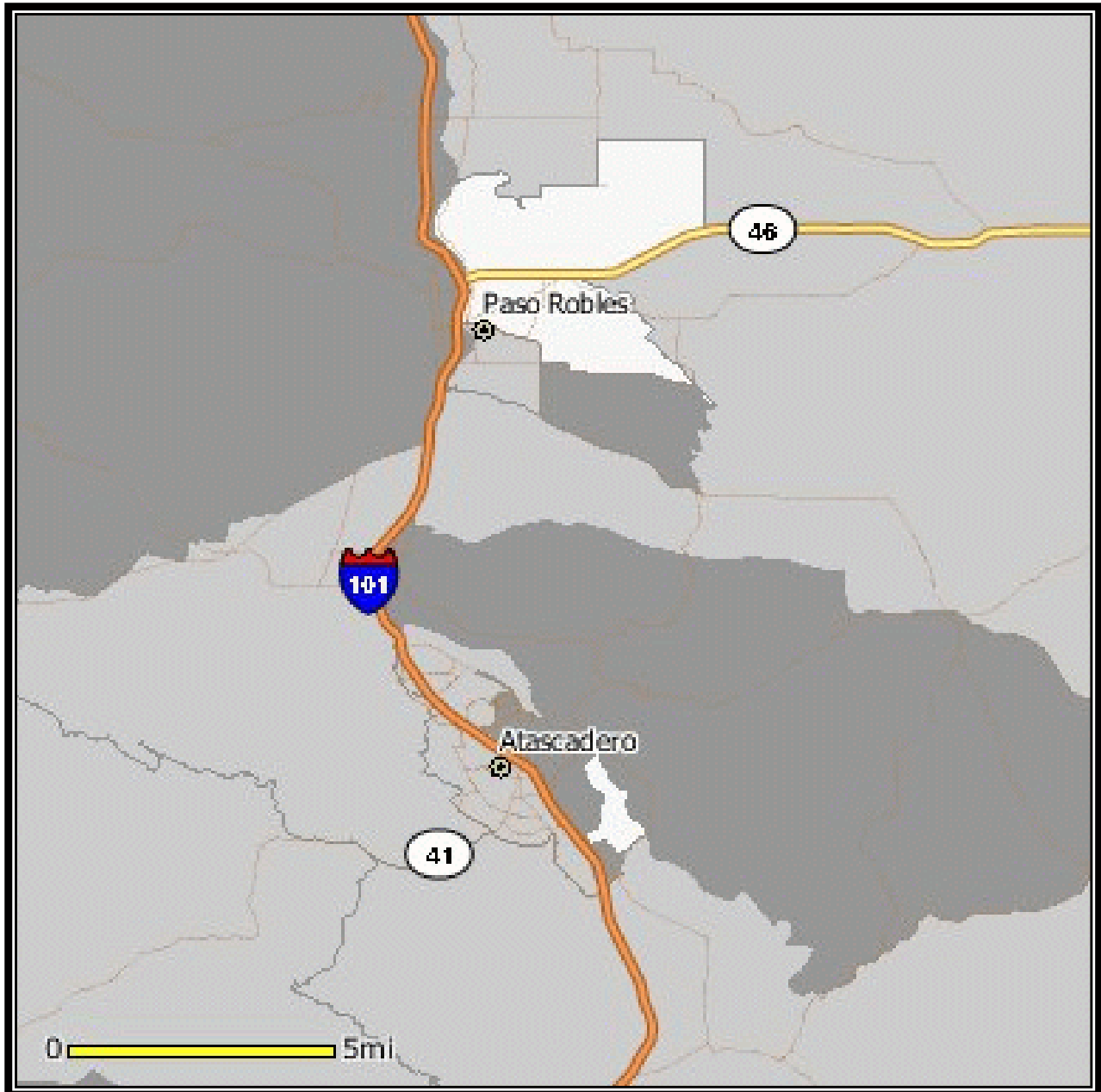


Median Household Income - Paso Robles to Atascadero

No color	= \$0 to \$31,183
Light grey	= \$31,184 to \$41,807
Medium grey	= \$41,808 to \$56,915

Map Source: Neighborhood Knowledge Program/UCLA & U.S. Census 2000 - <http://164.67.52.243/nkca/Master.cfm>

Summary - Lowest income areas are inside the Cities of Paso Robles and Atascadero. Higher income areas are the rural areas surrounding the cities.



Concentrations of Poverty Level Individuals - Paso Robles to Atascadero

(Ratio of Income to Poverty: 0.50 to 0.99)

- No color = 0% to 2.62%
- Light grey = 2.63% to 5.75%
- Medium grey = 5.76% to 11.47%

Map Source: Neighborhood Knowledge Program/UCLA & U.S. Census 2000 - <http://164.67.52.243/nkca/Master.cfm>

Summary - Highest concentrations of people in poverty are in the rural areas west of Paso Robles and east of Atascadero. Lowest concentration in new residential areas near Paso Robles airport.



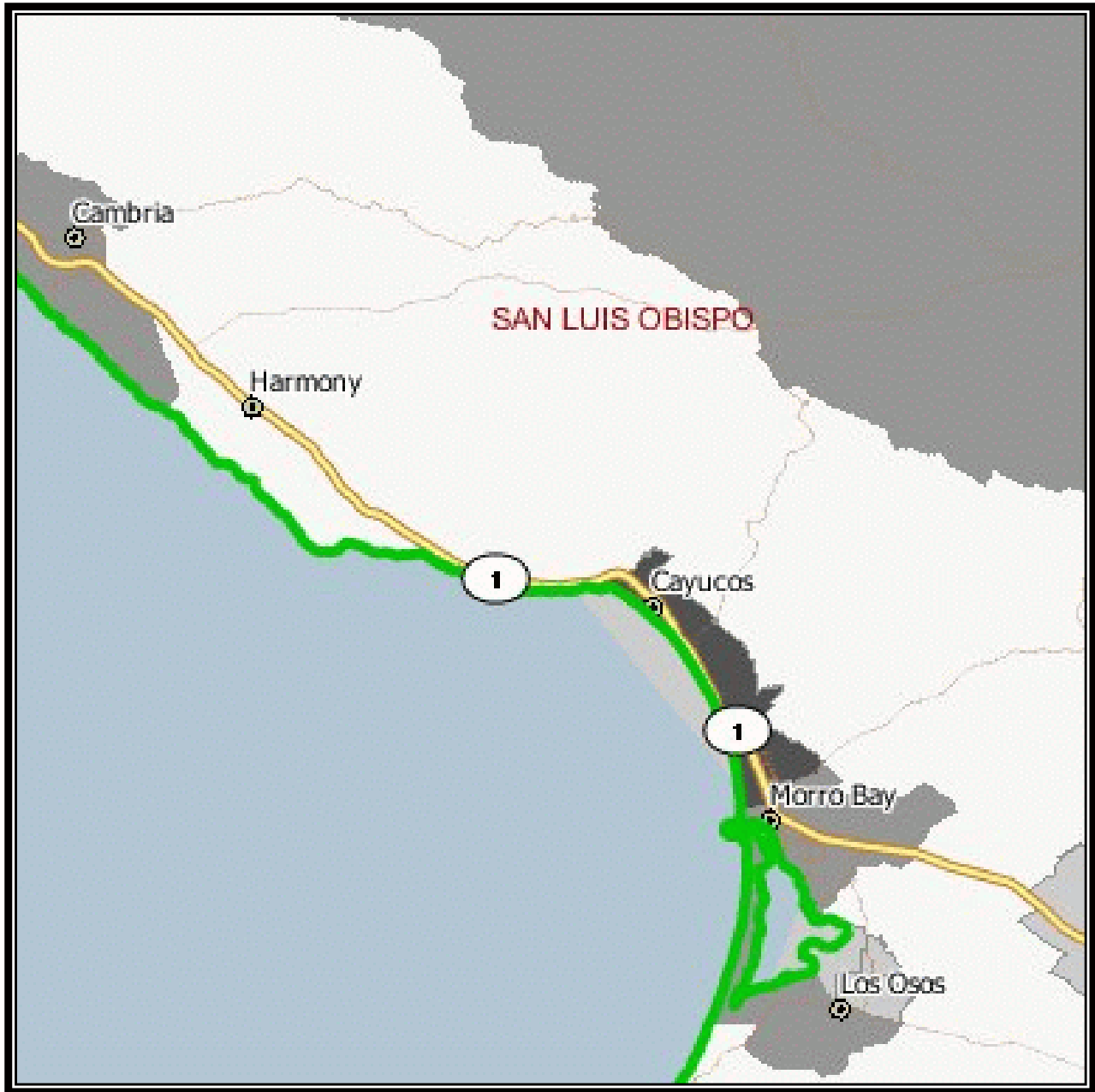
Median Household Income - Los Osos to Cambria

Light grey = \$31,184 to \$41,807

Medium grey = \$41,808 to \$56,915

Map Source: Neighborhood Knowledge Program/UCLA & U.S. Census 2000 -
<http://164.67.52.243/nkca/Master.cfm>

Summary - Lower income areas are inside of the coastal communities, higher income areas are outside of the urban cores.



Concentrations of Poverty Level Individuals - Los Osos to Cambria

(Ratio of Income to Poverty: 0.50 to 0.99)

- No color = 0% to 2.62%
- Light grey = 2.63% to 5.75%
- Medium grey = 5.76% to 11.47%
- Dark grey = over 11.48%

Map Source: Neighborhood Knowledge Program/UCLA & U.S. Census 2000 - <http://164.67.52.243/nkca/Master.cfm>

Summary - Highest poverty concentrations are in coastal communities, especially Cayucos.

2.3 Employment Data

Pursuant to the U.S. Census in 2008 the local, state and national work force figures were as follows:

Table 2.6 - Workforce Data

Employment Data	United States	California	San Luis Obispo County
Workforce size	153,989,802	12,228,215	132,640
% of total population who are in workforce	65.2%	64.8%	60.5%

Source: U.S. Census – American FactFinder – Fact Sheet/Economic Characteristics/Selected Economic Characteristics: 2006-2008

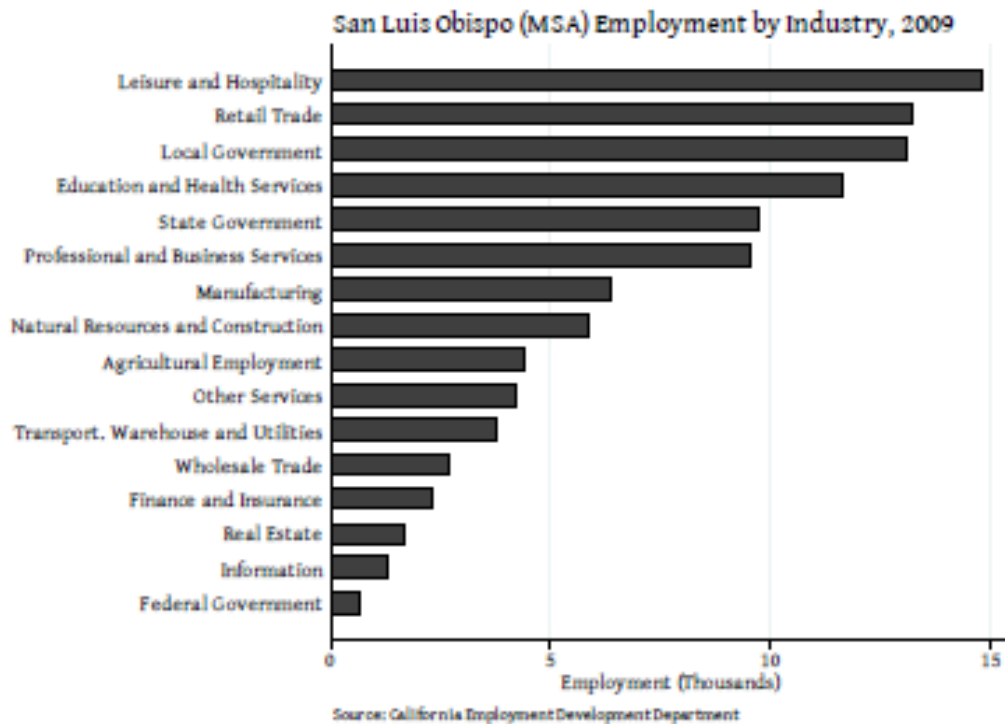
The County has the lowest percentage of population in the workforce (60.5%). This may reflect the older age of the local population base (higher percentage of retired individuals) and the large number of affluent, retired individuals who are moving into the County, as described in Section 2.1 above.

Table 2.7 - Median Age of Local, State and National Population Bases

Median Age	United States	California	San Luis Obispo County
Age in Years	36.7%	34.7%	37.6%

Source: U.S. Census – American FactFinder – S0101 – Age and Sex: 2006-2008

The County has experienced a lower percentage of unemployment than the state or national averages. Many people in the county work for government agencies, and the County’s primary industries of agriculture and tourism are not as volatile as other industries such as high technology and defense related industries. The local agriculture and tourism industries are supplemented by a large network of support industries (i.e., suppliers, technical support, administrative and research services). The top County employers include: the County of San Luis Obispo, state prisons (California Men’s Colony & Atascadero Mental Hospital), schools (Cal Poly State University, Cuesta Community College, John Hancock Community College, and primary education school districts), Pacific Gas & Electric Company (Diablo nuclear power plant) and four community hospitals. Two military bases are located in or adjacent to the County (Camp San Luis and Camp Roberts California National Guard bases).



(Above chart from UCSB Economic Forecast Project – San Luis Obispo County 2010 Economic Outlook, p. 79)

The recession may cause lasting changes to the employment profile of the state and national labor forces. However, the County may not see any significant changes. Its largest employers will probably continue to be government agencies (state and local offices, schools and colleges, prisons, etc.). Its primary industries are likely to remain agriculture and tourism.

The state Employment Development Department (EDD) releases annual reports that provide unemployment figures and job growth rates. Between 1992 and 1994, a nationwide recession pushed San Luis Obispo County’s unemployment rate up to 8%. By 2002 the civilian unemployment rate dropped down to 3.4%. The 2007/2009 recession has pushed the County’s unemployment rate back up to 10.6% (EDD). It is still among the lowest of all California counties, which have an average unemployment rate of 13.2% (EDD report, January 2010).

Table 2.8 – Employment Rates for January, 2010

	United States	California	San Luis Obispo Co.
Employment Rate	89.4%	86.8%	89.4
Unemployment Rate	10.6%	13.2%	10.6%

The largest employment losses here and elsewhere have been in the construction, real estate and financial industries. These losses reflect the collapse of the housing market. The collapse has caused troubles in all sectors of the economy.

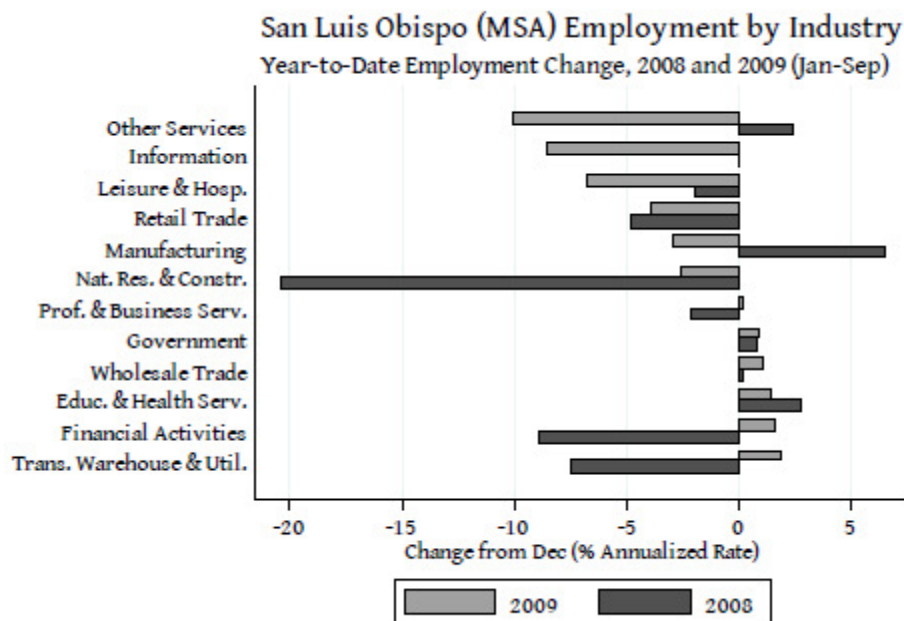
San Luis Obispo (MSA) Industries Directly Affected by the Housing and Consumer Downturn

Industry	Peak	Jobs Lost Since Peak	Percentage
Construction	Nov-06	-2,483	-30.1
Finance and Insurance	May-06	-602	-21.7
Real Estate	Oct-05	-646	-27.9
Retail Trade	Dec-06	-1,517	-10.5

Source: California Employment Development Department

(Above chart from UCSB Economic Forecast Project – San Luis Obispo County 2010 Economic Outlook, p. 79)
MSA = Metropolitan Statistical Area

In this county three job sectors have enjoyed sustained growth through 2008 and 2009 – education/health services, government, and wholesale trade. Financial jobs are also rebounding. But funding for education and government agencies is not predictable. California is facing serious financial issues, which threatens many public funded programs and agencies. There may be more job losses in the government and education sectors.



Source: California Employment Development Department

(Above chart from UCSB Economic Forecast Project – San Luis Obispo County 2010 Economic Outlook, p. 79)

The “Employment by Industry” chart on the previous page shows that the leading employment sectors are tourism (leisure & hospitality) and retail. Within these sectors are a substantial number of low paying jobs. For example, the retail sector has lower-paid workers such as cashiers, retail salespersons and waiters and waitresses. The two leading local industries, tourism and agriculture, do not provide many high paying jobs.

Average Annual Wages, 2008

Area	2008	2001-2008 Absolute Chg.	2001-2008 (%) Change
San Francisco County	75,062	16,367	27.9
Los Angeles County	56,615	11,804	26.3
Ventura County	56,615	13,754	32.1
San Diego County	54,171	11,765	27.7
Santa Barbara County	51,818	12,012	30.2
San Luis Obispo County	47,255	10,621	29.0
California	56,927	11,999	26.7

Source: California Employment Development Department

(Above chart from UCSB Economic Forecast Project – San Luis Obispo County 2010 Economic Outlook, p. 84)

The average annual wages in the County are lower than the state average. The County’s average annual wage is \$9,700 lower than that of the state, which is 83% of the state’s average wage.

While housing and living costs have risen, little change is expected in the county’s low paying job market. San Luis Obispo County’s remote location makes it difficult to attract large employers or companies to the area. San Luis Obispo has the eight lowest median wage rate among the 10 coastal counties between San Diego and San Francisco. The EDD projects a weak job growth rate of only one new job for every three people coming to the county.

It has become difficult for local employers to attract or retain new workers. Two local business groups, the Economic Vitality Corporation and the county’s Economic Advisory Committee have expressed concern over the loss of qualified workers due to high housing costs. Since 2000, some of the County’s well known manufacturing and high tech companies have either moved away or have been absorbed by national companies and removed from the County. The largest of these was the Ernie Ball musical instrument manufacturing company, which has relocated and taken over 300 jobs with it. The Ernie Ball company moved to the high desert portion of California, where cheaper land costs allow for easier facility expansion and more affordable housing for its low salary workers.

Table 2.9 (below) shows poverty levels by age groups. In comparing local, state and national figures, the County has the highest number of working aged individual below the poverty level (age 18 to 64) and the lowest number of elderly individuals below the poverty level. This may reflect the large number of affluent, retired individuals who are moving into the County.

Table 2.9 - Age of Individuals in Poverty

Age of Individuals in Poverty (in years)	United States	California	San Luis Obispo County
Entire population	12.4% (13.2% in 2008)	14.2% (12.9% in 2008)	12.8% (*2008 N.A.)
Age 18 to 64	10.9% (11.8% in 2008)	12.3% (11.7% in 2008)	13.1% (*2008 N.A.)
Age 65 and over	9.9% (9.8% in 2008)	8.1% (8.4% in 2008)	5.9% (*2008 N.A.)
Under 18 years old	16.1% (18.2% in 2008)	19.0% (17.9% in 2008)	11.4% (*2008 N.A.)

Source: U.S. Census Bureau - Census 2000 - Table DP-3 - Profile of Selected Economic Characteristics: 2000
 U.S. Census – American FactFinder – S1703 – Selected Characteristics of People at Specified Levels of Poverty In the Past 12 Months: 2006-2008
 * No 2008 poverty information available for San Luis Obispo County

2.4 Housing Profile

Between 1994 and 2007 the County experienced a rapid increase in housing costs. The 1994 median home price in the County was \$163,000 and 35% to 40% of the households could buy a house. By 2004 the median house price was \$480,000 and only 14% of the households could buy a house. Despite the 2007/2009 recession the National Association of Homebuilders still ranked the County as the third least affordable housing market in the nation. In 2009 only 32.1% of the local households could afford a median priced home (National Association of Home Builders, Housing Opportunity Index, 4th Quarter, 2009). This was despite the fact that the County’s median housing price had dropped to \$360,000 in February of 2009 (DataQuick, www.dataquick.com).

Table 2.10 (A) - Median House Prices for 2008

	United States	California	San Luis Obispo County
Median House Price	\$192,400	\$510,200	\$562,900

Source: U.S. Census – American FactFinder – M2510 – Median Housing Value of Owner Occupied Housing Units : 2008

Table 2.10 (B) - Median House Prices for 2009 (4th Quarter)

	United States	California	San Luis Obispo County
Median House Price	\$180,000	N.A.	\$372,000

Source: National Association of Home Builders/Wells Fargo – Housing Opportunity Index – using the home values reported for the 4th Quarter, 2009 for the following metropolitan areas: United States – nationwide, San Luis Obispo County – San Luis Obispo/Paso Robles metro. area, California statewide – not available.

The two following tables shows a range of County income levels and the corresponding rent and sales prices that are affordable to these income levels.

Table 2.11 - Income Levels for a Family of Four (2010)

Persons in Family	Very Low Income	Lower Income	Median Income	Moderate Income
4	\$35,400	\$56,650	\$70,800	\$84,950

Source: California Dept. of Housing & Community Development - 2009 Income Limits

Table 2.12 - Affordable Residential Sales Prices and Rental Rates (2010)

Unit Size (Bedrooms)	Monthly Rents			Initial Sales Prices		
	Very Low Income	Lower Income	Moderate Income	Very Low Income	Lower Income	Moderate Income
1	\$708	\$850	\$1,558	\$76,000	\$110,000	\$227,000
2	\$796	\$956	\$1,752	\$88,000	\$131,000	\$258,000
3	\$885	\$1,062	\$1,947	\$100,000	\$148,000	\$289,000

Source: County of San Luis Obispo monthly Affordable Housing Standards bulletin, January, 2010 pursuant to Land Use Ordinance Section 22.12.070 - Housing Affordability Standards

No city in the County has a median house price that is affordable to low or moderate income households. In 2008, the county-wide median house price reached \$562,900 (Table 2-10 above).

**San Luis Obispo County
Median Home Prices, 2007 - 2008**

City	2007 (\$)	2008 (\$)	Change (%)
San Luis Obispo	655,000	629,000	-4.0
Cayucos	845,000	799,500	-5.4
Pismo Beach	800,000	750,000	-6.3
Los Osos	471,000	437,500	-7.1
Cambria	700,000	650,000	-7.1
Morro Bay	570,000	520,000	-8.8
Oceano	430,000	371,500	-13.6
Arroyo Grande	644,500	550,000	-14.7
Nipomo	565,000	470,000	-16.8
Grover Beach	490,000	400,000	-18.4
Templeton	600,000	480,000	-20.0
Paso Robles	463,000	365,000	-21.2
Atascadero	520,000	384,750	-26.0

Source: Central Coast Major Listing Service

(Above chart from UCSB Economic Forecast Project – San Luis Obispo County 2010 Economic Outlook, p. 100)

Up until 2008 there was a shortage of available rental units in the County (2.8%). A 6% vacancy rate is desirable, while anything lower than 3% is tight. Mortgage rates and rents in the County are higher than the national average, and more households are paying over 30% of their income to housing costs. A recent phenomenon is that the vacancy rate has crept upward in local and regional rental markets. The 2007/2009 recession brought job losses, and many people are doubling up with room-mates or moving in with family. The County’s rental vacancy rate dropped from 1% in 2007 to 7% in 2008, and monthly rent amounts fell as much as 5.5% (UCSB Economic Forecast Project – San Luis Obispo County 2010 Economic Outlook, p. 101-102). The rental market is fluctuating, and may not stabilize until the labor market improves.

The information in the following table is provided by the 2008 U.S. Census – American FactFinder.

Table 2.13 - Residential Sales Prices and Rental Rates Data (2008)

Housing Data	United States	California	San Luis Obispo
Total housing units	129,065,264 units	13,393,878 units	116,767 units
% of occupied housing units	87.1%	90.1%	87.9%
% of owner occupied units	67.1%	57.8%	59.9%
% of renter occupied units	32.9%	42.2%	40.1%
% of vacant rental units	7.8%	4.7%	2.8%
Median house price	\$192,400	\$510,200	\$562,900
Median monthly mortgage	\$1,508	\$2,354	\$2,293
People paying 30%+ of income on mortgage	37.3%	52.7%	53.5%
Median (monthly) rental costs	\$819	\$1,118	\$1,114
People paying 30%+ of income on rent & utilities	45.9%	51.7%	54.6%

Source: U.S. Census – American FactFinder – GCT-T9-R – Housing Units: 2008
 U.S. Census – American FactFinder – GCT-2504 – Physical Housing Characteristics
 U.S. Census – American FactFinder – Fact Sheet – Selected Housing Characteristics: 2006-2008 (rental unit vacancy rates)
 U.S. Census – American FactFinder – M2510–Median Housing Value of Owner Occupied Housing Units: 2008
 U.S. Census – American FactFinder – GCT-2511-Median Monthly Household Costs for Owner Occupied Housing Units: 2008
 U.S. Census – American FactFinder – GCT-2513-Percent of Mortgaged Owners Spending 30% or More of Household Income on Selected Monthly Owner Costs: 2006-2008
 U.S. Census – American FactFinder – GCT-2514-Median Monthly Housing Costs for Renter-Occupied Housing Units: 2008
 U.S. Census – American FactFinder – GCT-2515-Percent of Renter-Occupied Units Spending 30% or More of Household Income on Rent and Utilities: 2008

Housing Starts Do Not Match Housing Needs

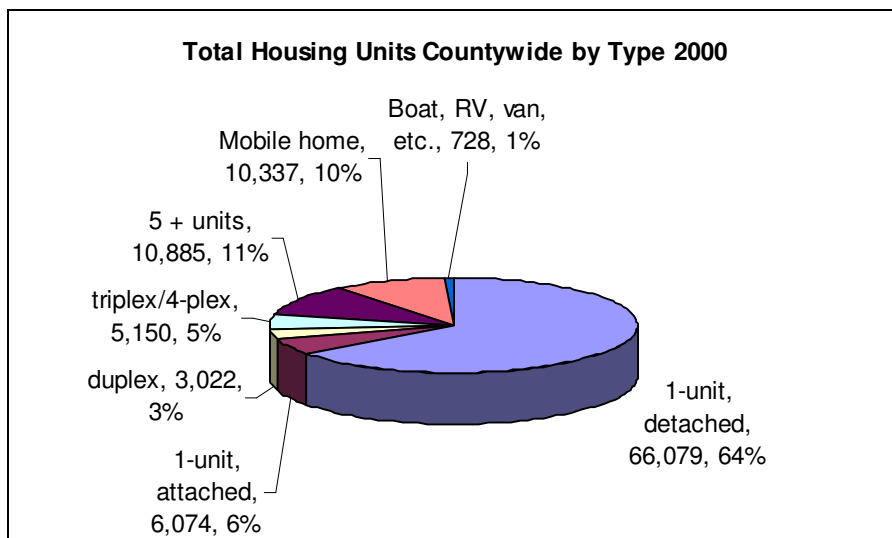
A number of factors impede the rate of new residential construction in the County, including:

- High infrastructure costs (roads, water & sewer, schools, public facility fees, etc.)
- A regional shortage of available water.
- An abundance of natural habitats, natural resources areas and agricultural production areas that are protected by government policies and regulations.
- High land costs.
- Resistance to growth in some communities (NIMBY-ism).
- Impediments to development of affordable multi-family projects such as construction defect/legal liability (and the resulting lack of insurance) and community opposition to high-density housing.

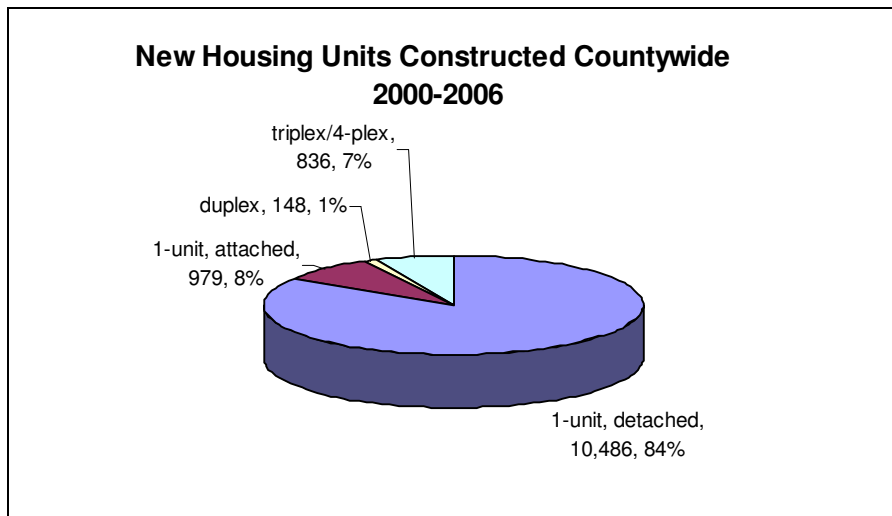
Obstacles to development of high density housing continue to limit production of housing types that would be more affordable to locally employed persons. In addition, there are 31,100 students who live in the County and attend Cal Poly state university, Cuesta Community College, and also John Hancock Community College in neighboring San Barbara County. College students make up one-eighth of the County’s population, and they compete with the local workforce population for housing.

Housing Construction Trends

Housing starts peaked in 2004 in the unincorporated areas of the County. Approximately 1,200 new units were built in 2004 (County Department of Planning & Building). But in 2008 less than 800 housing units were built. The 2007/2009 recession slowed the pace of construction. The following pie charts describe the County’s housing stock as it existed in 2000, as well as the type of housing units constructed in the peak construction period of 2000 – 2006.



Source of both charts: 2000 Census Data and 2006 Community Profile Census Data (countywide)



Source of both charts: 2000 Census Data and 2006 Community Profile Census Data (countywide)

2.5 Other Relevant Data (2004 County-wide Fair Housing Survey)

In October, 2004 the County distributed a Fair Housing Survey form to agencies and businesses that are active in the local housing market. Housing providers, non-profit groups, and attendants to the September 1993 Fair Housing Seminar received the survey form. Over 30 survey forms were returned. The list of respondents appears below:

Mission Community Bank NA
 R.B. Brown Real Estate
 Casa Villa Apartment
 Del Mar Property Management
 J. Johnson, Attorney at Law
 Tom Taylor Realty
 Lighthouse Property Management
 California Property Services
 Home Builders Assoc. of Central Coast
 San Luis Obispo Builders Exchange
 The Mortgage House, Inc.
 City of Morro Bay
 City of Grover Beach
 City of San Luis Obispo
 City of Pismo Beach
 City of Paso Robles

Independent Living Resources
 AIDS Support Network
 Family Care Network, Inc.
 North County Industries Affiliates
 Tri Counties Regional Center
 Work Training Programs, Inc.
 San Luis Obispo Supported Living, Inc.
 Habitat for Humanities for SLO County
 SLO Hepatitis C Project
 Life Steps Foundation
 Casa Solana, Inc.
 Life Steps Foundation
 San Luis Obispo County Mental Health
 People’s Self Help Housing Corp.
 League of Women Voters

The purpose of the survey was to help identify the nature and the frequency of fair housing discrimination in the local housing market. The survey questions and the number of responses appears below. Not all of the questions had the same number of replies since some respondents did not have knowledge in all of the subject areas that were covered by the survey.

Fair Housing Survey

San Luis Obispo County is updating its fair housing plan** and is conducting a survey of the local housing market. This survey is being sent to agencies and companies who sell or rent housing, or who serve the home users. Please write in your company or organization's name:

Fair housing is the ability of persons of similar incomes to have the same housing choices regardless of race, color, religion, sex, disability, familial status or national origin. A shortage of affordable housing is not a form of discrimination. Have you seen or are you aware of discrimination in the following activities?

Housing for Sale or Rent

- When housing is made available for sale? 3 Yes 27 No
- When housing is made available for rent? 9 Yes 22 No
- When landlords schedule which rental units shall be maintained? 3 Yes 25 No
- Does the advertising of rental and ownership housing show that the units are available to everyone? 24 Yes 5 No
- Do real estate offices or rental property offices serve all clients equally? 21 Yes 7 No
- Do property deeds or rental agreements have any discriminatory language? 1 Yes 26 No
- Are handicap accessible units available, or is it easy to have the units upgraded to be accessible (at handicapped person's cost)? 15 Yes 8 No
- Are some groups discouraged from living in certain areas, or "steered" to other areas? 9 Yes 19 No
- Are hate crimes or criminal activities being used to discourage housing choices for some groups? 1 Yes 26 No (*no "hate crime" reported by local Police and Sheriff Dept's*)

Please explain: _____

Mortgage Lending & Home Repair Loan Practices

- Do banks serve all clients equally when choosing whom to make loans to? 18 Yes 5 No
- Have banks avoided making loans for properties in some areas? 1 Yes 21 No
- Have unfair loan underwriting practices ever been used? 3 Yes 16 No
- Have unfair property appraisal practices ever been used? 2 Yes 18 No
- Are predatory lending practices occurring? 4 Yes 15 No

Please explain: _____

Property Insurance Practices

- Do insurance companies ever avoid providing insurance to some groups? 3 Yes 18 No
 - Do insurance companies ever avoid insuring properties in some areas? 2 Yes 18 No
- Please explain: _____
- _____
- _____

Higher Housing Costs

The cost of housing in the County has almost tripled in the last ten years. Rental rates are also higher. The lack of affordable housing is not a form of discrimination, but the shortage of housing may cause discrimination to occur. Have any unfair housing practices that you described above changed because of the high housing costs?

- Become less noticeable? 1 Yes 19 No
- Become more noticeable? 5 Yes 15 No
- Do you foresee any new housing issues that could evolve because of the higher costs? 23 Yes 3 No

Please explain: _____

Zoning and Building Codes

- Have government zoning and building codes encouraged housing discrimination? 8 Yes 18 No
- Have government zoning and building codes discouraged affordable housing? 17 Yes 12 No

Please explain: _____

**The full name of the County’s fair housing plan is the Analysis of Impediments to Fair Housing Choice, pursuant to the federal Fair Housing Act of 1968.

Observations Regarding the Survey

The survey responses, and local press coverage, do not allude to a condition of widespread or blatant discrimination in the local housing market. Yet the non-profit agencies and the special needs population that they serve have reported incidents of discrimination when seeking rental housing, a lack of handicap accessible units, “steering,” and unfair lending practices. A high percentage of all respondents agree that high housing costs are creating new housing issues, and that government zoning codes are discouraging affordable housing.

There may not be a general understanding of what fair housing laws are or an ability to identify housing discrimination. The local offices of the California Rural Legal Assistance, Inc. (CRLA) handled 274 housing cases in 2004, of which 24 were fair housing cases. CRLA reports that many fair housing cases were actually filed for other reasons, such as tenant-landlord disputes. CRLA believes that a wider understanding would bring in more fair housing cases, and most landlords would remove the violations if they were aware of them. There is a need for more education for all participants in the local housing market, and for a stronger network of agencies to provide mediation and, when necessary, litigation.

The survey responses to the two questions regarding government zoning and building codes indicate that many feel government regulations are discouraging affordable housing and encourage housing discrimination. Eight agencies responded that government codes are causing housing discrimination. Yet their survey comments indicate that four of these agencies actually consider the lack of affordable housing to be a form of discrimination. The shortage of affordable housing itself is not a form of discrimination, but discrimination may occur when there is a shortage of affordable housing. A thorough discussion of the local government response to the affordable housing shortage is provided in Chapter 4 (Section 4.1) and Chapter 5 (Section 5.1.2).

2.6 Chapter Summary

The demographic and economic sections of this chapter describe a changing housing market. Median housing prices almost tripled in ten years (from \$163,000 in 1994 to \$480,000 in 2004). In 2009 the County remains the nation’s third least affordable housing market. A rapid increase in the median income reflects the immigration of affluent, retirement aged households into the County. The new residents can pay higher housing prices. The local birthrate and the enrollment levels in schools are dropping, and younger professionals and families are leaving. Nearly a third of the local population now falls in the very low income range. The County’s primary industries of agriculture and tourism, plus the primary job sectors of retail, services and government do not provide a large number of high paying jobs.

The 2004 Fair Housing Survey and local press coverage do not allude to a condition of widespread or blatant discrimination in the local housing market. Yet nearly all survey respondents indicate their concern that the rising housing prices will cause new housing problems. In 2009 only 32.1% of the population can afford to buy a median priced house, and there is a shortage of affordable housing. Local conditions (i.e., a water shortage and lack of high density zoning) and industrial issues (i.e. difficulty in obtaining insurance for multi-family projects and a high profit margin for expensive housing) discourage the development of affordable housing. The lack of affordable housing is not a form of discrimination, but it may increase the occurrence of housing

discrimination. There may be a lack of understanding of fair housing laws or the ability to identify housing discrimination. This would mean that there is a need for more education for all participants in the local housing market, and for a stronger network of agencies to provide mediation and, when necessary, litigation.

In 1996, Santa Barbara County conducted a Fair Housing Community Survey. The survey and its results are described in that County's 2000 fair housing plan (Analysis of Impediments to Fair Housing). The survey results concluded that there was a wide-spread lack of education on the part of both tenants and landlords. Although the Rental Property Association was conducting fair housing seminars for its members, many "mom and pop" apartment owners were not attending. Many tenants did not know their rights or avenues of recourse. The lack of affordable housing in the area was exacerbating the problem, as low income individuals preferred to suffer unfair housing conditions rather than to risk losing their residence and having to find new housing in an expensive market. They felt that they had no choice.

Chapter 3 - Fair Housing Legal Status

3. Evaluation of Jurisdiction’s Current Fair Housing Legal Status

This section describes the legal status of San Luis Obispo County and its cities with regard to actions being taken by state or federal housing agencies in response to fair housing complaints. The tables below summarize the number of fair housing cases that have been filed with the federal Department of Housing and Urban Development (HUD) and the California Department of Fair Employment and Housing (DFEH).

3.1 Fair Housing Complaints or Compliance Reviews by the Secretary of HUD and by the California Department of Fair Employment and Housing

The County requested information from HUD and DFEH regarding all fair housing cases originating within San Luis Obispo County and its cities. Both agencies have provided case summaries that list the fair housing cases processed between 2000 and 2009. None of the cases have resulted in legal action by HUD or DFEH. For the sake of comparison, the case information from the County’s 2005 Analysis of Impediments is included in the following tables.

Table 3.1 - Fair Housing Cases Filed by HUD and DFEH
During the 2005 and 2010 AI Time Periods*

Basis	2005 AI (Time period - 2000 to 2004)			2010 AI (Time period - 2005 to 2009)		
	HUD	DFEH	Total	HUD	DFEH	Total
Race	3	4	7	1	3	4
Religion	0	2	2	2	1	3
National Origin	0	4	4	3	1	4
Sex	0	3	3	2	7	9
Marital Status	0	4	4	0	1	1
Disability	6	12	18	27	14	41
Familial Status	0	3	3	7	6	13
Retaliation	0	1	1	3	0	3
Income Source	0	1	1	0	0	0
Association	0	3	3	0	3	1
Total	9	37	46	40**	28**	68**

** Some of the cases have more than one basis, so the actual number of cases is lower.

Table 3.2 - Fair Housing Cases Closed by HUD and DFEH
During the 2005 and 2010 AI Time Periods

	2005 AI (Time period - 2000 to 2004)			2010 AI (Time period - 2005 to 2009)		
	HUD	DFEH	Total	HUD	DFEH	Total
Case resolved	1	7	8	13	8	21
No cause*	6	13	19	15	14	29
Client withdraws	2	0	2	0	5	5
Admin. Closure	0	0	0	6	0	6
Other agency	0	3	3	0	1	1
Sent to Court	0	0	0	0	0	0
Total	9	23	32	34	28	62

*No Cause includes cases that were closed when HUD lacked jurisdiction. Example - federal fair housing laws do not apply to small projects, when one owner rents a room in his residence, or owns a total of three units.

In the 2005 and 2010 AI time periods the majority of fair housing cases (40% to 60%), were filed on the basis of disability. This includes individual with mental and/or physical disabilities. The number of cases filed with HUD and the DFEH involved only a small percentage of the total population (0.025%). In 2009 there were approximately 270,429 people in the County, and 68 fair housing cases were filed between 2005 and 2009. This amounts to 1 case for every 3977 individuals. The low case numbers may reflect reluctance by some citizens to enter the formal review process and also the long distance from the county to the offices of these agencies. The DFEH office is in Los Angeles and the HUD offices are in Los Angeles and San Francisco. In San Luis Obispo County, as in Kern and Santa Barbara Counties, there are local fair housing agencies that carry a large volume of fair housing discrimination cases. In this County there is the California Rural Legal Assistance, Inc. (“CRLA”), and Chapter 5 describes the activities of the CRLA and other local fair housing services.

At this point it is appropriate to explain how HUD handles fair housing complaints. *Complaints* of fair housing violations are filed with the HUD Secretary. The Secretary does *compliance reviews* which evaluate whether or not discrimination with regard to fair housing has occurred. A *finding of discrimination* is issued by the Secretary if the review indicates that discrimination has occurred. A *charge* is issued if a complaint has merit.

Housing discrimination *complaints* in the County have been tracked by HUD since 1989. Complaints can be filed either with HUD's Office of Fair Housing or with the state's Office of Fair Employment and Housing. These are investigated and a *charge* issued if a complaint is found to have merit.

HUD also does *compliance reviews*, and may review the fair housing activities of an entire jurisdiction, region or a housing related organization that receives federal funding. The review may

be done as part of regulatory compliance program such as the regular review of a public housing authority, or it can be triggered by a complaint filed with HUD. A compliance review evaluates fair housing planning activities, complaints, and actions. For example, in 2004 a compliance review was completed with regard to the Housing Authority of the City of San Luis Obispo's low rent housing program. This review focused on the administration of the waiting list related to the discrimination based on race, color, or national origin. The Housing Authority was found to be in full compliance of federal Title VI requirements.

3.2 Fair Housing Discrimination Suits filed by the Department of Justice or Private Plaintiffs

No fair housing discrimination cases originating in San Luis Obispo County were referred by HUD to the Department of Justice (DOJ) for action during either the 2005 or 2010 AI time periods. HUD also negotiated a total of \$22,750 in compensation for three fair housing cases during the 2010 AI time period (2004 to 2009). In other actions, CRLA successfully concluded a fair housing discrimination lawsuit in 2004, and compensation was awarded by the court to the plaintiffs. That lawsuit case involved the sexual harassment of elderly female tenants in a rest home in Atascadero.

3.3 Reasons for Any Trends or Patterns

The number of cases filed with HUD and DFEH increased by almost 50% between the 2005 and 2010 AI time periods. Even with the larger 2010 AI caseload only a small percentage of the population (0.025%) is filing fair housing grievances with HUD or the DFEH. HUD and DFEH handle approximately 15 cases annually, and CRLA handles an additional 20 to 25 cases annually of fair housing complaints originating in San Luis Obispo County. CRLA advises that there is a need for more education and outreach. Fair housing violations in San Luis Obispo County tend to be subtle rather than blatant. Many landlords, tenants, home buyers and sellers do not have a complete understanding of the fair housing laws. Tenants and home buyers may not know that their fair housing rights are being violated or what resources are available if violations occur. Landlords and sellers may unknowingly be acting in violation of the laws.

Over 90% of the cases filed by HUD and DFEH are resolved. Nearly 50% of the cases are closed because no cause or violation was found or the complaint was withdrawn. Almost 10% of the complainants withdraw, perhaps they do not want to become involved in a lengthy process. Sometime the complainants withdraw because the mere act of filing a complain results in a violator to become aware of the laws and removing the violation. In most instances more education and outreach would be beneficial. Complainants would be more able to recognize and document violations, landlords and sellers would be aware of fair housing laws and could remove unintentional violations or unlawful activities.

CRLA serves only the low and very low income segment of the population. In an expensive housing market the moderate and above moderate households must also be informed of their fair housing rights. In San Luis Obispo, Kern and Santa Barbara Counties, only HUD and the DFEH handle fair housing violations that affect moderate or above moderate income households. It is important to educate all income segments of the population in the ability to recognize and document fair housing violations, and to use the resources that are available to them.

3.4 Other Fair Housing Concerns or Problems

San Luis Obispo County has become one of the least affordable areas in the nation with regards to housing. The difficulty of finding affordable housing may cause tenants and home buyers to become more tolerant of fair housing violations. They may become willing to suffer inadequate or unsafe housing rather than face the risk of losing their residences and having to look for housing in a difficult market. Landlords and sellers may become more blatant and not fear prosecution. Again, more education and outreach would be beneficial to inform the community about fair housing rights and resources available, and to warn of the consequences of any violations.

Chapter 4 - Identification of Impediments to Fair Housing Choice

4. Identification of Impediments to Fair Housing Choice

This chapter evaluates the activities of public and private entities that could create or remove impediments to fair housing choices within San Luis Obispo County. The activities of three sectors are reviewed:

Subsection 4.1 – The Public Sector

Subsection 4.2 – The Private Sector

Subsection 4.3 – The Public and Private Sector

The public sector involves governmental activities such as zoning and public policies, public services, and the provision of public housing. The private sector involves the financial institutions that provide real estate loans and related transactions. The public/private sector involves government efforts to serve the housing market with education, mediation and enforcement of fair housing laws.

4.1 Public Sector

In this section, public policies and administrative actions are evaluated for their impact on fair housing choice. Often these activities require local agencies to balance competing goals and interests against each other. The following activities are reviewed:

4.1.1 Zoning and Site Selection

4.1.2 Planning and Zoning Boards

4.1.3 Building Codes

4.1.4 Neighborhood Revitalization, Employment-Housing-Transportation Linkage

4.1.5 PHA & Other Assisted Housing Provider Tenant Selection Procedures, Housing Choices

4.1.6 Sale of Subsidized Housing & Possible Displacement

4.1.7 Property Tax Policies

4.1.1 Zoning and Site Selection

The California Legislature has delegated to local government specific responsibilities and discretionary authority over the development and uses of land. Each city and county may influence the location, density, and appearance of housing units in their jurisdiction. The primary control is the general plan. The general plan has zoning ordinances and land use policies that establish the requirements for new development. In California each general plan also has a Housing Element, which addresses government and non-governmental constraints to an adequate supply of housing for all income levels. The County's general plan does not contain policies or ordinances that violate state or federal fair housing laws.

Much of the County is rural unincorporated area, zoned for lower residential densities due to limited public services and the County’s policies requiring protection of agricultural land and natural resources. Lower density zones often have a negative impact on the cost of housing because larger lots may have higher land costs. Denser, urban level services and development are located in town sites along highway corridors and around the incorporated cities. There are nine urban communities in the County, most of which have public water and sewer service, schools, business districts and a variety of residential zones and housing stock. These unincorporated communities range in size, from Shandon (population of 982 in Year 2000) to Los Osos (population of 14,461 in Year 2000). Shandon is the only community that lacks a sewer system and therefore has no multi-family zoning or apartments. There are seven incorporated cities in the county, all of which have a full range of urban services and housing development. They range in size from Pismo Beach (population of 8,683 in Year 2000) to San Luis Obispo (population of 42,497 in Year 2000).

Impediments to fair housing may occur if the quality or extent of public services and facilities vary dramatically among residential neighborhoods. Municipal services are distributed equally throughout all of the urbanized areas of the County and its cities. Schools, parks, library facilities and public transit service can be found in all of the communities. Commercial development is generally located within the community or within close driving distance. However, the two rural communities of Shandon and San Miguel are located 10 to 12 miles away from significant commercial and medical services.

Impediments to fair housing may occur if zoning regulations discriminate against housing for certain people, or restrict who may live in a residential unit. State fair housing law specifically addresses discrimination against residential care facilities (i.e., women’s shelters, half-way houses, and facilities for mentally or physically handicapped). California Health and Safety Code Section 1566.3 states that a residential care facility for six persons or less shall be treated no differently than any other family residence. The following table shows that facilities for six or less individuals do not require special approval in any residential zone in the County or in any of its entitlement cities. Larger group homes typically require a conditional use permit and public review.

Table 4.1 - Summary of Permit Requirements for Residential Care Facilities

Jurisdiction	Residential Zoning	Residential Care Facility - Less than 6 people	Residential Care Facility - More than 6 people
City of San Luis Obispo	Residential-1	Allowed Use -no conditional use permit	Allowed Use -no conditional use permit
	Residential-2	"	"
	Residential-3	"	"
	Residential-4	"	"
City of Paso Robles	Residential-1	Allowed Use -no conditional use permit	Approval of conditional use permit
	Residential-2	"	"
	Residential-3	"	"
	Residential-4	"	"
City of Atascadero	Res. Suburban	Allowed use-no conditional use permit	Approval of conditional use permit
	Res Sin Fam x	"	"
	Res Sin Fam y	"	"
	Res Sin Fam z	"	"

City of Grover Beach	Residential-1 Residential-2 Residential-3	Allowed use-no conditional use permit " "	Requires approval of use permit " "
City of Pismo Beach	Res. Single (low) Res. Multi (med) Res. Resort	Allowed Use -no conditional use permit " "	Approval of conditional use permit " "
City of Arroyo Grande	Res. Estate Res. Hillside Res. Rural Res. Suburban Single Family Village Resident'l Multi-Family Mobile Home Pk.	Allowed use-no conditional use permit " " " " " " "	Allowed use-no conditional use permit " " " " Approval of Conditional Use Permit " "
County of San Luis Obispo	Single Family Multi-family	Allowed use-no conditional use permit	Approval of conditional use permit minimum site area of 20,000 sq. feet

In the County’s 2004 Fair Housing Survey, described in Chapter 2 (Section 2.5) there were two survey questions that addressed the local government’s impacts on the housing market. A total of 31 survey forms were returned, and the responses to the two questions were as follows:

- Have government zoning and building codes encouraged housing discrimination?
8 Yes 18 No
- Have government zoning and building codes discouraged affordable housing?
17 Yes 12 No

Eight organizations answered the first question by indicating that government regulations are encouraging housing discrimination. Yet the comments provided in the surveys show that four of these organizations actually consider the shortage of affordable housing to be a form of housing discrimination. They consider the shortage to be a result of high land prices and government restrictions on new housing development. Two organizations did not provide any comments. One of the eight responses cited the occurrence of “Nimby-ism” in the public hearing/permit process as a form of discrimination. Most of the “yes” responses to the second question included comments criticizing a slow permit process or excessive regulations for discouraging the development of affordable housing.

The lack of affordable housing itself is not a form of discrimination, but discriminating could occur as a result of a shortage of housing. Some examples of the survey comments regarding housing discrimination and the lack of affordable housing appear below:

California Property Services – “Many cities have reduced density or discouraged the building of apartments.”

Home Builders Association of the Central Coast – “They discourage density and diverse housing types and make housing more expensive by taking so long to approve projects.”

Aids Support Network – “Primarily in-lieu fees are paid by developers to avoid constructing low-income housing. Movement is still towards high end in-fill development as home still command \$500,000.”

People’s Self-Help Housing Corporation – “Zoning still requires hearings that turn into a circus and end up being about “those people” rather than legitimate development concerns.”

Many organizations are concerned about government’s influence on housing development. The two survey comments appearing below are directly in response to the question about how local government is affecting the development of affordable housing:

Habitat for Humanity – “Insufficient land zoned for multi-family residences both rental units and condo or duplex home ownership units. Development fees and lengthy review processes make building affordable housing harder.”

The Mortgage House – “It certainly can be said that certain zoning and building codes discourage affordable housing for many reasons, not the least of which is the complicated and lengthy process, which takes additional time and investment on the part of the developer, and certainly the expense of complying with codes can be deleterious to purchasers and renters – the cost of building or maintaining are almost always passed on to users. The continual increasing of fees to builders is of great concern, especially in this sensitive area where we may be trying to serve the underserved.”

The County and its cities are sensitive to the shortage of affordable housing and are responding with various ordinance amendments and policy changes. The County and four of the cities have adopted inclusionary housing ordinances. The County’s 2009 Housing Element incorporate several programs that will encourage the development of affordable housing:

Program HE 1.A – designate more land for residential development and increase the supply of available, suitable land that is zoned for affordable (multi-family) housing.

Program HE 1.C – reduce and defer fees for affordable housing development.

Program HE 1.H - provide direct financial assistance for housing for low income and special needs households. This includes using federal HUD funds to build affordable housing stock, support rental assistance programs, and to support services for homeless and special needs individuals.

Program HE 1.I – provide on-going support for the Housing Trust Fund. In 2003-2005 the County provided \$225,000 in start-up funds, and then an additional \$200,000 in 2005-2008 to the newly formed, non-profit Housing Trust Fund of San Luis Obispo County.

Program HE 1.L – establish minimum development densities of 20 units/acre in areas with existing multi-family zone. This would encourage higher density, affordable-by-design housing.

Program HE 1.R –streamline the permit process for housing that accommodates persons with disabilities.

Program HE 1.S – amend the County’s ordinances and General Plan to facilitate development of senior-friendly communities and housing.

4.1.2. Planning and Zoning Boards

There is an important relationship between the membership of planning and zoning boards and the decisions that they make regarding community development and housing availability. Ideally, the membership of legislative bodies and advisory committees would include representatives of all citizens in the community, including lower income racial and ethnic groups, gender categories, persons with disabilities, and families with children. However, local government agencies have no control over the selection of the elected officials who will serve on the City Councils and the County Board of Supervisors, nor about the choices that elected official make when selecting people to serve on advisory committees and public commissions. School boards, community service district boards and other vital community positions are also filled through the public election process. Local government agencies do act to educate the public and elected officials of the importance of engaging the community at large in the local decision making process. For example, San Luis Obispo County holds annual training seminars for its planning commissioners and community advisory groups to raise the group’s collective planning skills and to impress upon them the responsibility of fairly representing their communities. And in the community of Oceano, where there is an ethnic mix of 48.9% white and 44.6% Hispanic the County conducted bi-lingual noticing and workshops (with Spanish speakers) when it produced the Oceano Specific Plan.

The county-wide population is primarily white, but there are some communities near agricultural areas with a large number of Hispanic members. The ethnic make-up of the county and two of its major cities appears below (source - U.S. Census Bureau - Census 2000 – Profiles of General Demographic Characteristics):

<u>Countywide</u>	76.1% - 187,840	White
	16.3% - 40,196	Hispanic
	3.6% - 8,839	Asian
	2.4% - 5,995	Black
	2.1% - 5,084	Native American
	0.3% - 760	Hawaiian/Pacific Islander
	100.8% - 248,714	Total (includes individuals of mixed race)
100.0% - 246,681	Total (actual)	
<u>Paso Robles</u>	64.2% - 15,600	White
	27.7% - 6,735	Hispanic
	4.1% - 1,005	Black
	2.6% - 643	Asian
	2.5% - 604	Native American
	0.3% - 81	Hawaiian/Pacific Islander
	101.4% - 24,668	Total (includes individuals of mixed race)

<u>City of San Luis Obispo</u>	78.7%	-	34,756	White
	11.7%	-	5,147	Hispanic
	6.5%	-	2,855	Asian
	1.9%	-	853	Black
	1.5%	-	683	Native American
	0.4%	-	157	<u>Hawaiian/Pacific Islander</u>
	100.7%	-	44,451	Total (includes individuals of mixed race)

The ethnic make-up of the elected boards and councils is predominantly white, even in the communities where the minority ethnic groups represent a combined total of 30% or more of the population. The lack of minority representation is noteworthy. However, minority groups are active in local politics. For example, on the five member County Board of Supervisors, one member, K.H. “Katcho” Achadjian, is of Armenian heritage. The area’s state senator, Abel Maldonado, is of Hispanic heritage.

4.1.3 Building Codes and Their Enforcement

Generally, the building codes implemented by the various jurisdictions are based on the California Building Code that was adopted by the State of California. California’s codes incorporate the Uniform Building Code (published by the International Organization of Building Officials) and are in conformance with Title 24, State of California disabled access requirements.

Enforcement of building codes for new structures or alterations to existing structures is the responsibility of the building inspectors. Enforcement of codes in existing structures is carried out on a complaint basis. Enforcement actions are undertaken with the immediate emphasis on any health and safety concerns. Voluntary compliance is sought, and any court action against a landlord or owner is used a last resort. Displacement of residents is avoided if at all possible.

Few complaints are received regarding violations of the handicap access codes in housing construction. The handicap access codes are relatively new, so only a small percentage of the housing stock has been built since the codes were implemented. Construction workers and inspectors have been able to comply with the codes. As a protected class, people with disabilities are unique because they are the only minority that can be discriminated against solely by design of the housing unit. The federal disabilities laws established design and construction requirements for multifamily housing built after March 13, 1991. The law provides that a failure to design and construct multifamily dwellings to include certain handicap access features will be regarded as unlawful discrimination. These requirements apply to all new multifamily housing that consists of four or more dwelling units.

4.1.4 Neighborhood Revitalization, Employment-Housing-Transportation Linkage

Neighborhood Revitalization

A significant aspect of fair housing choice is neighborhood revitalization in the areas where low and moderate income families live. Low income families will benefit from better neighborhood environments which encourage good housing. Revitalization efforts throughout the County and its

cities are focused primarily on upgrading existing business districts and are being done by local redevelopment agencies. Four cities in the County have redevelopment agencies. The state laws that govern redevelopment districts require a one-for-one replacement of all low and very low income housing units that are removed by new development in the district. Each district has a “housing set-aside fund” into which a percentage of the district’s growing property taxes (20%) are collected to use for the development of affordable housing units in the district.

The County is an entitlement jurisdiction and receives an annual allotment of federal funds from HUD. Five of the seven local cities are partners with the County in the HUD funding programs and receive HUD funds through the County. These funds are allocated by the County and by the cities to projects and community improvements in low income neighborhoods. A partial list of HUD funded projects from the past four grant years (2005 through 2009) appears below:

- Repair to the Oceano community sewer system (earthquake damage).
- Construction of community storm and flood drainage systems in San Miguel (Mission Street) and Grover Beach (Mentone Street).
- Rehabilitation of (EOC) public health clinics in San Luis Obispo, Arroyo Grande and Nipomo, (EOC) Nipomo Children’s Center, the Nipomo and Oceano Senior Centers, North County Women’s Shelter, People’s Self-Help rental housing, the homeless shelter and homeless day center in San Luis Obispo and the Anderson Hotel (senior housing) in San Luis Obispo.
- Rehabilitation of the Paso Robles Children’s Museum, the Southern Pacific Railroad Freight Warehouse Museum in San Luis Obispo and the San Luis Obispo historic adobe.
- Rehabilitation of the Arroyo Grande redevelopment area (business facades and street landscape).
- Downtown street enhancement in San Miguel.
- Code enforcement in the redevelopment areas of Arroyo Grande and Atascadero.
- ADA upgrades (Americans with Disabilities Act) and removal of architectural barriers in public parks, street intersections, city halls and community centers throughout the County and its cities.

In addition, Community Action Partnerships (CAP-SLO) provides weatherization programs. CAP-SLO installs energy conservation and weatherization measures, and replaces furnaces and water heaters. This work is done under contract with the Pacific Gas & Electric Company, Southern California Gas Company and the State of California (LIHEAP and DOE programs). These programs will have a combined budget of approximately \$3.7 million in 2010. The work is performed on approximately 3,500 homes each year. Expenditures per home can range from \$400 up to as high as \$6,500.

CAP-SLO also performs home repair programs county-wide. The projected budgets for 2010 are as follows:

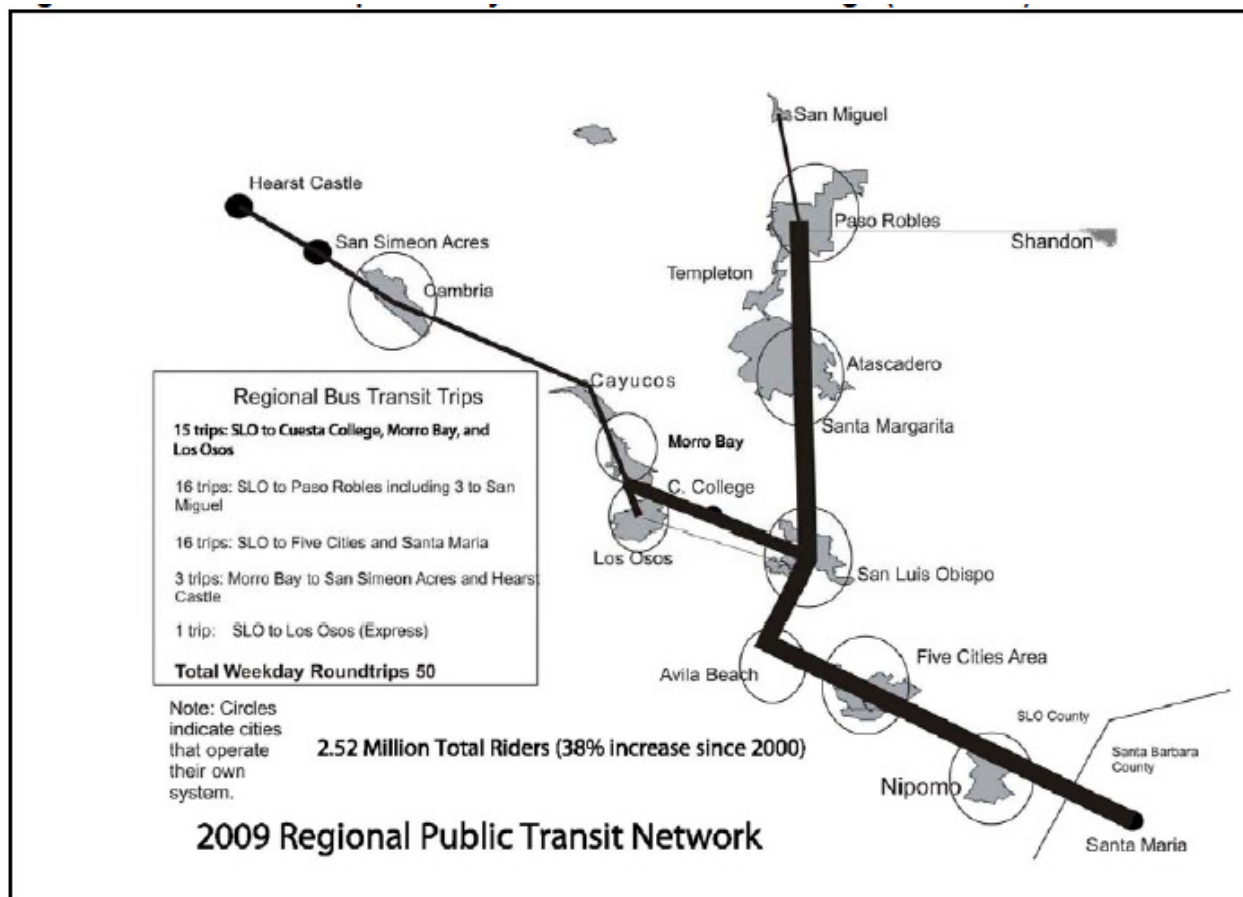
Pismo Beach Home Improvement	\$300,000
Grover Beach Home Improvement	\$150,000
Area Agency on Aging Senior Home Repair	\$130,000
CDBG Home Repair (County of SLO and City of Grover Beach)	\$30,000

Expenditures per home for home repairs range from \$300.00 to as high as \$15,000. The County funded minor-home repair program has a spending limit of \$3,000 per house.

Employment-Housing-Transportation Linkage

State and federal transportation funds are provided to the County and its cities each year to help pay for roadway improvements and public transportation. The San Luis Obispo County Council of Governments (SLO-COG) is the governing board that administers the transportation funds. Each year SLO-COG completes a Transit Needs Assessment (TNA) that provides an evaluation of the regional public transit system and that becomes the basis for transit funding decisions. The 2009 TNA concludes that the current public transportation service appears to be adequate given the county’s geographic size and population base. The Regional Transit Authority (RTA) provides a county-wide fixed route service that follows the major highway corridors. In addition, nine communities have their own fixed route services, and five more communities have dial-a-ride services. There is a regional ADA compatible transit service called RideAbout that provides complimentary service with the fixed-route buses (per federal mandate). These transit services link together to serve the entire county.

San Luis Obispo County Transit Service Coverage (Fall 2009)



Source - San Luis Obispo Council of Governments – 2009 Transit Needs Assessment Update – October, 2009 p.6

Except for Dial-A-Ride, nearly all other public transit systems had increased ridership counts between 2000 and 2009.

Ridership Trends – 2000 to 2009

Transit System	2000/2001 Ridership	2008/2009 Ridership	FY 2001 to FY 2009
<i>Local Fixed Route Transit Services</i>			
Atascadero	24,690	90,246	265.52%
Paso Robles	71,100	151,473	113.04%
SCAT	144,138	218,683	51.72%
SLO Transit	847,671	1,008,043	18.92%
Local Fix. Rte.Subtotal	1,087,599	1,468,445	35.02%
<i>Local Dial-A-Ride Transit Services</i>			
Atascadero	31,680	24,224	-23.54%
Morro Bay	43,880	30,973	-29.41%
Nipomo	2,385	13,992	486.67%
Paso Robles	11,205	9,480	-15.39%
South Bay	24,955	17,829	-28.56%
D-A-R Subtotal	114,105	96,498	-15.43%
<i>Regional Services</i>			
RTA fixed route	281,946	552,781	96.06%
Ride-On TMA	158,300	151,251	-4.45%
Ride-On CTSA	128,000	158,554	23.87%
RunAbout (ADA)	18,310	30,167	68.85%
Regional Subtotal	586,556	892,753	30.59%
All Services Total	1,788,260	2,457,696	26.74%

Source - San Luis Obispo Council of Governments – 2009 Transit Needs Assessment Update – October, 2009 p.13

Many communities would support an increased level of transit service. The increased costs of car ownership (gas, insurance, etc.) and the County’s low salary averages are factors. There are also several socio-economic factors – the population density, the transit-prone age groups (youth below driving age and seniors over 65 years old), the pool of social service clients (as a share of the local population), the number and share of lower income households, and the geographic pattern of college students (Cal Poly State University, Cuesta Community College main campus and north county satellite campus, and John Hancock Community College).

The 2009 TNA identified weakness in the public transit system that should be addressed:

- A lack of convenient connections across all of the transit systems (lack of schedule coordination).
- A lack of understandable, bi-lingual signs and hand-outs telling how/where transfers can be made.
- Two areas with the greatest need for bi-lingual out-reach and transit awareness are Paso Robles and the five-cities area.
- Up until 2008 improvements had been made to coordinate the services among the different transit systems. But recent budget cuts have caused setbacks:
 - Local transit services have scaled back early morning and evening routes that connected to the regional bus lines.
 - There is no longer any weekend regional connection with local Dial-A-Rides.

- Senior shuttle services in local areas no longer have the same service days, making senior travel across sub-regions impractical.

The 2009 TNA also discussed service improvements that were made in 2008/2009 in response to these identified shortfalls:

- The one-time input of federal American Recovery and Reinvestment Act (ARRA) funds was spent on several new vehicles and capital improvements (i.e., park-and-ride lots).
- Park-and-ride facilities act as a transit center among regional and local systems. Park-and-ride lots were expanded or created in Pismo Beach, Grover Beach, Arroyo Grande, and Templeton.
- A Regional Ride Guide Map was developed and issued (a bi-lingual, colored fold-out map). It shows all of the fixed-route services, time schedules and transit centers.
- Paso Robles “re-branded” its local transit service from Paso City Area Transit Service to “Paso Express.” This increases the visibility of the transit system.
- San Luis Obispo local transit (SLO Transit) bought eight new buses with a new color scheme and easier passenger boarding/seating features.
- The local transit services have begun working together to coordinate their senior citizen outreach and benefits, such as the “80+ VIP Pass” free ride program.

The public transit ridership has shown a steady increase over the past four years. The combined total ridership of all the transit services increased by 26.7% between 2000 and 2009. Yet local public transit systems are currently facing funding cut-backs, which impairs their ability to coordinate their services and extend service times to early morning, evenings and weekends.

4.1.5 PHA & Other Assisted Housing Provider Tenant Selection Procedures; Housing Choices for Certificate & Voucher Holders

In San Luis Obispo County the PHA (public housing authority) that administers the rental assistance programs for the entire county is the Housing Authority of the City of San Luis Obispo (“HASLO”). HASLO operates both the Section 8 program and the Tenant Based Rental Assistance (“TBRA”) program. Both programs are administered in conformance with federal regulations. At least 90% of the tenant households shall not earn more than 60% of the county-wide median income. The chart below shows that 100% of the TBRA households and 93% of the Section 8 households are very low or extremely low income households.

Table 4.3 - Rental Assistance Programs - Household Incomes

% of Median Income	TBRA Program 72 households total	Section 8 Program 1788 households total
30% of median income = extremely low income household	53 ext. low income households = 74% of TBRA total	1285 ext. low income households = 72% of Section 8 total
50% of median income = very low income household	16 very low income households = 22% of TBRA total	411 very low income households = 23% of Section 8 total
80% of median income = low income household	3 low income households = 4% of TBRA total	90 low income households = 5% of Section 8 total

Sources: Housing Authority of City of San Luis Obispo Rental Assistance Program – Household Income Report of 04/15/10 (covering period of 07/01/08 to 06/30/09 for Section 8, and 07/01/08 to 04/15/10 for TBRA).

The ethnic make-up of the households selected for the rental assistance programs reflects the ethnic composition of the county’s population. The demographic information appearing below comes from the U.S. Census Bureau - Census 2000 – Profiles of General Demographic Characteristics.

<u>Countywide</u>	76.1% - 187,840	White
	16.3% - 40,196	Hispanic
	3.6% - 8,839	Asian
	2.4% - 5,995	Black
	2.1% - 5,084	Native American
	0.3% - 760	Hawaiian/Pacific Islander
	100.8% - 248,714	Total (includes individuals of mixed race)
	100.0% - 246,681	Total (actual)

The following chart provide information on the ethnic make-up of the households benefitting from the Section 8 and TBRA programs.

Table 4.4 - Rental Assistance Programs - Household Ethnic Composition

Ethnic Group	Section 8 Program	TBRA Program
White	80%	74.5%
Black	3%	1%
Native American	1%	0%
Asian	1%	0%
Hispanic	15%	24.5%
Total	100%	100%

Sources: Housing Authority of City of San Luis Obispo – Section 8 & TBRA Tenant Characteristics Report dated April 15, 2010 (Sec. 8 reporting period = April ‘09 to March ‘10, and TBRA reporting period = July ‘08 to July ‘09)

The TBRA program receives all of its client referrals from non-profit agencies that serve the special needs population of the County. This includes women’s shelters, substance abuse recovery groups, mental health agencies and agencies that serve low-income disabled individuals. Therefore, the TBRA client base may not reflect the County’s population demographics as closely as the Section 8 program does. The non-profit agencies who refer their clients to the TBRA program all belong to the San Luis Obispo Supportive Housing Consortium, whose 22 members include the San Luis Obispo and North County Women’s Shelters, County Mental Health Services, Transitions, SLO Supported Living, Independent Living Resource Center, Life Step Foundation, Family Care Network, Inc., and the AIDS Support Network.

Households who are selected to receive rental assistance or vouchers from the Section 8 and TBRA Programs must locate a rental unit for their use. The distribution of the units in the programs has been unrestricted and county-wide. Most households choose units that are located within the urban centers of the county. The list below shows the location of the units in the TBRA program. Nearly all of the units are private rental units that were available on the open market. Only a few of the units are located in subsidized housing projects.

Table 4.5 - Location of Rental Units in TBRA Program

<u>TBRA Units Located in Cities</u>		<u>TBRA Units in Unincorporated Areas</u>	
(North County area)		(North County area)	
Atascadero	15 units	Templeton	1 units
Paso Robles	13	Santa Margarita	1
		San Miguel	2
(Central County area)		(Central County & North Coast)	
San Luis Obispo	5 units	Los Osos	4 units
Morro Bay	5	Cambria	0
(South County area)		(South County area)	
Arroyo Grande	7 units	Oceano	4 units
Pismo Beach	1	Nipomo	6
Grover Beach	9		
Total	55 units	Total	18 units

Source: Housing Authority of the City of San Luis Obispo - TBRA Unit Location Report dated April 15, 2010 (reporting period of July '08 to June '09)

4.1.6 Sale of Subsidized Housing and Possible Displacement

San Luis Obispo County does not have a large number of subsidized housing projects. Not until 1994 did HUD recognize the County as an urban county and allow it to apply directly to the federal government for HUD funding. The County is now an entitlement jurisdiction and directly receives an annual allocation of HUD funds. The County disburses the HUD funds to participating local cities and projects. The County and its cities do not have dense urban centers and HUD funded projects seldom trigger displacement or relocation of existing residences or businesses. As the HUD funds are disbursed, the County ensures that any displaced persons or groups are notified and provided the benefits that they are entitled to pursuant to the Uniform Relocation Act and Section 104(d) of the Housing and Community Development Act of 1974.

The following table describes subsidized rental housing projects by project size, the government funding sources for each project, and whether the projects are at-risk of being removed from the rental assistance programs and sold on the open market in the next five years.

Table 4.6 - Subsidized Rental Housing Projects

Project	Assisted Units	Government Funding Source	At-Risk
Housing Authority of City of San Luis Obispo (family & senior housing)	Total: 218 unit located county-wide	Owned and operated by Housing Authority of City of San Luis Obispo	No
Oak Park Apt, Paso Robles (family & senior housing)	Total: 150 units	Operated by Paso Robles Housing Authority	No
Creston Garden Apts. Paso Robles (family housing)	Total: 60 units	Federal Rural Housing Service 515	No
Paso Robles Garden Apts. Paso Robles (family housing)	Total: 26 units	Federal Rural Housing Service 515	No
Los Robles Terrace, Paso Robles (senior housing)	Total: 40 units	HUD Section 202 for mortgage financing	No
River View Apts. Paso Robles (senior & family housing)	Total: 48 units	Federal Rural Housing Service Section 515 Program for mortgage financing	No
Hacienda del Norte, Paso Robles (senior housing)	Total: 44 units	HUD Section 221(d)(3) Program for mortgage loan insurance, Section 8 Loan Management Set Aside for rent subsidies	Yes, but subject to right of first refusal for public & non-profit groups. Owners are asking HUD for extension of Sec. 221(d)(3) benefits
Rolling Hills Apts. Templeton	Total: 53 units	Federal Rural Housing Service Section 515 Program for mortgage financing	Yes, but nonprofit Peoples Self-Help will assume USDA loan with new 55 year term
Macadero Apts. Atascadero	Total: 19 units	Federal Rural Housing Service, owned by San Luis Obispo City Housing Authority	No
Atascadero Village, Atascadero	Total: 22 units	HUD 221(d)(4) for mortgage loan insurance, Section 8 for rental assistance	Yes, effective 2/16/02 (2002)

Project	Assisted Units	Government Funding Source	At-Risk
Dan Law Apts. San Luis Obispo	Total: 7 units	HUD Section 236 Program for mortgage financing interest reduction, HUD Section 8 Loan Management Set Aside for rental subsidy	No
Parkwood Village Apts. San Luis Obispo	Total: 34 units	SLO City sponsored multi-family housing revenue bonds	No
Judson Terrace Homes, San Luis Obispo (senior housing)	Total: 139 units	HUD Section 202 Program for mortgage financing, Section 8 Rental Assistance (43 units), CDBG financing (32 units)	Yes with 43 units on Section 8, but non-profit owner intends to keep the Section 8 contract.
Anderson Hotel San Luis Obispo (senior housing)	Total: 68 units	HUD Section 8 Rental Assistance, long term lease to San Luis Obispo City Housing Authority	No
Park Hotel, San Luis Obispo	Total: 20 units	HUD Section 8 Rental Assistance, partnership with San Luis Obispo City Housing Authority	No
Madonna Road Apts. San Luis Obispo	Total: 120 units		No
Pacific View, Morro Bay (senior housing)	Total: 39 units	HUD Section 208 Program, Federal Rural Housing Service 515	No
Sea Breeze Apts. Los Osos	Total: 28 units	CDBG	No
South Bay Apts. Los Osos (family housing)	Total: 75	CDBG	No
Parkview Manor, Arroyo Grande	Total: 64 units	HUD Section 236 Program, Section 8 Rental Assistance	
Schoolhouse Lane Apts. Cambria (family housing)	Total: 24 units	CDBG	No
Belridge Apts. Oceano	Total: 12 units	CDBG	No
Las Brisas Apts. Oceano	Total: 16 units	CDBG	No
Templeton Place Apts. Templeton (senior housing)	Total: 29 units	CDBG	No
Villa Paseo Apts. Paso Robles (senior housing)	Total: 108 units	California LIHTC Tax Credit Program	No
San Luis Bay Apts. Nipomo	Total: 120 units	California LIHTC Tax Credit Program	No
Creekside Gardens Apts. Paso Robles (Sr. housing)	Total: 29 units	HOME & LIHTC Tax Credit Program	No

Project	Assisted Units	Government Funding Source	At-Risk
Canyon Creek Apts. Paso Robles (family Housing)	Total: 68 units	HOME & LIHTC Tax Credit Program	No
Del Rio Terrace Apts. San Luis Obispo (senior housing)	Total: 41 units	Owned by San Luis Obispo City Housing Authority	No
Atascadero Senior Apts. Atascadero (senior housing)	Total: 19 units	Owned by San Luis Obispo City Housing Authority	No
So. Higuera St. Apts. San Luis Obispo (family housing)	Total: 27 units	HOME	No
Lachen Tara Apts. (family housing)	Total: 28 units	HOME & SLO County land grant	No
Oak Park Senior Apts. Paso Robles (senior housing)	Total: 40 units	HOME, owned by Paso Robles Housing Authority	No
Cortina d' Arroyo Grande Senior Apts. Arroyo Grande (senior housing)	Total: 108 units	Arroyo Grande City redevelopment funds & LIHTC Tax Credit Program	No

Of the 34 subsidized rental projects listed above, only Atascadero Village (22 units) could be sold and removed from the subsidized housing stock. At this point the project owners have not indicated whether they intend to renew their rental subsidy contract or sell the project. Both the County and the Housing Authority of the City of San Luis Obispo are available to assist the project owners and retain the project in a subsidized rental program.

In addition to rental properties the non-profit People's Self Help Housing Corporation has built home ownership projects. These are "sweat equity" projects in which qualified low and very low income families build their own single family residences. A total of 230 houses built since 1984, and 28 more "sweat equity" houses are currently under construction. These units are subject to the resales restriction set forth by the County and by the federal funding programs that supported the projects (i.e., CDBG, HOME Partnerships Investment Program, and the Rural Housing Service 502 Program). In addition, the local chapter of Habitat for Humanity has completed and sold 12 very low income housing units. Habitat will soon start construction on two more units.

4.1.7 Property Tax Policies

In California the property tax policies and assessment procedures are governed by uniform standards that have been set State legislation (Proposition 13). Since 1978, the base value for property tax assessment is increased a maximum of 2% annually but is not fully reassessed until the property is sold. This policy results in higher property taxes for new property owners, but it is not discriminatory towards any particular protected group.

4.2 Private Sector - Lending Policies and Practices

This section provides an analysis of the local home mortgage loan market. If unfair lending practices make it difficult for a qualified individual to obtain a home mortgage loan, then that person’s ability to obtain housing has been impeded. Data about home mortgage lending patterns is available on the website of the Federal Financial Institutions Examination Council (FFIEC) at www.ffiec.gov. In 1975 Congress enacted the Home Mortgage Disclosure Act (HMDA). This regulation requires many banks, credit unions, and other home mortgage lending institutions to submit loan data to the FFIEC. The data assists regulators and the public in identifying possible discriminatory lending patterns.

HMDA data comes with certain limitations. Not all lenders must report loan data. The lenders who do report to the FFIEC are not able to provide home pricing data for each loan, nor the credit characteristics of loan applicants, loan-to-value ratios and other information that is necessary for underwriters to complete the home loan process.

This section uses HMDA data for 2008 and population data from the 2000 Census (U.S. Census Bureau). Conventional home loans are evaluated. Government supported loans (i.e., FHA, VA, FSA/RHS home purchase loans) are also evaluated, although such loans constitute a small segment of the loan volume (186 of 1441 loans = 14% of the total in 2008) and unrestricted conventional home loans are more reflective of the open market. The tables below compare the loan data of the national and local population bases. The first table shows that the ethnic mix is similar, except that the County has fewer Black and Asian residents, but more Hispanics and Whites.

Table 4.7 - Ethnic Mix of National and Local Population Bases

Ethnic Group	United States		San Luis Obispo County	
	Count	Percentage	Count	Percentage
Am. Indian	2,419,895	0.80%	2,435	0.93%
Asian	13,164,164	4.37%	8,243	3.14%
Black	37,131,771	12.33%	4,953	1.89%
Hispanic	45,432,158	15.08%	49,172	18.75%
White	223,965,009	74.25%	224,177	85.49%
Total	301,237,703	100%	263,238	100%

Source: U.S. Census – American FactFinder –B02001 – Race – United States – 2006-2008
 U.S. Census – American FactFinder –B03001 – Hispanic or Latino – United States – 2006-2008
 U.S. Census – American FactFinder –B02001 – Race – San Luis Obispo County – 2006-2008
 U.S. Census – American FactFinder –C03001 – Hispanic or Latino –San Luis Obsipo County – 2006-2008

The table below compares the percentage of loan applications submitted by each ethnic group and the percentage of applications that were denied. In this County all ethnic groups except for Asians benefit from a loan denial rate that is below the national average. The number of loan

applications submitted by Asian, Black and Hispanic residents is below the national average. Asian and Black residents are small segments of the County’s population and submit a smaller portion of the County’s loan applications. But the local Hispanic population is larger than the national average and has submitted a lower percentage of loan applications. It is possible that the 2007/2009 recession has caused unknown influences on the confidence level of the local population and on who is likely to submit mortgage loan applications. This situation should be monitored as the nation recovers from the economic recession.

Table 4.8 - Home Loan Denial Rates by Ethnic Groups

Ethnic Group	United States		San Luis Obispo Co.	
	Applications submit'd(% of all applic.)	Loans denied	Applications submit'd (%of all applic.)	Loans denied
Am. Indian	0.59%	0.97%	0.90%	0.80%
Asian	6.66%	5.87%	2.52%	3.19%
Black	5.97%	10.90%	0.29%	0%
Hispanic	9.34%	13.94%	5.14%	5.85%
White	77.45%	68.33%	91.15%	90.16%

Source: FFIEC - 2008 HMDA Data Table 4-2 for national and local metropolitan statistical areas.

Note: HMDA reports Hispanic population as a single ethnic group.

In both the local and national loan markets a higher percentage of the loan applications are submitted by white residences. This may be because white households have a higher average income than other households do. The table below compares the household incomes for national and local population bases. It is noteworthy that the median household income of Asians in the County is lower than for Asians nationwide, and that the local Asian population submits fewer applications.

Table 4.9 - Ethnic Group Income Levels
(2008 data not yet available for San Luis Obispo County)

Ethnic Group	United States	San Luis Obispo County
Am. Indian	\$30,293	\$36,957
Asian	\$51,967	\$39,861
Black	\$29,445	\$30,755
Hispanic	\$33,676	\$35,233
White	\$45,367	\$44,302

Note: 2000 Census reported household income by race alone/Hispanic mix and by race alone/not Hispanic. This table uses the categories of Hispanic, and race alone/not Hispanic.

The high housing costs make it difficult for lower income households to receive home loans. San Luis Obispo County has the third least the least affordable housing market in the nation in 2009. Even when the recession drove the median housing price down to \$360,000 in 2009, only 32.1% of the County residents could afford to buy a house. The County’s real estate market is being carried by an influx of older, affluent households who are moving into the County. The newcomers are attracted to the County’s natural, coastal setting and they may compel the local real estate market to keep its high prices permanently. The table below shows that denial of loan applications occurs more often for the households with the lowest income levels, especially in high cost housing areas. For comparison, the loan denial rates of two neighboring counties appear in the table. Housing prices in Santa Barbara County and San Luis Obispo County are high, while housing prices across the nation and in Kern County housing are more affordable.

Table 4.10 - Home Loan Denial Rates by Income Groups

Median Household Income	United States	San Luis Obispo County	Santa Barbara County	Kern County
below 50%	30.21%	21.95%	46.88%	43.44%
50-79%	19.97%	23.93%	20.24%	26.12%
80-99%	17.44%	13.71%	16.36%	20.84%
100-119%	16.18%	13.56%	18.75%	22.19%
120% or more	14.14%	12.99%	16.73%	19.31%

Source: FFIEC - 2003 HMDA Data Table 4-2 for national and local metropolitan statistical areas.

NOTE: At the end 2009 the median house sales prices for the four areas listed in Table 4.10 were as follows: United States, \$180,000, San Luis Obispo County, \$372,000, Santa Barbara County, \$315,000, and Kern County, \$135,000 (sources: National Association of Home Builders/Wells Fargo – Housing Opportunity Index – using the home values reported for the 4th Quarter, 2009 for the following metropolitan areas: United States – nationwide, San Luis Obispo County – San Luis Obispo/Paso Robles metro. area, Santa Barbara County – Santa Barbara/Santa Maria/Goleta metro. area, and Kern County – Bakersfield metro. area).

The housing market collapse of 2007/2008 triggered a nationwide economic recession. The recession is marked by job losses particularly in the construction and finance industries. There is currently a real estate “buyer’s market” with historically low home prices, low mortgage rates, and tax incentives for home buyers. Real estate foreclosure rates have been rising in 2009 and 2010, which keeps the housing prices down. But home sales are also at a historically slow pace, reflecting the public’s concern about the stability of the real estate market and national economy. Home sales may not climb until the labor market stabilizes in 2012 or 2013.

The table below shows that the primary reasons for loan denials to lower income households is an unfavorable “debt-to-income” ratio or insufficient collateral. This is to be expected in high

cost housing areas. When households must spend a large portion of their income on rent or mortgage payments their remaining available income may be inadequate to cover the loan payments for a new residence. A family emergency may sometimes force lower income households to borrow money or use credit to cover unexpected expenses, which may affect their credit history. And locally there is a shortage of affordable housing for sale. The County has responded by using much of the federal HUD funds it receives annually as matching funding on local subsidized housing projects, by sponsoring the establishment of a new Housing Trust Fund, and by initiating an effort to amend its ordinances with revisions that will encourage the development of more affordable housing.

Table 4.11 - Basis for Home Loan Denial

Median Household Income	Debt-to-Income Ratio	Employment History	Credit History	Collateral	Insufficient Cash
below 50%	50%	0%	13%	31%	0%
50-79%	44%	0%	10%	11%	11%
80-99%	33%	0%	6%	22%	14%
100-119%	16%	3%	11%	18%	11%
120% or more	17%	2%	6%	21%	4%

Source: FFIEC - 2008 HMDA Data Table 8-2 for San Luis Obispo County metropolitan statistical area.

In San Luis Obispo County home mortgage loans are not steered away from areas of lower income or with a higher mix of ethnic minority residents. The table below shows the percentage of loans granted to residents throughout the County. The FFIEC has arranged the HMDA data by census tracts, using the 2000 Census tracts that were sorted by income and ethnic mix. The percentage of loan granted to all tracts is fairly consistent. The County has no census tracts where 80% + of the population is a minority group or all low income.

Table 4.12 - Home Loan Approval and Denial Rates by Location (Census Tracts)

Ethnic Composition			
Type of Census Tract	Applications Received	Loans Approved	Applications Denied
Less than 10% minority	37	65%	16%
10-19% minority	1600	60%	13%
20-49% minority	1341	60%	15%
50-79% minority	147	59%	19%
80-100% minority	0	NA	NA

Income Characteristics			
Type of Census Tract	Applications Received	Loans Approved	Applications Denied
Low	0	NA	NA
Moderate Income	389	61%	16%
Middle Income	2375	60%	14%
Upper Income	361	61%	12%

Source: FFIEC - 2008 HMDA Data Table 7-2 for San Luis Obispo County metropolitan statistical area.

All of the HMDA data provided above was reported by the FFIEC for the San Luis Obispo-Atascadero-Paso Robles Metropolitan Statistical Area (MSA). This statistical area was created by the 2000 Census and covers the activities in the urbanized areas of the County from San Luis Obispo City northward along the Highway 101 corridor. The FFIEC also reports the HMDA data for the remainder of the County. The table below shows the HMDA data for both the “Principal City” area and the “MSA Less Principal City” area. The number of loan applications submitted, approved and denied is very similar for both areas. It appears that the loan activities in the “Principal City” area are fairly representative of the County-wide home loan market.

Table 4.13 - Home Loan Approval and Denial Rates Inside and Outside of MSA

Principal City		
Applications Received	Loans Approved	Applications Denied
1441	61%	15%
MSA Less Principal City		
Applications Received	Loans Approved	Applications Denied
2120	60%	13%

Source: FFIEC - 2003 HMDA Data Table 10 for San Luis Obispo County metropolitan statistical area.

Table 4.13 shows the combined activities for both conventional loans and government supported loans (FHA, FSA/RHS, and VA loans). Subprime loan activities are not reported. Subprime loans are available to households that may not qualify for conventional loans and may provide a substantial service to such households. However, subprime lending is less regulated and has resulted in instances of abusive, unethical lending practices. Pursuant to the county-wide fair housing survey and local news coverage, there has not been any trend or repeated occurrence of predatory subprime lending in the County.

4.3 Public and Private Sector

The County serves the local housing market by providing education, mediation, and enforcement of fair housing laws.

4.3.1 Information Programs

The County is a member of the San Luis Obispo Supportive Housing Consortium, which is a group of 24 government and non-profit agencies that serve the special needs population of the County. The Housing Consortium is an advocacy group for underprivileged families and individuals. Its members include the homeless and women's shelter agencies, the AIDS Support Network, the County's Mental Health Services, and the Housing Authority of the City of San Luis Obispo. The County uses federal funds to support the rental assistance program for the special needs clients of the Housing Consortium.

In 2004 and 2009 the County updated the Housing Element portion of its General Plan. A series of workshops were held to gain public input on the housing needs and issues of the community. These workshops served to educate the public and involve them in creating housing policies and programs. The adopted Housing Element was certified by the state Department of Housing and Community Development, and includes programs for protection of existing subsidized and affordable housing stock, maintenance of low income housing stock, and the use of federal fund to finance new affordable housing projects.

The County's Superior Court sponsors the Central Coast Mediation Network, which provides a low cost alternative to legal action, and has mediators with experience in fair housing law. The County's District Attorney's office operates the "Small Claims and Consumer Advisor" service. The advisor give legal guidance to people who are using the small claims court. This includes guidance on tenant/landlord disputes and real estate law.

California Rural Legal Assistance, Inc. (CRLA) provides counseling and legal representation for low income households and individuals. CRLA receives funding and training from the HUD office in San Francisco. CRLA provides bilingual literature, education and outreach activities by conducting fair housing seminars, training sessions, group presentations, and by attending community events, school fairs and farmers' markets.

CRLA provides formal training workshops regarding fair housing law. CRLA and the state Department of Fair Employment & Housing work together to provide one or two workshops each year in San Luis Obispo County. These workshops are typically attended by nonprofit groups such as People's Self-Help (by all of their on-site managers), Migrant Education staff, the state Employment Development Department, and the Community Health Centers representatives. CRLA staff also does an additional three to four smaller training workshops each year. In 2010, CRLA held an additional workshop for private property owners and property managers. This workshop coincided with the re-opening of the local Section 8 Program wait-list by the local Housing Authority, and 35 or more people attended.

4.3.2 Fair Housing Enforcement

CRLA is the only local agency that will litigate on behalf of victims fair housing violations. CRLA only serves low income clients. As in the surrounding counties, when local agencies have a fair housing complaint or case that cannot be resolved locally, that case is referred to a private attorney, or to the HUD Fair Housing and Employment Office, or the state Department of Fair Employment and Housing. Chapter 3 summarizes the local casework by the state and federal housing agencies. Chapter 5, Section 5.15 provides a brief description of CRLA's case activities.

The County Planning and Building Department handles complaints regarding substandard housing and building code violations (i.e., violations of ADA or state disable access laws). Such complaints are handled first through a voluntary compliance approach, then through misdemeanor fines and court action if necessary.

Chapter 5 - Public & Private Fair Housing Programs

5. Existing Fair Housing Programs

This chapter provides an assessment of the fair housing programs and services that are available locally.

5.1 Public Sector Activities

The County encourages and funds many housing activities that serve low income and special needs households. Fair housing issues may not be resolved simply by providing affordable housing. However, in a high priced housing market such in San Luis Obispo County, a lack of affordable housing may diminish the fair housing choices for low income families and individuals. The County's housing activities address the need to provide safe, decent, affordable housing for all segments of the population.

5.1.1 Housing Programs Funded with Federal HUD Dollars

The County is an entitlement jurisdiction and receives an annual allotment of federal funds from three HUD programs: HOME Investment Partnerships Program, Community Development Block Grant program, and the Emergency Shelter Grant program. Both County and federal funds are used to support housing activities that serve less fortunate and lower income households. A partial list of the projects funded from 2005 to 2009 appears below:

- Tenant Based Rental Assistance Program (TBRA) - the County provided \$872,000 to the TBRA program. TBRA is administered by the Housing Authority of San Luis Obispo and each year serves over 70 households with special needs members. The clients are referred by non-profit organizations serving homeless, domestic abuse victims, and disabled persons.
- Operation of Local Women's Shelters and Homeless Shelter organizations. Each year federal funds and County general funds are used to support six shelter/service organizations. Together these organizations provide shelter, counseling and health services to 2700 or more unduplicated individuals.
- Repair of local women's shelters, residential care facilities (i.e., mental health) and homeless shelters. Each year the County provides federal funds for the maintenance of these facilities. From 2005 to 2009 the following shelters received funding: Women's Shelter in San Luis Obispo (\$34,000), North County Women's Shelter (\$53,700), Homeless Shelter ((\$80,000), Transitions Mental Health shelter (\$116,000), Anderson Motel senior housing (\$65,000).
- Minor Home Repair Program – between 2005 and 2009 the County provided \$105,000 to this program to help low income homeowners do essential home maintenance (i.e. fix roofs and plumbing). The program began in 1996 and over 100 houses have been repaired.
- Housing Trust Fund – in 2003/2004 the County provided \$225,000 in general funds as seed money to start a local housing trust fund organization. In 2006/2008 the County provided an additional \$200,000 in support funds.

- People’s Self-Help Housing Corporation – from 2005 to 2009 the County provided federal funds to the following PSHHC low income housing projects: Avila Beach - 28 unit family apartment (\$1,050,000 + project land), Cambria – 40 unit family apartment project (\$1,280,570), Templeton, acquisition of 52 unit family apartment project (\$1,000,000).
- Paso Robles Housing Authority – between 2005 and 2009 the County provided an additional \$625,000 (for total of \$1,325,000) for development of a 40 unit apartment for seniors.
- Habitat for Humanity – from 2005 to 2009 the County provided federal funds to the following Habitat low income housing projects: Atascadero – 4 very low income ownership units (\$240,000), Grover Beach – 4 very low income ownership units ((\$805,967).
- Transitions-Mental Health – in 2009 the County provided T-MH with an initial amount of \$200,000 to pay for construction of a six-unit apartment project for disabled adults.

5.1.2 County’s Affordable Housing Ordinances

In 2004 and 2009 the County updated the Housing Element section of its General Plan. Both documents were certified by the state Department of Housing and Community Development as being in conformance with state housing laws. The Housing Element has several programs that call for amendments to the County ordinances to stimulate affordable housing development. A summary of these Housing Element programs appears below:

2004 Housing Element Programs:

Program HE 1.6 –secondary dwelling unit standards were revised to streamline the permit process for “granny” units.

Program HE 1.9 – the County adopted an inclusionary housing ordinance that requires development of affordable housing (“inclusionary units”) in new residential projects. This ordinance won a state planning award in 2009 from the California chapter of the American Planning Association.

Program HE 2.3 – the County adopted a mobile home park (closure) conversion ordinance. This ordinance requires mitigation of impacts to displaced mobilehome park tenants, and is used as a model ordinance by other jurisdictions (i.e., San Luis Obispo City).

2009 Housing Element Programs:

Program HE 1.A – designate more land for residential development and increase the supply of available, suitable land that is zoned for affordable (multi-family) housing.

Program HE 1.C – reduce and defer fees for affordable housing development.

Program HE 1.E – consider ordinance amendments that encourage more farm support quarters.

Program HE 1.H - provide direct financial assistance for housing for low income and special needs households. This includes using federal HUD funds to build affordable housing stock, support rental assistance programs, and to support services for homeless and special needs individuals.

Program HE 1.I – provide on-going support for the Housing Trust Fund. In 2003-2005 the County provided \$225,000 in start-up funds, and then an additional \$200,000 in 2005-2008 to the newly formed, non-profit Housing Trust Fund of San Luis Obispo County.

Program HE 1.L – establish minimum development densities of 20 units/acre in areas with existing multi-family zone. This would encourage higher density, affordable-by-design housing.

Program HE 1.R –streamline the permit process for housing that accommodates persons with disabilities.

Program HE 1.S – amend the County’s ordinances and General Plan to facilitate development of senior-friendly communities and housing.

5.1.3 Fair Housing Activities of County Sheriff and City Police Departments

The County Sheriff and city Police Departments may become involved in fair housing issues when hate crimes are committed with the intent to discourage any segment of the population from living in certain areas. Both the Sheriff and local Police Departments advise that no hate crimes have been committed in San Luis Obispo County in recent years.

5.2 Private Sector Activities

There are no private organizations in the County with the express mission of fair housing advocacy.

5.3 Nonprofit Sector Activities

This section describes several non-profit groups or agencies located in San Luis Obispo County that participate in housing activities. Some are advocacy groups and some provide legal guidance. One agency, the California Rural Legal Assistance, Inc. (CRLA) is able to litigate on behalf of the victims when violations of the fair housing laws have occurred.

California Rural Legal Assistance, Inc.CRLA provides counseling and legal representation for low income households and individuals. CRLA receives funding and training from the HUD office in San Francisco. The local CRLA offices are supervised by an attorney and has two full time, bi-lingual community workers. CRLA handles 20 to 25 fair housing cases each year, which is a fraction of CRLA’s annual average workload of 500 cases. Between April 1, 2007 and March 31, 2008 (the Federal HUD’s FHIP grant year period) CRLA opened approximately 600 cases. Of that total there were 288 housing cases of which 18 were fair housing cases. The housing cases usually involve landlord-tenant disputes, and occasionally evolve into a fair housing case. CRLA also conducts a local housing market survey with 15 or 16 “testers” annually, pursuant to HUD guidelines. CRLA provides bilingual literature, education and outreach activities by

conducting fair housing seminars, training sessions, group presentations, and by attending community events, school fairs and farmers' markets.

CRLA - San Luis Obispo office – 1101 Pacific St. #A, San Luis Obispo, CA 93401. Phone (804) 544-7997. North County office - 3350 Park St., Paso Robles, CA 93446. Phone (805) 239-3708.

Central Coast Mediation NetworkThe Mediation Network is sponsored by the County's Superior Court and the San Luis Obispo County Bar Association. It is a low cost alternative to legal action, and has mediators with experience in fair housing law. Central Coast Mediation Network, 265 South St., Ste. B, San Luis Obispo, CA 93401. Phone (805) 549-0442.

Small Claims and Consumer Advisor

The advisor is provided by the District Attorney's Economic Crime Unit. The advisor give legal guidance to people who are using the small claims court. This includes guidance on tenant/ landlord disputes and real estate law. The advisor refers fair housing violations to HUD or the state Department of Fair Employment and Housing, and to CRLA. Small Claims and Consumer Advisor - County Government Center, 1035 Palm St., Rm 223, San Luis Obispo, CA 93408. Phone (805) 781-5856.

Workforce Housing Coalition

An advocacy group that participates in community events and public hearings and speaks in support of affordable housing. Workforce Housing Coalition - P.O. Box 130009, San Luis Obispo, CA 93406. Phone (805) 546-2850

Housing Authority of the City of San Luis Obispo

HASLO administers the Tenant Based Rental Assistance Program and Section 8 program. HASLO speaks in support of equitable, affordable housing at community events and public hearings. It supports other nonprofit agencies that provide housing and service to special needs individuals and families. HASLO operates the San Luis Obispo Non-Profit Housing Corporation, a developer and manager of low income housing projects. HASLO - 487 Leff Street, San Luis Obispo, CA 93401. Phone (805) 543-4478.

San Luis Obispo County Housing Trust Fund

The HTF provides technical and financial assistance to affordable housing projects. It speaks in support of affordable housing at community events and public hearings. Housing Trust Fund - 4111 Broad St., Ste. A-6, San Luis Obispo, CA 93401. Phone (805) 543-5970.

Chapter 6 - Conclusions and Recommendations

6.1 Conclusions

Chapter 2 describes a changing demographics and low job wage averages in San Luis Obispo County. A rapid increase in the median income between 2000 and 2004 signaled the immigration of affluent, retirement aged households into the County. Median housing prices tripled in ten years (from \$163,000 in 1994 to \$480,000 in 2004). The new residents can pay higher housing prices. Even in 2009, despite an economic recession, the County remains the 3rd least affordable housing market in the nation. The enrollment levels in schools are dropping, and younger professionals and families are leaving. The County's wage averages are 83% of the state averages. Nearly half of the local population is in the low income range. The County's primary job sectors of retail, services and government, plus the primary industries of agriculture and tourism, do not provide enough high paying jobs.

The County's 2004 Fair Housing Survey and local press coverage do not allude to a condition of widespread or blatant discrimination in the local housing market. Yet nearly all survey respondents indicated their concern that the rising housing prices will cause housing problems. Only 32.1% of the population can afford to buy a median priced house, and there is a shortage of affordable housing. Local lending practices are fair but credit is difficult due to the recession.. Local conditions (i.e., a water shortage and lack of high density zoning) and industrial issues (i.e. difficulty in obtaining insurance for multi-family projects and a high profit margin for expensive housing) discourage the development of affordable housing. The lack of affordable housing itself is not a form of discrimination, but a shortage of affordable housing could lead to acceptance of poor quality housing or discriminatory practices.

There may be a lack of understanding of fair housing laws or the ability to identify housing discrimination. This would mean that there is a need for more education for all participants in the local housing market, and for a stronger network of agencies to provide mediation and, when necessary, litigation. The local offices of the California Rural Legal Assistance, Inc. (CRLA) handled 288 housing cases in 2008, of which 18 were fair housing cases. CRLA reports that many fair housing cases were actually filed for other reasons, such as tenant-landlord disputes. Many people seeking assistance are anxious to find housing and may be unaware that they have been discriminated against. Many landlords are small property owners who may not know of all the laws that apply to them. Situations of this type can be mediated, but may be unnecessary if there is sufficient awareness and education.

In 1996, Santa Barbara County conducted a Fair Housing Community Survey. The survey and its results are described in that County's 2000 fair housing plan (Analysis of Impediments to Fair Housing). The survey results concluded that there was a wide-spread lack of education on the part of both tenants and landlords. Although the Rental Property Association was conducting fair housing seminars for its members, many "mom and pop" apartment owners were not

attending. Many tenants did not know their rights or avenues of recourse. The lack of affordable housing in the area was exacerbating the problem, as low income individuals preferred to suffer unfair housing conditions rather than to risk losing their residence and having to find new housing in an expensive market. They felt that they had no choice

.6.2 Recommendations

Please review Chapter 1- Section 1.8 - Impediments and Actions, and Section 1.9 - Milestone Schedule.