

RESOLUTION NO. 9263 (2001 Series)

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN LUIS OBISPO
ESTABLISHING AWARD CRITERIA AND A REVIEW PROCESS FOR
ALLOCATING AFFORDABLE HOUSING FUNDS.**

WHEREAS, the City Council adopted Ordinance 1348 (1999 Series) establishing an Affordable Housing Fund for the collection and distribution of in-lieu housing fees to promote affordable housing in San Luis Obispo; and

WHEREAS, as a result of the in-lieu fee payments to the City under the Inclusionary Housing Ordinance, the City has a balance of approximately \$400,000 in the Affordable Housing Fund, and this fund is available to support affordable housing in San Luis Obispo at the sole discretion of the City Council; and

WHEREAS, the City received requests by Judson Terrace Lodge and Sojourn Services, Inc. for the use of \$215,000 and \$25,000, respectively, of Affordable Housing Funds; and to evaluate these and future funding requests in a fair and timely manner, Council wishes to establish award criteria and a review process for the Affordable Housing Fund; and

WHEREAS, the City Council held a meeting on December 4, 2001 to consider possible award criteria that balance the need to provide a fair, open and timely funding award process with the desire to maintain funding flexibility to address local housing needs and opportunities;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of San Luis Obispo that based on its deliberations, public comments, the staff report, and on State law, the following:

SECTION 1. Affordable Housing Fund Award Criteria. The City Council establishes the following criteria for evaluating requests for use of the Affordable Housing Fund:

- 1. Eligibility.** Use of the Affordable Housing Fund (AHF) for the requested purpose will increase or improve the City's affordable housing inventory and promote General Plan policies regarding housing.
- 2. Need.** There exists a substantial or overarching need for the type of housing to be assisted.
- 3. Suitability.** The project to be assisted is appropriate for its location, both in terms of land use and design.
- 4. Timing.** The project would better serve the City's needs if it were built immediately as opposed to later.

5. Financial Effectiveness. But for the requested assistance, the project would not be economically feasible; or AHF funding "leverages" significant additional funding from other sources.

6. Readiness. The project has all necessary City approvals and is ready to proceed.

SECTION 2. Use of Award Criteria. The Council will apply the above criteria when evaluating funding requests. Requests that most closely meet the criteria will be given the most favorable consideration in allocating Affordable Housing Funds. Under no circumstances is Council obligated to award Affordable Housing Funds. The decision whether to allocate funds and how much is at the sole discretion of the City Council whose decision is final.


SECTION 3. Review Process. The Community Development Director shall be responsible for processing requests for use of Affordable Housing Funds. Such requests shall usually be considered concurrent with review of the City's Community Development Block Grant Program. The Director is authorized to bring urgent funding requests to the Council at any time, irrespective of the above review cycle.

SECTION 4. Funding Agreements. Recipients of Affordable Housing Funds shall be required to execute an agreement with the City describing the purpose and terms of funding. The project or program to be funded shall meet the City's Affordable Housing Standards, including the requirement for an affordability term of at least thirty (30) years, and City equity participation in the project where feasible and appropriate. The City Administrative Officer is authorized to execute such agreements for the City.

Upon motion of Council Member Schwartz, seconded by Vice Mayor Marx, and on the following roll call vote:

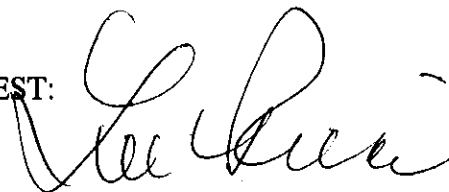
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| AYES: | Council Members Ewan, Mulholland, Schwartz, Vice Mayor Marx, and Mayor Settle |
| NOES: | None |
| ABSENT: | None |

The foregoing resolution was adopted this 4th day of December 2001




Mayor Allen Settle

ATTEST:



Lee Price, City Clerk

APPROVED AS TO FORM:



Jeffrey G. Jorgensen, City Attorney