



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

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

**HOMELESS SERVICES OVERSIGHT COUNCIL (HSOC)  
Housing Committee Meeting Agenda**  
February 1, 2022, 2 p.m.

Participate by Zoom video call:

[https://us06web.zoom.us/j/84540535595?  
pwd=NHBvU29ldjV4d2J6WUFydVNSMUZOUT09](https://us06web.zoom.us/j/84540535595?pwd=NHBvU29ldjV4d2J6WUFydVNSMUZOUT09)

Or dial in:

+1 720 707 2699

Meeting ID: 845 4053 5595

Passcode: 035314

1. Call to Order and Introductions
  2. Public Comment
  3. Consent: Approval of Minutes
  4. Action/Information/Discussion
    - 4.1 Discussion Item: SLO City Inclusionary Housing Program
    - 4.2 Discussion Item: Ten-Year Plan to End Homelessness
    - 4.3 Discussion Item: Safe Parking and Sanctioned Encampments
    - 4.4 Discussion Item: Federal and State Grants
    - 4.5 Discussion Item: Housing Developers Roundtable
  5. Future Discussion/Report Items
  6. Next Meeting Date: March 1, 2022
  7. Adjournment
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**HOMELESS SERVICES OVERSIGHT COUNCIL  
 HSOC HOUSING COMMITTEE MEETING  
 DECEMBER 7<sup>th</sup> 2021, 2pm-3:30pm  
 Zoom Call**

<b>MEMBERS PRESENT</b>	<b>MEMBERS ABSENT</b>	<b>STAFF &amp; GUESTS</b>
Anne Robin Anne Wyatt Kathy McClenathen Ken Trigueiro Mark Lamore	Joanna Balsamo-Lillien Marianne Kennedy Scott Smith	Abby Lassen Amanda Tanner George Solis Jack Lahey Kelsey Nocket Laurel Weir Leon Shordon Mark Lamore Nick Rita Holland Russ Francis Tom Sherman Wendy Lewis Yael Korin
<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>CONCLUSIONS/ACTIONS</b>
1. Call to Order and Introductions	Anne Wyatt called the meeting to order at 2:05pm.  Amanda Tanner introduced herself as a resident of the Kansas Avenue safe parking program.	
2. Public Comment	Yael commented that the Kansas Avenue site is overcrowded, with vehicles unable to maintain the safe minimum distance. There are around 70 vehicles housing 93 people in a site established for 50 vehicles. Residents are self-governing the site currently.	

3. Consent: Approval of Minutes		Anne Robin made a motion to approve the minutes, seconded by Mark. The motion passed with all in favor, none opposed and no abstentions.
4. Action/Information/Discussion		
4.1 Discussion Item: Anderson Hotel	This item was tabled as no attendees from HASLO (Housing Authority of San Luis Obispo) were present to provide an update.	
4.2 Discussion Item: Federal and State Grants	<p>George reported on Federal and State grants administered by DSS (Department of Social Services).</p> <p>State Emergency Solutions Grant – Coronavirus (ESG-CV): through October, DSS has submitted expenditures to the State worth \$734,000. There is still \$4.8 million left to expand of this grant, \$3.6 million of which is for Rapid Rehousing assistance, including short-term rental assistance, housing stabilization, case management, deposit assistance and landlord incentives. DSS are working with subrecipients on spending plans and are expecting to see a big increase in Rapid Rehousing activities now that most service providers have added new case managers.</p> <p>Homeless Housing, Assistance and Prevention Program (HHAP) Round 1: DSS have submitted a budget amendment to the State, as funding categories have changed since the original application was made. DSS are waiting on the State to approve this, and will then draw up subrecipient agreements.</p>	

	<p>Continuum of Care Fiscal Year 2021 (CoC FY21): the collaborative application was submitted in November. DSS anticipates that the award notification will be received in the first quarter of 2022.</p> <p>George and Laurel also reported on Round 2 of Project Homekey, the RFP (Request for Proposals) for which was released by Central Services. An informational session will take place on Friday, December 10<sup>th</sup>. The deadline for applications is December 28<sup>th</sup>. The County is seeking agencies to partner with for this funding, and needs projects that are ready to begin due to the tight timescales of this grant program.</p>	
<p>4.3 Discussion Item: Housing Developers Roundtable</p>	<p>Laurel introduced this item as a means for the County to get feedback on what the County is doing that is helpful or could be doing better, and information about important regional issues. This information will feed into the planning process for the new Ten-Year Plan.</p> <p>Mark reported that TMHA (Transitions Mental Health Association) has been looking into a second round of NPLH (No Place Like Home) funding after a very successful first round. TMHA has made an offer on a property near Palm Street, with a plan for a six unit combination of office and residential units. They have encountered issues including the expense of purchasing property, particularly when other offers are made which drives up the cost. TMHA are working with the City of SLO currently to ensure they meet all the regulations.</p> <p>Wendy announced that December 7<sup>th</sup> was the first anniversary of ECHO (El Camino Homeless Organization) providing shelter at</p>	

Paso Robles.

Ken provided an overview of People's Self Help Housing's (People's) various upcoming projects, including:

- A construction of 36 units in Templeton, including 10-12 set aside for homeless veterans, the remainder for low income seniors. It will be around ten months before People's are able to occupy this property.
- 50 units at a Pismo Beach property, funded via HEAP (Homeless Emergency Aid Program) and NPLH funding. Seventeen additional units are in construction currently.
- Around 17 units to be set aside for people experiencing homelessness in SLO City. Construction will begin in around 90 days.
- Applying for permission from the Grover Beach Planning Commission for a project of 53 units, 10% of which will be set aside for those experiencing homelessness.
- 40 units have been approved in Atascadero, including 12 units set aside for homeless veterans.
- Applying for HOME funding for new units in Cambria.

Ken reported that the amount that People's are required to expend in short time frames is one of the biggest challenges they face.

Anne Wyatt reported that SmartShare Housing Solutions are working on 20 units of tiny houses in the City of SLO, and have been working with the City on design planning for this.

Kathy shared that the Housing Trust Fund (HTF) improved on last year's score for their local HTF grant. They received \$1.5 million in funding last year, and are expecting to hear how much

	they will receive this year very soon. This funding will match for PLHA (Permanent Local Housing Allocation), among other funding programs, so the HTF will be able to put this money into the projects developers have been discussing.	
5. Future Discussion/Report Items	<ul style="list-style-type: none"> <li>• Safe Parking sites and sanctioned encampments</li> <li>• Sunny Acres</li> </ul>	
6. Next Meeting Date: January 4, 2022		
7. Adjournment	Anne Wyatt adjourned the meeting at 3:15pm.	



# Inclusionary Housing Ordinance



# IHO Background

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- Local zoning ordinance that requires developers to include a specified percentage of affordable housing as a part of their project or pay a fee.
- The City's first Inclusionary Housing Ordinance was adopted in 1999.
- Inclusionary Housing Requirements were last updated in 2007.
- A Nexus Study completed in January 2020.
- Housing Element Update includes Program 2.13:
  - *Update the Inclusionary Housing Ordinance, including Table 2A, based on findings and recommendations in the 2020 Affordable Housing Nexus Study and conduct further feasibility analysis in order to evaluate the City's ability to provide affordable housing in the proportions shown in the Regional Housing Needs Allocation, per Policy 2.4.*



# Current IHO Requirement

- The current inclusionary housing requirement can be met by:
  1. Building affordable dwellings as part of a development project,
  2. Dedicating real property, improved or not, for development of affordable housing by the City's Housing Authority or by a non-profit housing provider,
  3. Paying an in-lieu fee which is used to assist with the development of new affordable housing throughout the City, or
  4. A combination of the above methods, to the approval of the Community Development Director.



# Current IHO Requirement

Housing Element Table 2 – Inclusionary Housing Requirement			
Type of Housing Development			
		Residential – Adjust Requirements per Table 2A below	Commercial
Location	In City Limits	Build 3% low <sup>5</sup> or 5% moderate income Affordable Dwelling Units (ADUs <sup>2</sup> ), but not less than 1 ADU per project; or <sup>3</sup> pay in-lieu fee equal to 5% of building valuation. <sup>4</sup>	Build 2 ADUs per acre, but not less than 1 ADU per project; or <sup>3</sup> pay in-lieu fee equal to 5% of building valuation
	In Expansion Area	Build 5% low <sup>5</sup> - and 10% moderate income ADUs, but not less than 1 ADU per project; or pay in-lieu fee equal to 15% of building valuation.	Build 2 ADUs per acre, but not less than 1 ADU per project; or pay in-lieu fee equal to 5% of building valuation.

Housing Element Table 2A – Inclusionary Housing Adjustment Factors						
Project Density (Density Units/Net Acre) <sup>1</sup>	Inclusionary Housing Requirement Adjustment Factor <sup>2</sup>					
	Average Unit Size (square feet)					
	Up to 1,100	1,101 – 1,500	1,501 – 2,000	2,001 – 2,500	2,501 – 3,000	>3,000
36 or more	0	0	0.75	1.0	1.25	1.5
24 – 35.99	0	0	0.75	1.0	1.25	1.5
12 – 23.99	0	0.25	1.0	1.25	1.5	1.75
7 – 11.99	0	0.5	1.0	1.25	1.5	1.75
<7	0	0.5	1.25	1.5	1.75	2.0



# Nexus Study

- Establishes the relationship between market-rate residential development and non-residential development and the need to support and construct new affordable housing in the City.
- Determined that both residential and commercial development are creating demand for affordable housing that is not being met by the housing market.



# Nexus Study

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The Study provided the following recommendations:

1. Consider different requirements for units that are for sale or rent and discontinue differentiating between projects located within City Limits and Expansion Areas.
2. Maximum City-Wide Affordable Housing Requirement for Residential Development:
  - Rental: Build 15% affordable units (5% of units at very low income and 10% of units at low income)
  - Owner: Build 15% affordable units (5% of units at low income and 10% of units at moderate income)
3. Include utility costs as part of rent and HOA fees as part of the affordable sales prices.
4. Eliminate Table 2A and set a minimum inclusionary requirement of one unit for projects of five or more units.
5. Apply in-lieu fees on a per square foot basis.
6. Set non-residential in-lieu affordable housing fees in the range of \$1 to \$4 per square foot for industrial uses and \$2 to \$5 per square foot for other non-residential uses.



# Feasibility Analysis

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- EPS is conducting an Economic Feasibility Analysis.
- EPS' work will result in a preliminary recommendation of changes to be made to the IHO.
- City staff and EPS will be presenting the preliminary recommendation to City Council as a part of a Study Session on March 1, 2022.



# Next Steps

- Present the findings and recommendation of the Economic Feasibility Analysis to the City Council (March 1, 2022).
- Develop a rough draft of the IHO update for public feedback.
- Coordinate and execute outreach with local stakeholders and the public.
- Present stakeholder/public feedback and draft IHO for Planning Commission review and recommendation.
- Present Final Draft IHO to Council for review and adoption.

