



COUNTY OF SAN LUIS OBISPO 2005 CONSOLIDATED PLAN

Prepared by

Planning and Building Department, County of San Luis Obispo,
With assistance from the cities of
Arroyo Grande
Atascadero
Grover Beach
Paso Robles
San Luis Obispo

Approved by the County of San Luis Obispo Board of Supervisors on April 12, 2005

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EXECUTIVE SUMMARY

This **CONSOLIDATED PLAN** has been prepared to identify and outline a comprehensive strategy to address San Luis Obispo County's housing and community development needs. The program year established for this plan is from July 1 through June 30, and this plan covers the program years 2005/2006 through 2009/2010. The most important function of this plan is to establish how available federal funding resources will be used to meet local needs. The Urban County covered by the plan includes the cities of Arroyo Grande, Atascadero, Grover Beach, Paso Robles and San Luis Obispo, plus the unincorporated areas of the County of San Luis Obispo. The non-Urban County cities are comprised of cities that must compete on a statewide basis to receive funds. These include the cities of Morro Bay and Pismo Beach.

Available Formula Grants

Each year HUD publishes the amounts of funding that the County will receive in the following program year from the Community Development Block Grant Program (CDBG), the HOME Investment Partnerships Program (HOME), and the Emergency Shelter Grant Program (ESG) and the American Dream Downpayment Initiative (ADDI). Based on the amounts available for the 2005 program year, the total amounts of formula grants during the five program years covered by this Consolidated Plan may be \$11.9 million in CDBG funds, \$7.1 million in HOME funds, \$461,000 in ESG funds, and \$230,000 in ADDI funds.

Some CDBG and HOME funds are usually repaid to the County or cities each year, and those repaid funds are called "program income". Federal rules require program income to be reallocated for eligible purposes as part of the Consolidated Plan and its Action Plans. The County estimates that approximately \$100,000 in CDBG funds and \$50,000 in HOME funds may become available during each of the five program years covered by this Consolidated Plan. However, since existing loans of CDBG and HOME funds are deferred-payment loans, the actual amounts of available program income depends heavily upon national interest rates, which in turn, affect borrowers' decisions to refinance or sell their homes. Table 1 below lists the amounts of available program income for the 2005 program year.

Table 1: Available Funds by Program Year

Funding Source	2005	2006	2007	2008	2009	Total
Formula CDBG	\$2,386,689					
CDBG program income	\$323,600					
Total CDBG	\$2,710,289					
Formula HOME program income	\$1,427,299					
HOME program income	\$200,000					
Total HOME	\$1,627,299					
Formula ESG	\$92,396					
Formula ADDI	\$46,096					
Total	\$4,476,080					

Income Limits

Some federal and state programs use different terms when referring to certain income groups. For example, households earning less than 80 percent of area median income are defined as “low and moderate income” under federal CDBG and Consolidated Plan regulations, whereas California law generally defines “low and moderate income” as households earning less than 120 percent of median. Therefore, in order to avoid confusion in the remainder of this report, the term “low and moderate income” refers to households earning less than 80 percent of median, where “low-income” refers to those earning less than 50 percent of median. The income limits for these groups for 2005 are as follow:

Table 2: 2005 Income Limits

Persons in Household	1	2	3	4	5	6	7	8
Low and Moderate-Income: (<80% x median)	\$43,200	\$49,350	\$55,550	\$61,700	\$66,650	\$71,550	\$76,500	\$81,450
Low-Income: (<50% x median)	\$21,600	\$24,700	\$27,750	\$30,850	\$33,300	\$35,800	\$38,250	\$40,700

Source: County of San Luis Obispo Affordable Housing Standards

Public participation

The County Planning and Building Department acted as the lead agency in preparing this plan, as provided in the cooperative agreements executed by the participating jurisdictions in order to maintain "urban county" status under HUD regulations. The

cities collaborated with the County throughout the process of conducting citizen participation activities and preparing the plan. The process used to prepare this five-year Consolidated Plan will effectively be repeated each year as the plan is updated and a new action plan is developed.

In September, 2004, the County issued a county-wide request for proposals and comments (RFP) to encourage interested parties to submit their comments and proposals for funding through the CDBG, HOME, ESG and ADDI programs, so that achievable programs and projects could be considered as the 2005 One-Year Action Plan of the Consolidated Plan was prepared. The due date for proposals was October 29, 2004. The RFP included evaluation criteria used by the cities and the County during the previous years, as follows:

1. Consistency with federal regulations and laws
2. Community support (for example, approval of project by a city council)
3. Seriousness of community development need proposed to be addressed by project
4. Degree to which project benefits low-income and very low-income families or persons
5. Feasibility of the project to be completed as budgeted and by June 30, 2006.
6. Cost effectiveness of funds requested and leveraging of other funds
7. Organization's experience or knowledge regarding CDBG or HOME requirements

The County conducted eight advertised public workshops and one public hearing to solicit public input about housing and community development needs after issuing a county-wide request for proposals and preparing draft funding recommendations. These meetings satisfied the federal requirement for at least one public hearing before the draft consolidated plan is prepared. A public hearing was conducted by the County Board of Supervisors on January 4, 2005. The workshops were held in handicapped-accessible locations in San Luis Obispo on October 6, 2004; Cambria on October 12, 2004; Atascadero on October 13, 2004; Los Osos on October 15, 2004; Paso Robles on October 18, 2004; Arroyo Grande/Grover Beach on October 20, 2004; Nipomo on October 21, 2004 and Oceano on October 28, 2004.

Most of the people attending the workshops and the hearing requested that the County and cities place a high priority for use of CDBG funds on the expansion of homeless services and facilities beyond those already provided primarily in the City of San Luis Obispo and the North County. More specifically, they asked that outreach to homeless persons in the North County be provided, and that a homeless day center and shelter be established in at least one location in the North County. There was also a high priority on the development of new affordable housing for low and very low-income persons, especially for persons with special needs, in all parts of the county. Rental housing is becoming significantly less available and less affordable throughout the

county. The need for large public facility projects was also cited as urgent because of existing risks to the health safety and welfare of low-income areas.

For purposes of evaluating housing proposals, cost effectiveness (and leveraging of outside funds) was quantified to enable comparisons among competing proposals and to “get the most bang for the buck” from the County’s limited grant funds. More specifically, recent projects have demonstrated that rental housing for low and very low income households can be developed with \$50,000 to \$60,000 per unit of County grant funds, when combined with major funding from the Low Income Housing Tax Credit Program or other outside resources. Ownership housing for low and moderate income households can be developed with County grant funds, generally between \$80,000 and \$90,000 per unit, since the purchasing households can afford to pay more for housing than low-income households.

Public input and consultations with the various involved groups enabled the County to identify several basic principles to guide establishment of the priorities and programs identified in this plan. These basic principles include the following:

1. Emphasize programs that offer long-term solutions to problems and empower people to improve their own lives and self-reliance.
2. Build local capacity to continue needed programs well into the future.
3. Maximize benefit to low- and moderate-income persons through programs that address the most important needs and do so in a cost-effective manner.

2005 Consolidated Plan List of Strategies and Priorities

The priorities included in this plan are listed below:

Affordable Housing Strategy:

Priority #1: Increase availability of affordable and decent rental housing for low- and moderate-income persons and families.

Objectives: Allocate about \$4.6 million in a combination of HOME and CDBG funds to benefit 100 low- and moderate-income households

Priority #2: Increase first-time home ownership opportunities for low- and moderate-income households.

Objectives: Allocate about \$1.1 million of a combination of HOME, CDBG and ADDI funds to benefit 40 low- and moderate-income households.

Priority #3: Maintain and upgrade existing neighborhoods and housing units occupied by low- and moderate-income households.

Objectives: Allocate \$500,000 in CDBG funds to benefit 60 households.

Addressing Homelessness:

Priority #1: Provide needed emergency shelter facilities and related services.

Objectives: Provide \$1.3 million in CDBG funds, plus \$461,000 in ESG funds to benefit 2,500 unduplicated extremely low- and very-low income persons.

Priority #2: Prevent homelessness by enabling people to obtain or retain decent affordable housing and supportive services.

Objectives: Provide \$1.2 million in combined CDBG and HOME funds to benefit 590 low-income households.

Economic Development Strategy:

Priority #1: Provide business technical assistance to enable small businesses to create and/or retain jobs.

Priority #2: Provide financial assistance to existing small businesses for expansion and to start-up businesses.

Objectives: Provide \$250,000 in CDBG funds to create 150 jobs.

Public Facilities and Services Strategy:

Priority #1: Assist communities and neighborhoods that consist primarily of low- and moderate-income persons and cannot afford necessary public facilities or services.

Objectives: Provide \$7.3 million in CDBG funds to benefit 100,000 persons.

PART I. INTRODUCTION

Purpose of Plan

This Consolidated Plan has been prepared to identify and outline a comprehensive strategy to address San Luis Obispo County's housing and community development needs. Each program year established for this plan is from July 1 through June 30 of each year. The five program years covered by this plan span the period from July 1, 2005, through June 30, 2010. The most important function of this plan is to establish how available federal funding resources will be used to meet local needs. Three basic goals have been incorporated into the federal laws, which authorize and govern this consolidated plan. First, the programs are intended to *provide decent housing*. Second, they are to *provide a suitable living environment*. The third major goal is to *expand economic opportunities*. Each of these goals are directed to benefit low- and moderate-income persons, that is, persons whose incomes are below 80 percent of area median income.

The participating cities in the "urban county" subject to this Consolidated Plan include (from north to south) Paso Robles, Atascadero, San Luis Obispo, Grover Beach, and Arroyo Grande. The cities of Morro Bay and Pismo Beach chose not to join the urban county during this period to enable applications for state CDBG and HOME funds.

Plan Preparation Process

The County Planning and Building Department acted as the lead agency in preparing this plan, as provided in the cooperative agreements executed by the participating jurisdictions in order to establish the "urban county" under HUD regulations. The cities collaborated with the County throughout the process of conducting citizen participation activities and preparing the plan. This city/county collaboration was achieved through designation of a staff person from each jurisdiction as a member of the Urban County Team. The team members forwarded to the County questions about federal requirements, which were raised by members of their communities, elected officials or other city staff, and the County obtained answers to those questions from HUD. In addition, a number of public and private groups provided constructive comments, program suggestions and data that improved the plan.

Consultation with public and private agencies

The County consults regularly with the participating cities regarding the Consolidated Plan through meetings of the Urban County Team. Regional housing and non-housing needs were discussed by the team, and the team identified opportunities for

collaborations among the County and cities to address those needs. Team members shared information on needs and strategies to be included in this plan, but the team continues to meet, coordinate and re-evaluate strategies as the programs established in this plan are implemented.

Monthly meetings of the San Luis Obispo County Supportive Housing Consortium (SHC) have provided another ongoing opportunity for the County to keep itself informed and to participate in programs benefiting persons with special needs. The SHC is a collection of nonprofit and public agencies that assist a wide variety of persons with special needs to find affordable housing and the supportive services they need. Their clients include the homeless, victims of domestic violence, developmentally disabled, mentally ill, mentally retarded, persons with AIDS, recovering drug or alcohol addicts, the handicapped and others with some type of limit on self-care. SHC member agencies include: the Housing Authority of the City of San Luis Obispo (HASLO); Peoples' Self-Help Housing Corporation, Inc (PSHHC); the Economic Opportunity Commission of SLO County, Inc (EOC); Casa Solana, Inc; Options, Inc; Sojourn, Inc; Transitional Mental-Health; the San Luis Obispo County Housing Trust; Transitions, Inc; Women's' Shelter Program of SLO County, Inc; North County Women's Resource Center and Shelter, Inc; Judson Terrace, Inc; Achievement House, Inc; Alliance for the Mentally Ill; SLO County HIV Care Consortium; SLO County Department of Social Services (DSS); County Health Department; and The Family Care Network, Inc.

County staff attended most meetings of the SHC, collecting needs information and providing technical assistance to the SHC agencies regarding the Consolidated Plan, available federal funding and its applicable regulations, proposed affordable housing programs, and County land use regulations. The SHC has been very successful in collaborating to design and implement effective supportive housing programs.

County staff also met with numerous agencies individually to discuss unmet needs, including HASLO; PSHHC; the Economic Vitality Corporation of San Luis Obispo County, Inc (EVC); the Cuesta College Small Business Development Center (SBDC); the San Luis Obispo County Economic Advisory Committee (EAC); the County General Services and Public Works Departments; the Shandon Advisory Committee; the Oceano Community Services District; the Oceano Community Center, Inc; the Nipomo Community Services District; the Lucia Mar School District; the Homeless Housing Project; and other groups.

Public participation

The County of San Luis Obispo Department of Planning and Building acted as the lead agency in preparing the plan. The participating cities, Arroyo Grande, Atascadero, Grover Beach, Paso Robles, and San Luis Obispo collaborated with the County through the process of conducting citizen participation activities and preparing the plan.

The Urban County's Community Participation Plan establishes a process for preparation of the Consolidated Plan that is largely repeated each year for preparation of the each program year action plan. This process started with eight advertised public workshops and one hearing early in the preparation process to solicit public input about housing and community development needs. This met the requirement in 24 CFR 91.100(e) for at least one public hearing before the draft consolidated plan was prepared. These workshops were held in handicapped-accessible public meeting rooms located throughout the county, and were advertised through notices published in local newspapers. Notices were also mailed to persons and groups who had participated in preparations of the County's 2005 Consolidated Plan preparation process and for the 2005 Action Plan for the CDBG, HOME, ESG and ADDI programs, or who requested to be placed on the County's mailing list for these programs. The County then issued a notice about the preparation of the consolidated plan and a request for proposals for funding through the 2005 CDBG, HOME, ESG and ADDI programs to generate comments for the preparation of the consolidated plan and action plan.

A summary of the plan was published, the County held the second round of public workshops to solicit public comments and answer questions about the draft plan. Citizen were allowed approximately 40 days to review the draft, and public hearings were held by the cities and the County Board of Supervisors to approve the plan and authorize its transmittal to HUD. Public comments received, and the County's responses, have been summarized in an attachment to the Action Plan.

Reflecting a consensus of the staffs from the County and cities after considering the public input, the consolidated plan includes the following major components: 1) an assessment of housing and community development needs; 2) an analysis of the housing market, public facilities and services, and the local economy; 3) a five-year strategic plan describing priorities for housing and community development needs and strategies for meeting those needs; and 4) a one-year action plan establishing how available funds will be used. In subsequent years, new one-year action plans will be added to the Consolidated Plan until it contains action plans for five program years.

PART II. HOUSING AND COMMUNITY DEVELOPMENT NEEDS

This section of the Consolidated Plan presents an overall assessment of the housing and community development needs of the Urban County of San Luis Obispo. In addition to the needs assessment, this section provides the foundation for establishing priorities and allocating resources to address the identified needs.

Description of the Consolidated Plan and HUD Programs

The Consolidated Plan is a planning document required by the U.S. Department of Housing and Urban Development (HUD) from any jurisdiction applying for funding under any of the Community Planning and Development formula grant programs, including the Community Development Block Grant (CDBG), the Emergency Shelter Grant (ESG), the Home Investment Partnership Act (HOME), and the American Dream Downpayment Initiative (ADDI).

The Consolidated Plan is intended to identify unmet needs for affordable and supportive housing, community development programs, social service programs and economic development opportunities for low-income residents. The Consolidated Plan outlines a five-year Strategic Plan (with goals) and the first of the Annual Plans to meet those needs. Each subsequent fiscal year, specific projects are identified in an Action Plan to address the needs during the coming year. In addition, at the end of each fiscal year a Consolidated Annual Performance and Evaluation Report (CAPER) summarizes the accomplishments toward the five-year goals.

For the purposes of this Plan, the County is the funding grantee and functions as the lead agency for this Consolidated Plan process. The funds received from HUD are distributed by formula throughout the "Entitlement Area" to the cities of Arroyo Grande, Atascadero, Grover Beach, Paso Robles, San Luis Obispo and the County of San Luis Obispo. Unlike many other urban counties, the Urban County of San Luis Obispo has opted for a cooperative approach to CDBG administration, with relative autonomy for each of the participating cities and decision-making power resting with City Councils and the Board of Supervisors. This cooperation and programmatic philosophy have been utilized in the creation of the Consolidated Plan.

On an annual basis, the County receives approximately the funding amounts previously identified in Table 1 from HUD, depending upon Congressional appropriations:

The distribution of these funds and eligible activities vary between the different programs as follows:

CDBG: The CDBG funds are distributed (by formula) to the five cities and the County of the Urban County. The primary objective of the CDBG Program is the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities for persons of low-income.

CDBG funds may be used for housing development (except new construction); housing programs; public facilities; public improvements; urban infrastructure; economic development programs; public services (as limited by Federal Regulations); and program planning and administration costs.

HOME: HOME funds and can be utilized for construction of new housing units; rehabilitation /reconstruction of existing housing units; demolition prior to new construction of housing; home buyer programs; land acquisition for new housing construction; and development fees.

ADDI: ADDI funds are similar to HOME funds and can be used for projects that promote homeownership including homebuyer assistance and rehabilitation activities.

ESG: ESG funds can be used throughout the urban County for improvements to structures used or to be used for emergency shelters for the homeless; operation costs of emergency shelters for the homeless; and provision of services to the homeless.

Summary of the Consolidated Plan Document

The Consolidated Plan is comprised of several sections:

Part I: Introduction that includes a description of the programs, the development of the Plan including the citizen participation process and inter-jurisdictional coordination.

Part II: Housing and Community Needs Assessment which describes:

- Current Estimates & Five –year Projections
- Homeless Needs (Continuum of Care)
- Housing Needs
- Housing Market Analysis
- Non-Housing Community Development Needs

Part III: Based on the information presented in the Needs Assessment (Part II), the County and participating cities have identified housing and non-

housing strategies, which are presented in the 5-year Strategic Plan. These priorities will be utilized by the jurisdictions to guide local use of HUD grant funds during the next five years. This section was developed through citizen participation, community input and consultation with public and private agencies.

Part IV: Action Plan that specifies projects which will be undertaken by the various jurisdictions during FY 2005-06 to meet the Strategic Plan goals.

Current Estimates & Five-year Projections

Community Profile

The County of San Luis Obispo is located in California's Central Coast and is bordered by Monterey County to the north, Santa Barbara to the south, Kern County to the east and the Pacific Ocean to the west. The County is considered medium sized with an estimated 2005 population of approximately 262,897 residents in an area that covers 3,316 square miles. Between 1980 and 1990, San Luis Obispo County's population grew 40 percent from 155,435 to 217,162 residents. Between 1990 and 2000 the county's population increased by 14 percent, to a total of 246,681 residents in 2000. The county's population is estimated to grow to 282,515 persons by the year 2010, a 7 percent increase according to the projections prepared in 2004 by the San Luis Obispo County Planning and Building Department (Table 3, Population Projections for San Luis Obispo County). The County is expected to grow again by 40,000 in the next 10 years, a 15 percent increase (based on population forecasts from the state Department of Finance).

The majority of the population and industry is located in the incorporated portion of the County that includes the cities of Arroyo Grande; Atascadero; Grover Beach; Morro Bay; Paso Robles; Pismo Beach and San Luis Obispo. The City of San Luis Obispo serves as the county seat.

Demographic characteristics such as population growth, age characteristics, and race/ethnicity all help identify and determine the need for housing, facilities, and services in a community.

Population Growth

Population growth is one of the most important factors determining the existing and future need for housing and other community services. Since 1990, the population in the Urban County has increased by 18.8 percent (Table 3, Population Projections for San Luis Obispo County). The City of Paso Robles had the largest percentage increase between 1990 and 2004, but remained a small share of the total County population.

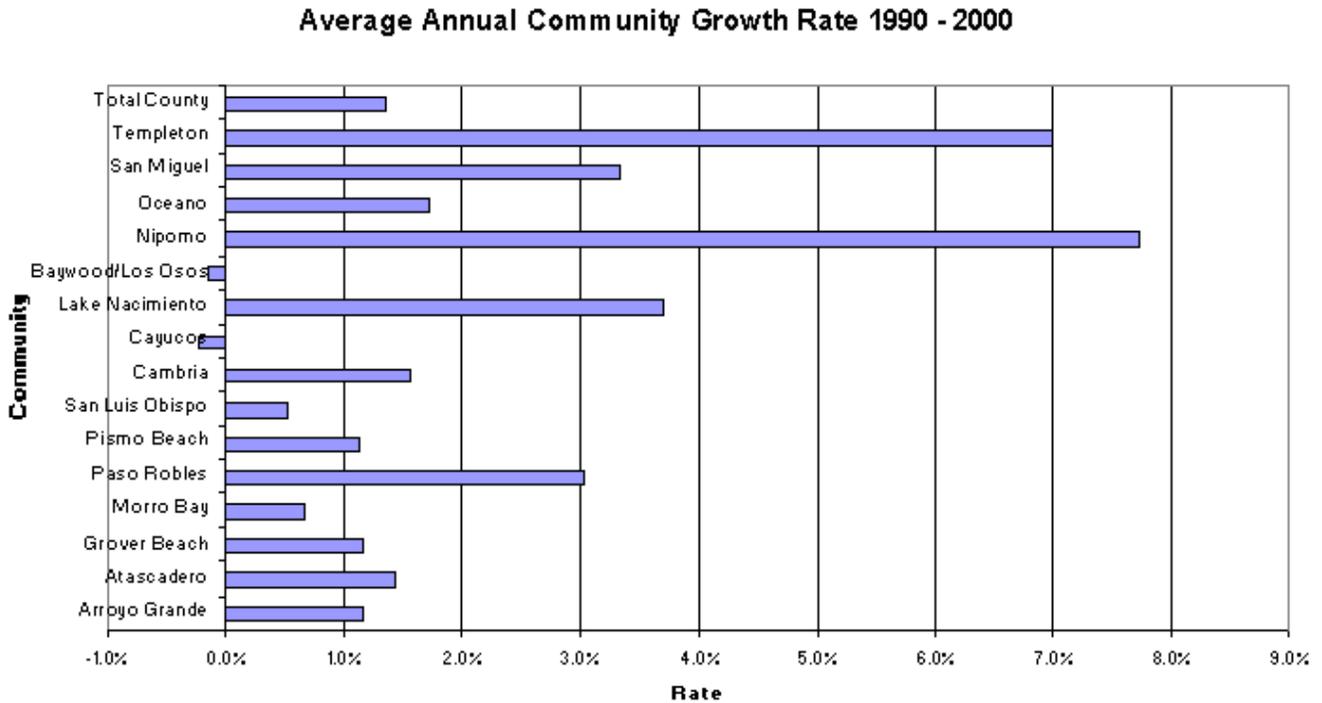
Between 1980 and 1990, San Luis Obispo County's population grew by 40%, from 155,435 to 217,162 residents. Between 1990 and 2000 the county's population increased by just 14%, to a total of 246,681 residents in 2000. The County is expected to grow again by 100,000 in the next 15 years, a 40% increase based on population forecasts from the state Department of Finance.

Table 3: Population Projections for San Luis Obispo County

Community	1990	2000	2005	2010	2015
Arroyo Grande	14,378	15,851	16,424	17,262	18,143
Atascadero	23,138	26,411	26,153	27,487	28,890
Grover Beach	11,656	13,067	13,556	14,276	14,709
Morro Bay	9,664	10,350	10,638	11,098	11,578
Paso Robles	18,583	24,297	25,819	28,843	31,534
Pismo Beach	7,669	8,551	9,068	9,611	10,187
San Luis Obispo	41,958	44,174	44,038	46,284	48,645
Total cities	127,046	142,701	145,696	154,861	163,686
Cambria	5,382	6,232	6,718	7,005	7,363
Cayucos	2,960	2,943	3,033	3,141	3,252
Baywood/Los Osos	14,377	14,351	14,559	16,005	18,019
Nipomo	7,109	12,626	15,081	17,483	19,877
Oceano	6,169	7,260	7,621	8,010	8,335
San Miguel	1,123	1,427	1,608	2,151	2,720
Santa Margarita	1,173	1,224	1,256	1,313	1,393
Shandon	900	986	1,163	1,407	1,712
Templeton	2,887	4,687	5,642	6,604	7,582
Rural	34,121	36,673	44,949	48,964	53,383
Total Unincorporated	76,201	88,409	101,630	112,083	123,636
Group quarters -prison	13,915	15,571	15,571	15,571	15,571
Total County	217,162	246,681	262,897	282,515	302,893

Source: County of San Luis Obispo Housing Element; 2000 Census; California Department of Finance

Table 4: Average Annual Community Growth Rate 1990 - 2000



Source: County of San Luis Obispo Housing Element, 2004

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. In surrounding counties (Monterey County, Santa Barbara County and Ventura County), approximately 50 percent to 70 percent of the rise in population is caused by the natural growth of the existing population. However, San Luis Obispo County experienced a 30 percent drop in the natural birth rate between 1990 and 2000. At the same time, 60 percent to 80 percent 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).

A study prepared in 2002 for the San Luis Obispo Tribune by the Solimar Research Group, a nationally known planning research firm, projects that as the county's

population grows by 100,000 new residents over the next 15 years, the county's population make-up will see the following changes:

1. Young professionals and families (25 to 39 years of age) will decrease by 1%
2. Older professional (40 to 59 years of age) will increase by 68%
3. Newly retired individuals (60 to 69 years of age) will increase by 49%

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 have doubled since 1995, rapidly outpacing local salary increases. 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 36,800 in 2003 (k-12), but it is projected to drop to 35,050 students by 2012. Local school districts have begun to cut popular programs, close schools and reduce the teacher workforce in response to these changes.

Household Characteristics

The 2000 Census identifies 92,583 households in the county, up 15.3 percent from 80,281 households in 1990. Average household size has decreased slightly from 2.549 in 1990 to 2.49 in 2000. Comprising 30.8 percent of all households, married-couple families with children were still the dominant form of households in 2000, although there are also increasing numbers of single-family parent families. In 1990, 7.4 percent of all households were single-parent families, but by 2000, this figure had risen to 12.5 percent.

<u>Household Type</u>	<u>1990</u>	<u>2000</u>
Total households	80,281 (100%)	92,583 (100%)
Married couples w. children	18,549 (23.1%)	28,489 (30.8%)
Single-parent families	5,959 (7.4%)	11,530 (12.5%)

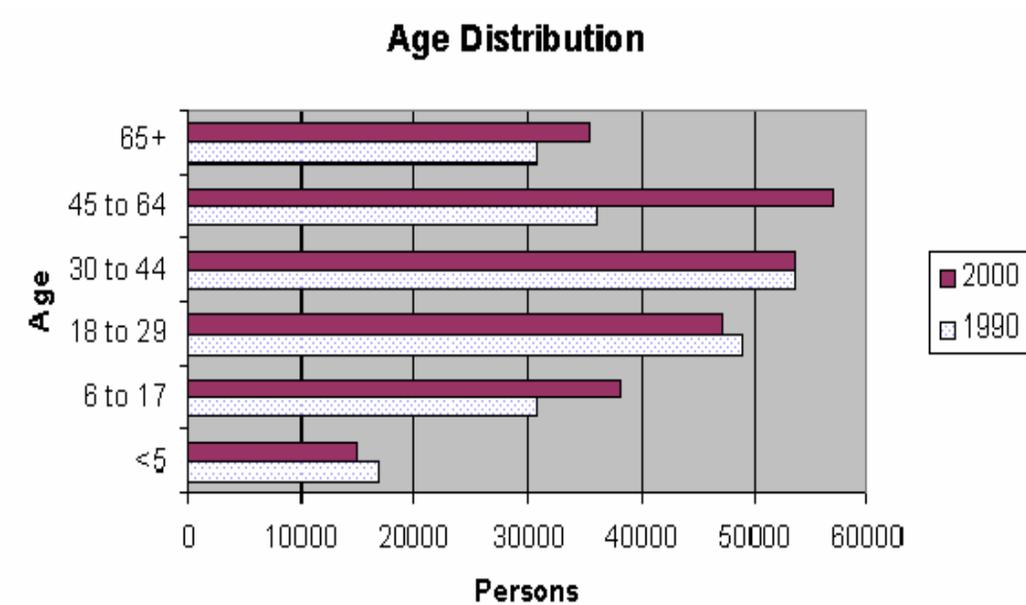
Source: U.S. Census Data 2000

Age

The county’s population is becoming older. The median age in the county increased from 33.1 in 1990 to 37.9 in 2000, as shown below:

<u>Age</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>
0-17	28.2%	21.8%	21.9%	20%
18-64	59.5%	64.8%	63.9%	65.6%
65+	12.3%	13.4%	14.2%	14.5%
Median	28.6	29.9	33.1	37.9

Table 5: Age Distribution



Source: County of San Luis Obispo Housing Element, 2004

Concentrations of Racial or Ethnic Minorities

According to the 2000 Census, the racial/ethnic composition of the County population was: 76 percent White (non-Hispanic); 16.3 percent Hispanic; 2.8 percent other ethnic groups; 2.7 percent Asian; 1.7 percent Black; and 0.5 percent Indian. Table 6 compares the County’s population base with those of the state and the nation. The 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 countywide census bases, and reflects an urban population. The County is rural in nature.

Table 6: - Ethnic Mix of Local, State & National Population Bases

Ethnic Group	United States	California	San Luis Obispo Co.
Total Population	281,421,906	33,871,648	246,681
White	69.1%	46.6%	76.0%
Hispanic	12.5%	32.4%	16.3%
Black	12%	6.3%	1.7%
Asian	3.6%	10.8%	2.7%
American Indian	0.7%	0.5%	0.5%
Other	2.1%	3.4%	2.8%
Total	100%	100%	100%

Source: U.S. Census 2000 - Table P-7 – Hispanic or Latino by Race

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 by 5.1%.

Table 7 - Ethnic Mix of Local Population Base - 1990 to 2000

Ethnic Group	1990 County Population	2000 County Population	% Change
Total Population	217,162	246,681	13.6%
White	81.1%	76%	(5.1%)
Hispanic	13.3%	16.3%	3.0%
Black	2.0%	1.7%	(0.3%)
Asian	2.7%	2.7%	0%
American Indian	0.8%	0.5%	0.3%
Other	3.4%	2.8%	0.6%
Total	100%	100%	

Source: U.S. Census 2000 - Table P-7 – Hispanic or Latino by Race; Census 1990 - Summary Tape File 1 (Complete Tables)

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.

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 Hispanic (Latino) population grew by 3 percent between 1990 and 2000, representing the largest percentage growth by an ethnic minority. Concentrations of racial/ethnic minorities are defined for purposes of this plan, as 2000 Census tracts with at least 1,000 persons, of which over 20 percent are Hispanic. Under this definition, only the following five areas qualify: tract 101 (west Paso Robles), with 35.3 percent Hispanic; tract 102 (east Paso Robles), with 22.4 percent Hispanic; tract 120 (east Grover Beach) with 21.9 Hispanic; tract 121 (west Grover Beach), with 23 percent Hispanic; tract 122 (Oceano), with 45.2 percent Hispanic; and tract 124 (Nipomo), with 34.6 percent Hispanic. The County has concentrations of African-American residents primarily in tract 102 (east Paso Robles), with 2.7 percent African-Americans and in tract 115 (Rural N&E San Luis Obispo), with 15.3 percent. The largest Asian population, other than census tract 109 (North San Luis Obispo & Cal Poly), with 9.8 percent, is tract 107 (Baywood/Los Osos), with 6 percent. Other Asian population concentrations are found throughout the City of San Luis Obispo and the cities and communities of the South County area, which range from 2.1 to 4.4 percent in population. This is illustrated in Table 8 below.

Concentrations of Low- and Moderate-income Families

Table 8 shows the numbers of low- and moderate-income persons by census tract, based on HUD specific 2000 Census data called the Comprehensive Housing Affordability Strategy, or CHAS. CHAS was developed by the Census for HUD, which provides detailed information on housing needs by income level of different types of households. Detailed CHAS data based on 2000 Census was developed in 2003 and updated in 2004. Low-income concentrations are defined here as 2000 census tracts with at least 1,000 persons, of which over 51 percent have income below 80 percent of area median income (low/mod). Six tracts qualify under this definition. They are as follow: tract 101 (Paso Robles West), with 64.9 percent low/mod; tract 103.5 (Shandon), with 59.7 percent low/mod; tract 109 (Cal Poly & adjacent neighborhood of City of San Luis Obispo), with 79.4 percent low/mod; tract 111 (south City of San Luis Obispo), with 57.3 percent low/mod; tract 121 (west Grover Beach), with 51.1 percent low/mod; and tract 122 (Oceano), with 56.3 percent low/mod. Maps showing the 2000

Table 8: Racial/Ethnic Concentrations of San Luis Obispo County

Geographic Area	Tract	Persons	White	Black	Asian	Indian	Other	Hispanic
Rural Nacimiento Area	100	6,803	80.6	1.0	0.3	1.0	4.0	13.1
Paso Robles- West	101	8,787	56.6	1.0	2.4	1.5	3.2	35.3
Paso Robles – East	102	16,936	69.4	2.7	0.5	2.2	2.8	22.4
Rural – Northeast County	103	7,967	80.2	0.3	0.3	0.5	3.5	15.2
Cambria	104	6,247	82.1	0.1	0.1	0.1	3.2	14.4
N. Morro Bay & Cayucos	105	8,174	85.5	1.0	1.3	0.2	2.5	9.5
Morro Bay	106	5,418	84.4	0.3	0.7	1.2	2.0	11.4
Los Osos/Baywood Park	107	14,154	83.3	0.6	6.0	0.2	1.9	8.0
Rural – North Coast	108	2,566	75.3	0	0.9	0.2	0.6	23
N. San Luis Obispo & Cal Poly	109	9,575	74.2	1.2	9.8	0.3	3.4	11.1
San Luis Obispo	110	8,269	82.6	0.5	5.1	0	2	9.8
San Luis Obispo	111	11,097	75.7	1.5	2.8	0.4	4.5	15.1
San Luis Obispo	112	7,355	80.6	1.0	5.0	0	4.7	8.7
San Luis Obispo	113	6,667	77.0	1.7	5.1	1.0	2.6	12.6
California Men’s Colony area	114	18	100.0	0	0	0	0	0
Rural-N&E of San Luis Obispo	115	12,905	55.9	15.3	2.1	0.6	1.1	25
Avila Beach & N. San Luis Bay	116	3,908	92.3	0	0.6	0.1	2.0	5.0
Pismo Beach	117	8,525	87.2	1.2	2.5	0.4	1.5	7.2
Arroyo Grande	118	6,590	87.0	0.2	2.3	1.0	2.1	7.4
Arroyo Grande	119	10,130	79.9	0.2	3.3	0.5	2.6	13.5
Grover Beach	120	7,020	69.7	0.8	4.4	0.8	2.4	21.9
Grover Beach	121	6,080	67.6	0.6	3.2	1.7	3.9	23.0
Oceano	122	7,124	48.1	1.0	2.1	0.3	3.3	45.2
Rural – South County	123	10,837	82.2	0.4	2.7	0.4	2.0	12.3
Nipomo	124	12,654	60.4	0.4	1.6	0.7	2.3	34.6
Atascadero – East	125	13,502	82.2	0.7	1.6	0.4	3.1	12.0
Atascadero – West	126	7,561	86.7	0.6	1.6	0.4	2.2	8.5
Atascadero – Rural	127.2	6,174	86.1	0.1	0.6	1.5	2.0	9.7
Atascadero – Rural	127.3	4,387	82.6	0.2	1.2	0.9	1.9	13.2
Templeton	127.4	7,836	88.2	0.7	0.6	0.2	2.6	7.7
Atascadero State Hospital area	128	1,415	50.8	27.9	3.3	0.7	0.4	16.9
Total San Luis Obispo County		246,681	77.2	2.0	2.4	0.6	2.5	15.3

Source: U.S. Census Data 2000 based on special data collected for HUD purposes

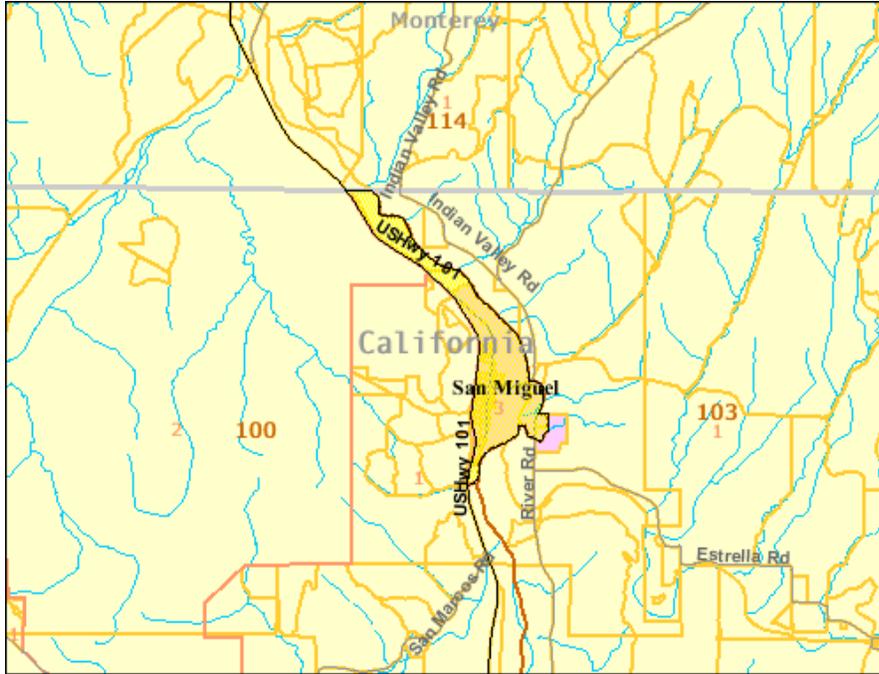
Census tract maps of the over 51 percent low/mod areas of the county are found in pages 20 through 24. It is noteworthy that three areas are concentrations of both minorities and low-income persons: tract 101 (west Paso Robles), tract 121 (west Grover Beach), and tract 122 (Oceano).

Table 9: Concentration of Low and Moderate-Income Persons by Census Tract

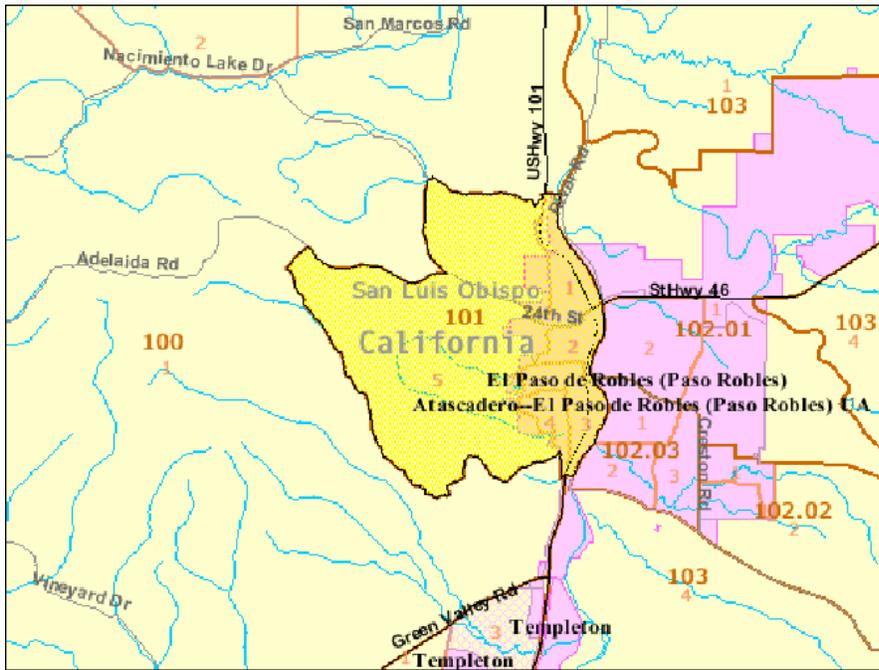
Geographic Area	Tract	Total Persons	Low/mod Per	Percent Low/Mod
Rural Nacimiento Area	100	6,877	2,832	41.2
San Miguel	100.3	1,405	788	56.1
Paso Robles- West	101	7,979	5,179	64.9
Paso Robles – East	102	15,248	6,318	41.4
Rural – Northeast County	103	6,694	2,289	34.2
Shandon	103.5	979	584	59.7
Cambria	104	6,216	2,041	32.8
N. Morro Bay & Cayucos	105	2,872	1,050	36.6
Los Osos/Baywood Park	107	14,082	5,318	37.7
Rural – North Coast	108	2,541	834	32.8
N. San Luis Obispo & Cal Poly	109	5,929	4,706	79.4
San Luis Obispo	110	7,806	3,448	44.2
San Luis Obispo	111	10,736	6,148	57.3
San Luis Obispo	112	7,043	3,310	47.0
San Luis Obispo	113	6,325	2,765	43.7
Rural-N&E of San Luis Obispo	115	4,414	1,396	31.6
Avila Beach & N. San Luis Bay	116	3,877	800	20.6
Arroyo Grande	118	6,356	1,749	27.5
Arroyo Grande	119	9,445	4,336	45.9
Grover Beach	120	6,909	3,304	47.8
Grover Beach	121	5,970	3,053	51.1
Oceano	122	7,188	4,002	56.3
Rural – South County	123	10,712	3,529	32.9
Nipomo	124	12,586	4,882	38.8
Atascadero – East	125	13,320	5,737	43.0
Atascadero – West	126	7,523	2,444	32.5
Atascadero – Rural	127.2	3,914	759	19.4
Templeton	127.4	4,809	1,500	31.2
Paso Robles- West	101	7,979	5,179	64.9
Paso Robles – East	102	15,248	6,318	41.4
Rural – Northeast County	103	6,694	2,289	34.2
Total San Luis Obispo County		198,350	84,313	41.9

Source: U.S. Department of Housing and Urban Development 2000 Census Data applicable only for HUD sponsored grant funding programs. Table does not include 100% of the county population.

**PREDOMINATELY LOW AND MODERATE INCOME CENSUS TRACTS
AND BLOCK GROUPS**

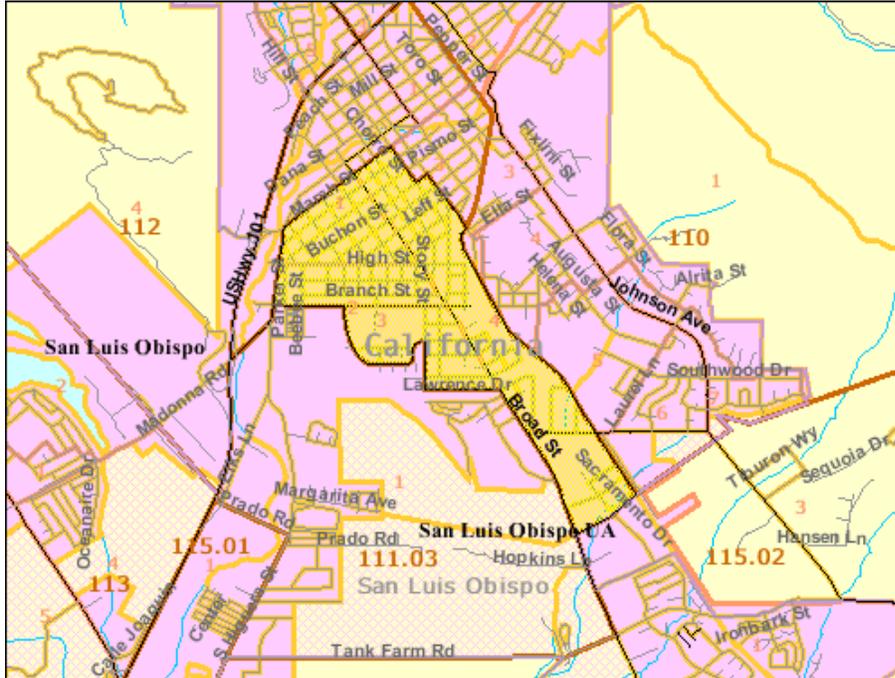


Census Tract 100.3 – San Miguel
56.1 % Low/Moderate Income

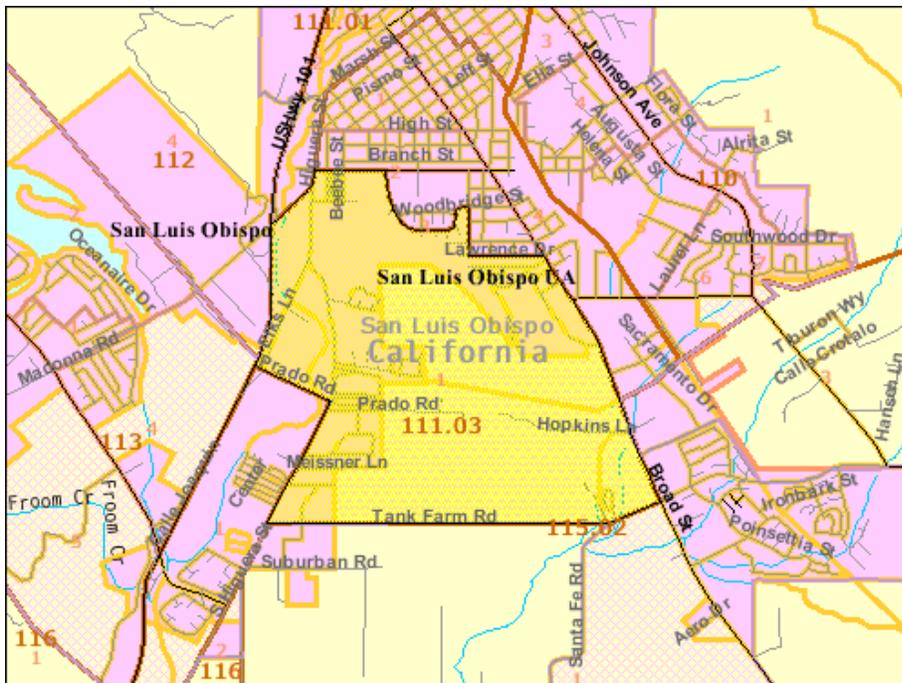


Census Tract 101 – Paso Robles – West
64.9 % Low/Moderate Income

**PREDOMINATELY LOW AND MODERATE INCOME CENSUS TRACTS
AND BLOCK GROUPS**

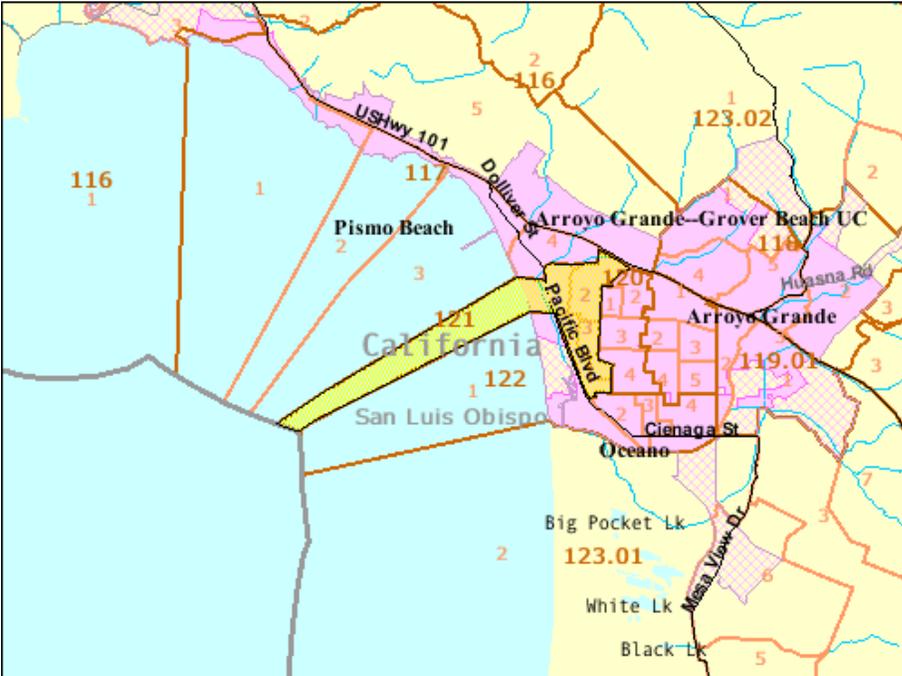


Census Tract 111.2 – San Luis Obispo
57.3% Low/Moderate Income

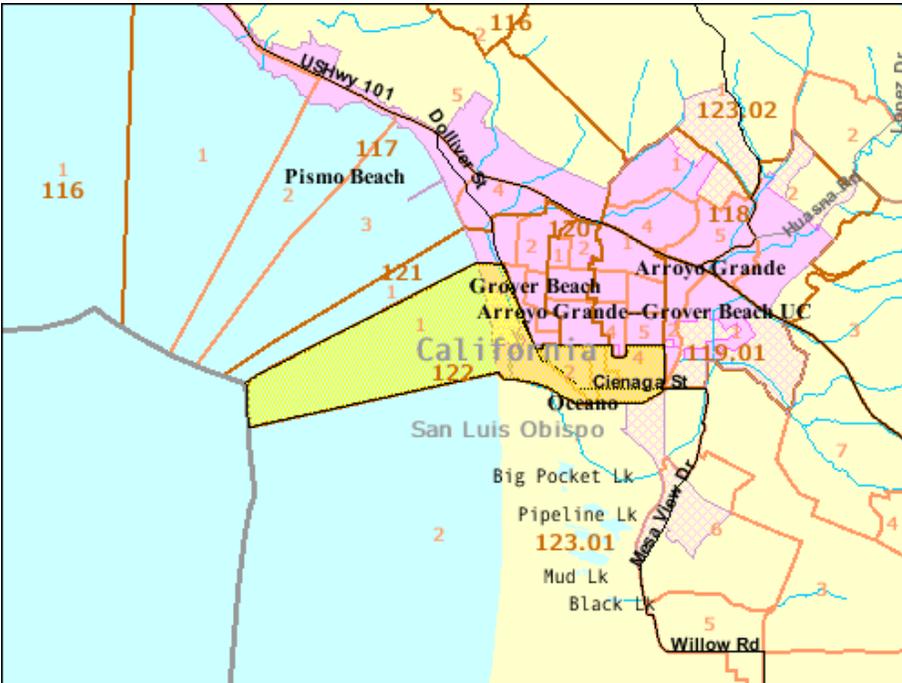


Census Tract 111.3 – San Luis Obispo
57.3% Low/Moderate Income

**PREDOMINATELY LOW AND MODERATE INCOME CENSUS TRACTS
AND BLOCK GROUPS**



Census Tract 121 – Grover Beach
51.1% Low/Moderate Income



Census Tract 122 - Oceano
56.3% Low/Moderate Income

Income Data

Pursuant to the U.S. 2000 Census, the local, state and national median incomes and percentage of people living below poverty in 2000 were as follows:

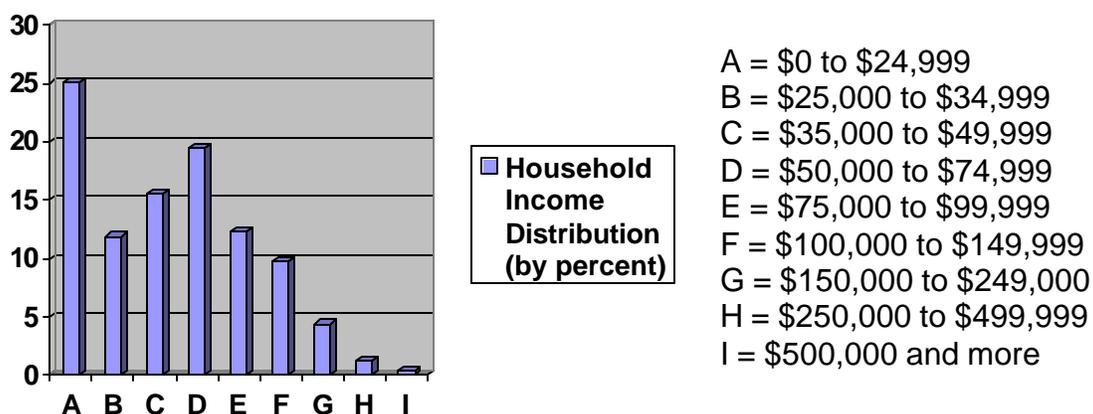
Table 10 - Median Household Incomes and Persons Below Poverty Level

Income Data	United States	California	San Luis Obispo County
Median Household Income	\$41,994	\$47,493	\$42,428
Persons below Poverty	12.4%	14.2%	12.8%

Source: U.S. Census Bureau - Census 2000 - USA QuickFacts

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 recent jump in the county's median household income is 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. Over 25% of the County's households earned less than the very low median income level of \$30,850 in 2004.

Table 11: San Luis Obispo County 2004 Household Income Distribution



Source: Univ. of California, Santa Barbara - San Luis Obispo County Economic Outlook, 2005: Dr. Bill Watkins, www.ucsb-efp.com

The table below compares the Year 2000 median household incomes for national and local population bases. 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 12 - Median Income of Various Ethnic Groups

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

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.

Employment Data

Pursuant to the U.S. 2000 Census, the local, state and national work force figures are as follows:

Table 13 - Workforce Data

Employment Data	United States	California	San Luis Obispo County
% of total population who are in workforce	63.9%	62.4%	58.3%
Workforce size	138,820,935	15,977,879	116,868
Employed	59.7%	57.5%	54.7%
Unemployed	3.7%	4.3%	3.4%

Source: U.S. Census Bureau - Census 2000 - Table DP-3 - Profile of Selected Economic Characteristics: 2000

The low percentage of the County's population (54.7%) that is in the workforce 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 14 - Median Age of Local, State and National Population Bases

Median Age	United States	California	San Luis Obispo County
Age in Years	35.3	33.3	37.3

Source: U.S. Census Bureau - Census 2000 - Table DP-1 - Profile of General Demographic Characteristics: 2000

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). The following table compares the employment statistics of the local, state and national work forces.

Table 15 - Employment Statistics

Employment Data	United States	California	San Luis Obispo
Class of Worker (in percentage %)			
Private wage & salary workers	78.5%	76.5%	66.5%
Government workers	14.6	14.7	20.6
Self-employed workers	6.6	8.5	12.5
Unpaid family workers	0.3	0.4	0.5
Occupation (in percentage %)			
Management, professional, and related occupations	33.6%	36.0.5	34.3%
Service occupations	14.9	14.8	18.8
Sales and office occupations	26.7	26.8	25.3
Farming, fishing, and forestry occupations	0.7	1.3	2.1
Construction, extraction, and maintenance occupations	9.4	8.4	9.8
Production, transportation, and material moving occupations	14.6	12.7	9.8
Industry (in percentage %)			
Agriculture, forestry, fishing and hunting, and mining	1.9%	1.9%	3.8%
Construction	6.8	6.2	7.9
Manufacturing	14.1	13.1	7.1
Wholesale trade	3.6	4.1	2.5
Retail trade	11.7	11.2	12.4
Transportation and warehousing, and utilities	5.2	4.7	4.5
Information	3.1	3.9	2.7
Finance, insurance, real estate, and rental and leasing	6.9	6.9	5.1
Professional, scientific, management, administrative, and waste management services	9.3	11.6	9.4
Educational, health and social services	19.9	18.5	21.8
Arts, entertainment, recreation, accommodation and food services	7.9	8.2	11.4
Other services (except public administration)	4.9	5.2	5.4
Public administration	4.8	4.5	6.2

Source: U.S. Census Bureau - Census 2000 - Table DP-3 - Profile of Selected Economic Characteristics: 2000

The state Employment Development Department (EDD) releases annual reports that provide unemployment figures and job growth rates. Ten years ago, between 1992 and 1994, the San Luis Obispo County's unemployment rate was around 7 to 8% due to the nationwide recession. As of 2002, the civilian unemployment rate dropped to 3.4%.

Table 16: Employment Distribution (jobs) – San Luis Obispo County – 2004

<u>Sector</u>	<u>Jobs</u>
Agriculture:	4,238
Mining and Construction:	6,738
Durable Manufacturing:	3,988
Non-Durable Manufacturing:	2,700
Trans. Warehousing & Utilities:	3,613
Information:	1,300
Wholesale Trade:	2,238
Retail Trade:	13,175
Finance, Ins. & Real Estate:	4,613
Other Services:	37,125
Government:	21,925

Other Services include: Repair-Maintenance, Laundry, Religion

Source: Univ. of California, Santa Barbara – San Luis Obispo County Economic Outlook, 2005 Dr. Bill Watkins, www.ucsb-efp.com

While agriculture and tourism are the County's primary industries, the EDD report of 2001 focused on the jobs in the following three economic sectors: services, government, and retail. Together, these three sectors accounted for 68.4% of all wage and salary employment. According to the EDD report, this employment ratio is to remain steady through 2006. Many lower-paid workers are part of the retail sector, including cashiers, retail salespersons, waiters, and waitresses. The two leading local industries, agriculture and tourism, do not provide many high paying jobs.

While housing and living costs are rising, 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.

In comparing local, state and national figures, the County has the highest number of working aged individual below the poverty level 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. Fortunately, the County also has the lowest number of children under the poverty level.

Table 17 - Age of Workers Below Poverty Level

Age of Individuals in Poverty (in years)	United States	California	San Luis Obispo County
Entire population	12.4%	14.2%	12.8%
Age 18 and over	10.9%	12.3%	13.1%
Age 65 and over	9.9%	8.1%	5.9%
Under 18 years old	16.1%	19.0%	11.4%

Source: U.S. Census Bureau - Census 2000 - Table DP-3 - Profile of Selected Economic Characteristics: 2000

Housing Profile

The County is experiencing a very rapid increase in housing costs. In 1994 the median home price in the County was \$163,000 and 35% to 40% of the households could buy a house. Ten years later, in 2004, the median house price peaked at \$480,000 and only 14% of the households could buy a house. The National Association of Homebuilders has ranked the County as the fourth least affordable housing market in the nation, due to the gap between the average family income and the sales price of a house.

Table 18 - Median House Prices (2000)

	United States	California	San Luis Obispo County
Median House Price	\$119,600	\$211,500	\$230,000

Source: U.S. Census Bureau - Census 2000 - USA QuickFacts

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

Table 19 - Income Levels for a Family of Four (2004)

Persons in Family	Very Low Income	Lower Income	Median Income	Moderate Income
4	\$30,850	\$49,350	\$61,700	\$74,050

Source: California Dept. of Housing & Community Development - 2004 Income Limits

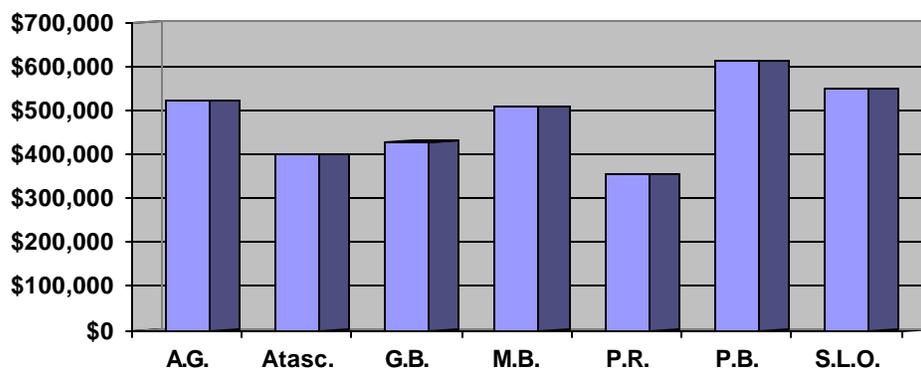
Table 20 - Affordable Residential Sales Prices and Rental Rates (2004)

Unit Size (Bedrooms)	Monthly Rents			Initial Sales Prices		
	Very Low Income	Lower Income	Moderate Income	Very Low Income	Lower Income	Moderate Income
1	\$617	\$740	\$796	\$98,207	\$150,518	\$233,426
2	\$694	\$833	\$1008	\$110,545	\$169,428	\$262,752
3	\$833	\$1000	\$1403	\$132,634	\$203,283	\$315,255

Source: County of San Luis Obispo monthly Affordable Housing Standards bulletin, February 2005 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 2004, the countywide median house price reached \$480,000.

Table 21: 2004 Nominal Median Home Prices for Cities in San Luis Obispo County



Source: Univ. of California, Santa Barbara - San Luis Obispo County Economic Outlook, 2005: Dr. Bill Watkins, www.ucsb-efp.com

There is a shortage of available rental units in the County. 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 35% of their income to housing costs. The information in the following table is provided by the 2000 Census, yet housing prices in the County doubled between 2000 and 2004, outpacing the state and national averages shown below.

Table 22 - Residential Sales Prices and Rental Rates Data (2000)

Housing Data	United States	California	San Luis Obispo
Total housing units	115,904,641	12,214,549	102,275
Vacant rental units	2,614,652	190,321	1,183
% of vacant rental units	2.25%	1.56%	1.16%
Vacant ownership units	1,204,318	92,197	619
% of vacant owner units	1.04%	0.75%	0.60%
Median house price	\$119,600	\$211,500	\$230,000
Median monthly mortgage	\$1,088	\$1,478	\$1,390
Pay 35%+ of income on mortgage	15.8%	23.2%	23.0%
Median (gross) rental rate	\$602	\$747	\$719
Pay 35%+ of income on (gross) rent	29.5%	34.1%	40.4%
Renter occupied units	33.8%	43.1%	38.5%
Owner occupied units	66.2%	56.9%	61.5%

Source: U.S. Census Bureau - Census 2000 - Table DP-4 - Profile of Selected Housing Characteristics: 2000 and Table QT-H1 - General Housing Characteristics: 2000

Housing Starts Do Not Match Housing Needs

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

- 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.
- Concerns about growth impacts in some communities and the effects of the County's Growth Management Ordinance.
- Current state policies that allow retail sales taxes and commercial development to generate more local revenue than property tax and residential development.
- 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.

Impediments to development of high density housing continues 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 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.

Special Needs Populations

Certain segments of the population may have more difficulty in finding decent, affordable housing due to their special needs. 'Special needs' groups include seniors, disabled persons, female-headed households, large households, persons with AIDS, and persons with alcohol and/or drug addictions.

Seniors

The 2000 Census reports that there are 35,685 residents over the age of 65, equal to 14.5 percent of the population. This age group increased by 16.5 percent from 1990 to 2000, and increased slightly as a portion of the total population. According to the 1990 Census, 19,030 households were headed by persons 65 years and older, 15,733 (82.6 percent) of which were owner households. The 2000 Census lists 22,984 households headed by persons 65 years or older, 19,110 (83 percent) of which were owner householders. The senior age group will likely continue to increase in the future as the 'baby boomer' population ages and medical advances allow individuals to live longer.

Of the elderly populations, 92% are living above poverty level, while 8 percent are living at or below poverty level. Approximately 19,110 elderly citizens (82 percent) own a home, and 4,216 (18 percent) are renting. Many elderly are financially stable, however there are still many who live on low or fixed incomes. Thus, many elderly need affordable housing.

A recent demographic study conducted for the San Luis Obispo Tribune by the Solimar Research Group predicts that the county's senior population (age 60 and over) will increase by 49 percent. This reflects a growing number of affluent, retired individuals who are attracted to the county and are moving in and paying top dollar for available housing units. This trend will adversely affect the existing elderly population who are on fixed income, especially renters.

Frail Elderly

The U.S. Department of Housing and Urban Development (HUD) requires that Consolidated Plans discuss the housing needs of the "frail elderly". For the purposes of this document, the frail elderly are persons age 65 and older with a disability that limits their mobility or their ability to take care of themselves. The 2000 Census indicated that 69.9 percent, or 24,934 of the elderly population in the county had a disability (Table

23). Of these disabilities, 2,608 were self-care disabilities, and 5,317 were go-outside-home disabilities. It should be noted that seniors might have more than one type of disability; therefore, the number of disabilities do not necessarily correspond to the number of seniors with disabilities.

Table 23: Age by Types of Disability

Total Disabilities	San Luis Obispo County
Total Disabilities for People 16 to 64 Years	42,084
Sensory disability	3,071
Physical disability	9,383
Mental disability	6,285
Self-care Disability	2,380
Go-outside-home disability	5,909
Employment disability	15,056
Total Disabilities for People 65 Years and Over	24,934
Sensory disability	4,955
Physical disability	8,849
Mental disability	3,205
Self-care disability	2,608
Go-outside-home disability	5,317

Source: 2000 Census Bureau

Currently 72 long-term care facilities in the county house 1,800 persons. Of these, nine skilled nursing facilities house 827 persons and 63-assisted living/residential care facilities that house 973 persons. There are other types of long term care facilities in this county that may house frail seniors (assisted living, senior apartment, etc.) but sufficient data is not available to identify these facilities. The supply of assisted housing for the frail elderly is limited.

Persons with Disabilities

Persons with disabilities often face greater housing challenges than the population as a whole due to their incomes and special physical or other development needs. Extremely high percentages of such households, particularly disabled elderly and renter households, pay larger portions of their incomes for housing and/or live in housing that does not meet their needs.

The 2000 Census counted 42,084 residents age 16 to 64 with a disability. The Census tallied 5,056 employment disabilities among residents in that age group (Table 23). The Census further showed that 8,289 persons in that age group lived with a mobility or self-care limitation. Since some persons may have more than one type of disability, the number of disabilities does not necessarily correspond to the number of persons with disabilities.

No accurate figures exist for the number of housing units in the County that are handicapped accessible. The Urban County helps physically disabled low-income households make minor accessibility modification and home repairs to their homes by funding the Economic Opportunity Commission's Minor Home Repair Program. Modifications typically consist of grab bars, adaptive steps, wheelchair ramps and other similar modifications.

Mentally Disabled

According to the County of San Luis Obispo Mental Health Department, mental health needs in the County continue to exceed available support services. Determining the number of mentally disabled persons in any location is difficult to estimate, but according state figures there are 5,992 seriously mentally ill and seriously emotional disturbed persons in the county. County Mental Health sees about 4,100 unique inpatient and outpatient individuals for crisis intervention on an annual basis. The Department estimates that about 2,000 places currently exist in the inventory of services (case management by social workers, assistance to obtain basic needs), resulting in an unmet need of about 1,800 case management places.

An undetermined amount of persons who need services for mental health rely on the private sector or go out of the county for services.

Developmentally Disabled

Work Training Program, Inc., an agency addressing the needs of the developmentally disabled reports that at least 4,000 people of all ages in the county currently have mental retardation, cerebral palsy, autism or other developmental disabilities.

Many of the developmentally disabled live on Social Security income with additional income from work, family or other sources. According to Work Training Program, Inc., disabled working adults average \$5.68 an hour, which is \$11,814 per year. It is common for a disabled adult to earn less than \$10,000, making it extremely difficult to find affordable housing.

Female-Headed Households

The 2000 Census indicated that 8,460 households were female-headed households, which represents 9.1 percent of all households. Low-income female-headed households have special needs for affordable housing and supportive housing in particular. Affordable childcare is also a need to this group.

The Urban County funds the operation of the two women shelters for battered spouses, which provide shelter and transitional housing and funding for facility improvements are also made. The Urban County funded the acquisition of transitional housing for

domestic violence survivors countywide which increase the number of units for this population by six units.

Large Households

Large households, those with five or more persons, have special housing needs due to their income and the lack of adequately sized, affordable housing. As a result, large households often live in overcrowded conditions. The 2000 Census report, 8,402 households with five or more members in the County, represents 9 percent of the total households. The special census tabulations for HUD indicated that among the large households in the County, approximately 68 percent experienced at least one housing problem. This illustrates that the County has a need for affordable housing units with three or more bedrooms.

Persons with HIV/AIDS

The National Commission on AIDS states that up to half of all Americans with AIDS are either homeless or in imminent danger of becoming homeless due to their illness, lack of income or other resources, and weak support networks. The Commission further estimates that 15 percent of all homeless people are infected with HIV, which represents a range of 450 to 600 persons (homeless population estimated to be between 3,000 to 4,000 persons).

According to the County Health Department, there are about 150 reported cases of HIV/AIDS in the County. . Exact population numbers are not known primarily due to confidentiality reasons. The AIDS Support Network in the City of San Luis Obispo is the only organization in the county to assist persons with HIV/AIDS with housing and support services.

Persons with Alcohol/Other Drug Addiction

Alcohol/other drug abuse is defined as excessive and impairing use of alcohol or other drugs, including addiction. The National Institute of Alcohol Abuse and Alcoholism estimates the number of men with drinking problems (moderate or severe abuse) at 14 to 16 percent of the adult male populations, and the number of women with similar problems at 6 percent. Abusers of alcohol and other drugs have special housing needs during treatment and recovery. Group quarters typically provide appropriate settings for treatment and recovery. Affordable rental units provide housing during the transition to a responsible lifestyle.

Alcohol Services estimates that 9 percent of the County of San Luis Obispo population of 262,897, or 23,661, have an alcohol or other drug addiction and therefore are in need of support services.

It is important to note that many persons who abuse drugs and alcohol have dual diagnosed issues with mental illness and or with an emotional disturbance.

Homeless Needs (Continuum of Care)

The Economic Opportunity Commission of San Luis Obispo County (EOC) estimates that there are 3,000 to 4,000 homeless persons in the County. This estimate is based on information EOC maintains on its homeless clients both in the shelter and receiving case management services outside of the shelter. EOC uses CDBG, ESG and general fund money from the County and local cities to operate a homeless shelter and a homeless day center, which are both located in the City of San Luis Obispo. The homeless shelter provides 49 beds year-round. EOC also works in partnership with the Interfaith coalition for the Homeless to provide ‘overflow’ sheltering during winter months. A different church hosts the “overflow” program each month, providing an additional 15-35 beds nightly. Approximately 850 homeless persons receive one or more nights of emergency shelter and assistance during the year. The homeless day center provides showers, clothing, meals, mail and phone services, counseling services, health screening, and access to transitional housing. These services help the homeless to stabilize their lives and move toward greater self-sufficiency.

In the north county area, EOC operates a homeless case management program and has begun efforts to establish a north county homeless shelter within the City of Atascadero. Various churches and non-profit groups in the north county area provide other services such as day meals, food, clothing, and a motel voucher program. These groups include the Homeless Housing Project, Loaves and Fishes, the Salvation Army, Harvest Bag and the El Camino Housing Organization (ECHO).

1. ACCOMPLISHMENT

In the past 12 months, San Luis Obispo county organizations and agencies have continued to pursue the goal of ensuring that the county’s most vulnerable populations – chronically homeless individuals and families – are adequately housed and connected to needed services. In 2003-2004 efforts focused on the following areas:

- A) Permanent housing for homeless persons and those at risk of becoming homeless – In 2003-04, local CoC programs enabled 69 homeless adults with disabilities to graduate from transitional to permanent housing, and provided move-in expenses to enable 222 person to obtain subsidized permanent housing. Based on figures from the 2002-03 SHP APR reports, Economic Opportunity Commission of San Luis Obispo (EOC) case management had assisted a minimum of 162 persons to obtain permanent housing by the time they left the program.
- B) Action to promote development of new units of affordable housing – With substantial advocacy support from the Homeless Services Council and individual homeless service providers, the San Luis Obispo County

- Housing Trust Fund became a nonprofit corporation and received the first \$1 million to develop affordable housing in San Luis Obispo County.
- C) Expand and sustain homeless shelter services – During this period of time, EOC secured construction funding through a state grant to build a north County homeless shelter. After two years of coordinated education and advocacy, community workshops and public hearings, EOC was granted a Conditional Use Permit for the shelter in April 2004.

In addition, the service provider infrastructure was strengthened through the strategic planning and capacity-building efforts of the Homeless Services Council, the lead entity of the county's CoC.

2. PLANNING PROCESS FOR DEVELOPING A CONTINUUM OF CARE STRATEGY

a.) **Lead Entity:** The San Luis Obispo County Homeless Services Council takes the lead in planning for homeless services in San Luis Obispo County.

The mission of the Homeless Services Council is to create a Continuum of Care services system that enables homeless persons to achieve permanent housing. Our guiding principles are:

- All people in San Luis Obispo County deserve safe, affordable housing.
- Homeless persons deserve assistance in building a safe and secure lifestyle that includes housing and support services as necessary.
- Homeless persons should receive assistance in an environment that is respectful, convenient and confidential.

Based on these principles, local CoC efforts focus on these overarching goals:

- Enable homeless persons to obtain and retain permanent housing self-sufficiency by utilizing a comprehensive, integrated and regional system of services and resources.
- Advocate for and act to increase the number of units of affordable housing available in the county.

Local CoC services and resources are linked to mainstream systems and resources, and targeted to assist:

- chronically homeless adults with disabilities
- homeless families with children.

b.) **Community Planning Process:** For more than 15 years, community advocates have come together to plan and develop homeless services. Their first efforts resulted in creation of the first homeless shelter (the Maxine Lewis Memorial Shelter in the City

of San Luis Obispo); expansion of the number of emergency assistance sites; creation of the first free lunch program; development of a separate church-based 12 month emergency shelter just for families; advocacy for creation of the County Homeless Services Coordinator position; and putting together the first Transitional Housing Demonstration Grant program with on-site case management for homeless adults with mental illness. The Healthcare for the Homeless program began with substance abuse recovery services and case management for that segment of the chronically homeless population.

Implementation of the second phase of services initiated outreach programs targeted to homeless persons with addictions, mentally illness, HIV+ and other health problems; developed the Prado Day Center for the homeless, the EOC case management programs, and expanded the transitional housing program; and secured funds to buy the Maxine Lewis Memorial Shelter, the San Luis Obispo Women's Shelter and the North County Women's Shelter. It was also responsible for creating the Supportive Housing Consortium and, through the Consortium, the Tenant Based Rental Assistance Program (TBRA), which works in conjunction with the Section 8 Voucher program of the Housing Authority. The TBRA program houses more than 200 persons with special needs each year.

More recently, community advocates focused on developing services in the northern region of the county. In the past five years, that group has doubled the capacity of the North County Women's Shelter; developed a motel voucher program and church-based 12 month overnight shelter; created lunch and dinner programs in two cities; expanded outreach; opened transitional housing sites; expanded case management to that region; and now has an approved Conditional Use Permit and funding to build a permanent shelter.

The current Homeless Services Council represents decades of collective experience in planning and implementing needed homeless services. The Council's mission is to enable homeless persons to obtain permanent housing. Over the past year, the leadership of the Council has been meeting to create an infrastructure for the Council to meet critical needs by supporting service delivery through capacity building and resource development. The infrastructure that is emerging is a Steering Committee with technical assistance from the County Homeless Services Coordinator. Over the next year, the Homeless Services Council will determine the composition and duties of the Steering Committee, and decide which responsibilities that the entire Council will keep for itself.

Continuum of Care Planning Structure: The *Homeless Services Council* and its Steering Committee meet year-round. Our tasks are to determine the number of homeless persons there are in the county, assess the capacity of current homeless services, identify gaps in services, prioritize homeless services, coordinate service delivery, develop programs to expand services as needed, identify funding sources, advocate for increasing affordable permanent housing, and develop a strategy to end homelessness.

The Council membership is made up of representatives of homeless service providers, local public and private health and human services agencies, law enforcement, emergency assistance providers, staff from County Planning and Social Services, the business community, and the cities.

The County provides a half-time *County Homeless Services Coordinator* who is a manager at the Department of Social Services. The Coordinator is responsible for supporting the activities of the Homeless Services Council, providing technical assistance to homeless service providers, and working with the *County Planning Department* as a liaison and resource for development of the annual Consolidated Plan and administration of the CDBG, ESG, HOME and County General Fund funding for homeless services.

County Planning staff oversees the development of the Supportive Housing Program application(s) and manages the SHP Request for Proposal process.

In order to maximize service integration, avoid duplication of services and ensure that mainstream services meet the needs of homeless persons, members of the Homeless Services Council also participate on the other countywide planning and development entities. Planning entity representatives also sit on the Homeless Services Council Steering Committee. In addition to the Homeless Services Council, the county's major planning and development entities are:

- The *Supportive Housing Consortium* whose mission is to increase the number of units of affordable housing for persons with special needs.
- The *Adult Services Policy Council* whose mission is to create a health and human service system to meet the needs of seniors and adults with disabilities.
- The *Children's Services Network* whose mission is to create a health and human service system to meet the needs of children and families.

There are two Direct Provider Alliances, one in North County and one in Central/South County. They consist of case managers, public assistance staff, social workers, emergency assistance staff, healthcare workers, and volunteers who meet monthly to coordinate access to homeless services and mainstream services, provide technical assistance and consultation to each other on difficult cases, and share any leads on available housing. They provide information to the Homeless Services Council so that agency policy and procedures that create barriers to accessing services are addressed and eliminated.

c. PLANNING PROCESS ORGANIZATIONS

Specific Names of CoC Organizations/Persons	Geographic Area Represented	Subpopulations Represented, if any*	Level of Participation (activity and frequency) in Planning Process
State agencies:			
California Polytechnic State University Student Services <ul style="list-style-type: none"> • “learn by doing” philosophy for civic participation and community development • student community service and internships 	City of San Luis Obispo (SLO)		Director of Community Service Learning attends 100% of planning meetings; Political Science professor attends 50% of planning meetings; both act as University liaisons for student academics and for student organizations such as Beyond Shelter, which volunteers to help homeless. Director of Community Service Learning serves on and attends all bi-monthly Ad Hoc Steering Committee meetings.
Local government agencies:			
SLO County Planning Department <ul style="list-style-type: none"> • SHP Contract Administrator • Consolidated Plan Department 	SLO County		Senior Planner and/or CDBG Administrator attend 100% of planning meetings; supports development of CoC, serves as liaison for County. Senior Planner serves on and attends all bi-monthly Ad Hoc Steering Committee meetings.
SLO County Mental Health <ul style="list-style-type: none"> • Homeless Outreach Program • Medication • Inpatient/Outpatient therapeutic services 	SLO County	SMI	Manager of Homeless Outreach Program attends 100% of planning meetings; serves on and attends all bi-monthly Ad Hoc Steering Committee meetings.
SLO County Social Services <ul style="list-style-type: none"> • TANF • MediCal (Medicaid) • Food stamps • Employment services • Childcare • Outreach 	SLO County		County Homeless Services Coordinator attends 100% of planning meetings; chairs Homeless Services Council; serves on and attends all bi-monthly Ad Hoc Steering Committee meetings.
HIV Care Consortium	SLO County	HIV/AIDS	HIV Care Consortium coordinator attends 20% of planning meetings.
City of San Luis Obispo	City of SLO		Two Human Relations Commissioners attend 75% of planning meetings; one serves on and attends all bi-monthly Ad Hoc Steering Committee meetings.
Public Housing Authority:			
Housing Authority of San Luis	City of San Luis		Executive Director attends 100% planning meetings; serves on and

Obispo	Obispo and countywide Section 8		attends all bi-monthly Ad Hoc Steering Committee meetings.
Nonprofit organizations: (includes Faith-Based organizations):			
Economic Opportunity Commission of San Luis Obispo County	SLO County		Planning Director attends 100% of planning meetings; serves on and attends all bi-monthly Ad Hoc Steering Committee meetings; Director of Homeless Services attends 75% of planning meetings; North County Homeless Services Coordinator attends 50% of planning meetings.
Transitions-Mental Health Association	SLO County	SMI/SA	Adult Services Director and Transitional Housing Manager attend 100% of planning meetings and serve on and attend all bi-monthly Ad Hoc Steering Committee meetings.
North County Women's Shelter	North County	DV	Shelter Director attends 30% of planning meetings.
Women's Shelter Program of SLO	City of SLO	DV	Shelter Director attends 20% of planning meetings.
El Camino Homeless Organization	North County		President attends 90% of planning meetings.
Friends of Prado Day Center	City of SLO		Board member attends 100% of planning meetings; serves on and attends all bi-monthly Ad Hoc Steering Committee meetings.
Homeless Housing Project	North County		Board chair attends 50% of planning meetings.
Independent Living Resource Center	SLO County		Manager attends 25% of planning meetings.
Grass Roots II • <i>Emergency Assistance</i>	SLO County		Manager attends 50% of planning meetings.
Gryphon Society • <i>Substance Abuse Recovery</i>	North County	SA	Program Manager attends 10% of planning meetings.
People's Kitchen	City of SLO		Coordinator attends 50% of planning meetings.
South County People's Kitchen	South County		Coordinator attends 40% of planning meetings.
Faith Based Organizations:			
Second Baptist Church	Paso Robles		Emergency Services Coordinator attends 100% of planning meetings.
Loaves and Fishes of Paso Robles	Paso Robles		Emergency Services Coordinator attends 100% of planning meetings.
Atascadero Loaves and Fishes	Atascadero		Emergency Service staff attends 100% of planning meetings.
Interfaith Coalition for the Homeless	City of SLO		Board member attends 75% of all planning meetings.
Businesses / Business Associations:			
SLO Downtown Association	City of SLO		Coordinator attends 25% of planning meetings.
Homeless /Formerly homeless persons:			

Homeless Advocacy Committee	City of SLO		Formerly homeless person attends 100% of planning meetings; serves on and attends all bi-monthly Ad Hoc Steering Committee meetings.
Law Enforcement			
SLO County Sheriff	SLO County		County Sheriff staff attends 10% of planning meetings.
City of SLO Police Department	City of SLO		SLO Police staff attends 10% of planning meetings.
Hospital/Medical:			
Community Health Centers of the Central Coast <ul style="list-style-type: none"> • Healthcare for Homeless • Mobile health van • Primary care 	SLO County		Healthcare for the Homeless Manager attends 100% of planning meetings and serves on and attends all bi-monthly Ad Hoc Steering Committee meetings.

CONTINUUM OF CARE - GOALS AND SYSTEM UNDER DEVELOPMENT

3a Chronic Homelessness Strategy/Goals

Introduction

San Luis Obispo County has some of the highest housing costs in the nation. The median price of a family home jumped to \$444,190 in February 2004 and, according to the U.C. Santa Barbara Economic Forecast Project's *2004 San Luis Obispo County Economic Outlook*, is expected to top \$600,000 in the next five years. The housing crisis is seriously impacting the jobs/housing imbalance countywide. It is increasingly difficult for local businesses to recruit/retain a reliable workforce, especially in law enforcement, fire fighting, medical services, and teaching. When families can't afford home ownership, the rental market remains compacted and rental prices rise. Five years ago, local homeless folks competed against college *students* for housing; today they compete against college *professors* for rental housing.

(1) Past Performance

(a) Specific actions over the prior 12 months to end chronic homelessness.

In the past year, the network of local homeless service providers focused on moving the chronically homeless from the streets, through case management, to permanent housing, as well as strengthening services to keep people from becoming homeless in the first place or remaining homeless for an extended period of time. Our greatest success in assisting the chronically homeless has been simply bringing them into the structure of support services through three-meals-a-day and supportive day center programs. Many eventually develop trust in provider staff and agree to enter the case management system.

North San Luis County has a relatively high number of chronically homeless people who face geographic isolation and a lack of public transportation. A North County church-

based overnight shelter/dinner program has been operating since December 2001. A second dinner site was needed to address the needs of the chronically homeless in the northernmost regions of the county. With support from the North County social service community, a new dinner program was implemented by a local church in February 2004. With greater availability of an evening meal and shower, North County homeless are more likely to visit the service sites, allowing opportunities for program staff/volunteers to provide assistance and entice the chronically homeless away from the streets and into supportive services and housing. Approval of the Conditional Use Permit to develop a permanent shelter in the North County was a major effort.

To help the mentally ill avoid becoming the chronically homeless, a Mental Health/Criminal Justice Task Force was created to assist the mentally ill who come in contact with the criminal justice system. The Task Force is composed of representatives from County Departments of Mental Health, Drug and Alcohol Services, District Attorney, Public Guardian, Administration, Probation, Sheriff, and Superior Court, as well as the Alliance for the Mentally Ill, County Health Commission, Mental Health Board, and the Economic Opportunity Commission. The Task Force created a local Mental Health Court to work with mentally ill offenders in a way that addresses their health issues as well as their legal issues. This is intended to minimize the number of mentally ill who are incarcerated and then become homeless and, eventually, chronically homeless.

(b) What impact did these actions have on the number of chronic homeless?

We judge our success by the number of chronically homeless we see coming into the shelters to receive services that enable them to sustain themselves. The challenges of counting the homeless have limited our ability to evaluate the impact on the actual number of chronic homeless. However, expanding our meal/shelter offerings in North County to attract more chronically homeless off the streets, and creating a special system within the judicial system to attempt to keep mentally ill clients from falling into homelessness, have both had a dramatic impact on the quality of life of the chronically homeless in San Luis Obispo County. These capacity-building interventions will likely decrease the number of adults with substance abuse and/or mental illness issues who fall into homelessness. "An ounce of prevention is worth a pound of cure." The work of the Mental Health/Criminal Justice Task Force can be assumed to have decreased the number who would have become or remained homeless without accommodation of their special needs.

(c) Any remaining obstacles to achieving this goal.

Locally, the lack of affordable housing and competition for available housing continues to thwart efforts to end homelessness in the county. Preventing people from falling into homelessness and offering eviction prevention assistance are key CoC strategies.

Being mentally ill is a significant risk factor in becoming homeless. Among CoC clients, the most consistent problem is mental illness. All mentally ill homeless present significant complications in achieving and maintaining housing. For the chronically

homeless with severe mental illness or other disabling conditions, loss of existing housing can be life threatening.

A one-time payment to keep a client from being evicted is significantly more cost-effective than attempting to find new housing or providing support services and benefits. Funding for eviction prevention assistance is extremely limited. One of the biggest challenges for the future will be for us to identify additional funding sources, while redesigning the services in place to include case management and life skills training to support clients' successful retention of housing.

The local economy offers limited job opportunities. Between the lack of affordable housing and insufficient jobs, there are dual pressures on individuals and families that are likely to affect the chronically homeless even more dramatically than other homeless populations. Because the county is located halfway between San Francisco and Los Angeles on the main coastal route, it has a high population of migrating homeless. Members of this generally transient population are not usually seeking case management or other stabilizing services.

While we might eventually be able to address the needs of the current chronically homeless population in San Luis Obispo County, one of our greatest concerns is our inability to stop the spread of chronic homelessness. Though HUD's recent emphasis has been on the single chronically homeless, chronically homeless families are now a burgeoning population that is raising the next generation of chronically homeless. We have increasing numbers of chronically homeless adults who are raising children in the margins of society. In addition to malnutrition and the developmental delays associated with poverty, their children may exhibit perinatal substance abuse and/or fetal-alcohol syndrome; have a high tolerance for domestic violence, child abuse and drugs; or have difficulty "bonding" with society or recognizing social conventions or boundaries. Many children are being born drug-addicted with serious health or behavior problems and conditions. In addition to addressing homelessness, more treatment is needed for mental illness.

Chronically homeless families have profound impacts on local resources especially health, mental health, substance abuse, domestic violence, law enforcement, and child welfare services. To truly end chronic homelessness by 2012, we must focus on both single and family homeless populations, and manage mental illness better.

(2) Current Chronic Homelessness Strategy

The Homeless Services Council's strategy to end homelessness by 2012 for chronically homeless persons with disabilities and homeless families includes:

- Increase the number of units of affordable housing.
- Enable homeless persons to become economically self-sufficient.

- Prevent low-income county residents with special needs from becoming homeless.
- Advocate for a health and human service system that meets the needs of low-income county residents.
- Determine the number of homeless persons in San Luis Obispo County.
- Strengthen organizational support for service providers.

In our 'point-in-time' survey, we identified 210 chronically homeless residents that were sheltered. County case workers who provide outreach to chronically homeless clients who are unsheltered estimate that there are between 1000 and 1500 in the county, and that they provide services to approximately 100 of them in an average month.

We continue to work through the Continuum of Care services providers to address the daily issues that affect the local chronically homeless, as well as their long-term needs and goals. The following services are intended to bring them into the system so that they are receiving assistance and benefits, and breaking the cycle of chronic homelessness.

Emergency assistance and food programs provide immediate initial assistance. Participating agencies include: Salvation Army; Loaves and Fishes of Atascadero and Paso Robles; St. Vincent de Paul, Five Cities Christian Women; three People's Kitchen programs, in San Luis Obispo, South County, and North County; El Camino Homeless Organization; Second Baptist Church of Paso Robles, and various other churches throughout the county.

Emergency shelters provide immediate overnight shelter in the central and northern areas of the county. These include the Economic Opportunity Commission's Maxine Lewis Memorial Shelter, the Interfaith Coalition for the Homeless and El Camino Homeless Organization church-based shelter programs, and the Homeless Housing Project's Motel Voucher program.

Outreach and assessment are provided to the chronically homeless in need of treatment for mental health and/or drug and alcohol issues by the County's Homeless Outreach Program (HOP) (see more below); an HIV mobile van is provided by the County Public Health Department, and a general healthcare mobile van is provided by Healthcare for the Homeless, a program of the local Community Health Centers network; and the County's Department of Social Services provides an outreach program to reach clients at local sites such as the Prado Day Center, with information and enrollment forms for TANF, food stamps, Medi-Cal/Medicaid, and General Assistance (see more below).

Homeless case management is provided by the Economic Opportunity Commission in all areas of the county, while mental health case management is provide through HOP and other mental health services provided at the County Jail.

Drug and alcohol recovery programs are provided for men at 'Project Amend' and 'Gryphon House', for women at 'Casa Solana'.

Transitional housing is provided by Transitions-Mental Health Association, both women's domestic violence shelters, 'Casa Solana', and the Homeless Outreach Program.

Permanent housing is provided through the Tenant Based Rental Assistance Program, Rental Assistance Program of Social Services, and Section 8 Voucher program.

The County's ongoing Homeless Outreach Program (HOP) assists individuals countywide who are mentally ill and homeless, and have been underserved by conventional mental health service delivery. Specific attention is directed to those who are frequently incarcerated, frequently hospitalized, who are 18-25 years of age, and those dually diagnosed with mental illness and substance abuse problems. Homeless outreach workers engage mentally ill homeless through contacts made at soup kitchens, churches, shelters, County Jail, hospitals, rural campsites, and through referrals from other human service providers. Working collaboratively with multiple agencies, workers initiate contact, assess the individual's needs, and offer a wide array of services towards the goal of stabilization and enhanced quality of life. Support is focused on financial needs, health, nutrition, clothing, hygiene, transportation, and mental health services. Housing is available on a limited basis through HOP and provides opportunities for adjusting to life "off the street" in a home environment. A Residential Case Manager supports HOP residents in their daily efforts to stabilize their lives. Other services include vocational rehabilitation, public health nursing, dual disorders therapy, case management through the Clinical Coordinator, and psychiatric care as needed.

San Luis Obispo County has a well-established system of mainstream assistance services that are provided to the homeless population through the County Department of Social Services (DSS). The mainstream services available to assist the homeless include TANF, food stamps and Medi-Cal/Medicaid. The County funds a General Assistance (GA) program for the county's indigent, which provides a modest stipend, and can often stabilize an individual while SSI is pending. Generally, the population on GA is chronically homeless individuals, since homeless families can usually qualify for TANF. Many homeless GA clients suffer some form of mental illness, and usually receive services from County Mental Health, Drug and Alcohol, and Transitions-Mental Health Association.

Since welfare reform was implemented locally, the San Luis Obispo County DSS has been contracting with community-based organizations to help move families and individuals off aid and towards self-sufficiency. The support services include low cost housing, childcare, education and vocational training, and transportation. Agencies/programs with contracts for self-sufficiency services for homeless include: the Economic Opportunity Commission's Maxine Lewis Memorial Shelter and Prado Day Center, Housing Authority of San Luis Obispo, Food Stamp Outreach, both domestic violence shelters, Goodwill Industries, and County Mental Health, and Drug and Alcohol.

3b (1) 2003/04 Accomplishments in Addressing Other Goals

Permanent Housing: Number of homeless persons or persons at risk of homelessness who obtained permanent housing in 2003-2004.

- 69 chronically homeless adult with disabilities graduated from the Transitions-Mental Health Association Transitional Housing Program into permanent housing.
- 222 persons were housed using Tenant Based Rental Assistance and the County's Rental Assistance Program for Social Services, along with Section 8 vouchers for permanent housing including 17 chronically homeless persons, 47 homeless families and 12 families at risk of homelessness.
- The Economic Opportunity Commission's 'Housing through Case Management' program housed 162 persons.

Reasons for Success

There are two primary reasons that local homeless service providers are so successful at moving the homeless into permanent housing. The first is the long-standing partnership between homeless service providers and the local Housing Authority. The Housing Authority Executive Director has created programs to ensure that chronically homeless adults with disabilities and homeless families move into permanent housing with a Section 8 voucher while still receiving case management services. The marriage of housing and case management enables homeless persons to achieve economic self-sufficiency and develop living skills that will enable them to retain their housing.

The second reason is the formation of the Supportive Housing Consortium by homeless advocates. The mission of the Consortium is to increase the number of units of affordable housing for persons with special needs. Since 1995, the Supportive Housing Consortium member agencies have worked together to develop permanent housing for persons with AIDS, transitional housing for persons in recovery from substance abuse, transitional housing for victims of domestic violence, and expansion of the transitional housing program for chronically homeless adults with disabilities. In 2003-04, more than 200 persons achieved permanent housing with Tenant Based Rental Assistance Program (TBRA). Again, the program marries housing with case management services provided by agencies of the Consortium. The Supportive Housing Consortium has secured \$350,000 in 2004-05 HOME funds for TBRA. Since 1997-98, the Consortium has received \$1.8 million in HOME funds for TBRA.

In 1999-00, the San Luis Obispo County Department of Social Services modeled its Rental Assistance Program (RAPSS) on the TBRA program. RAPSS has provided \$1.3 million to house homeless families and families at risk of homelessness since 1999. The Department will fund RAPSS in the amount of \$348,000 in 2004-05.

The Economic Opportunity Commission's "Housing through Case Management" program assists homeless clients in obtaining permanent housing both with and without

the TBRA and RAPSS resources. The personal assistance and support provided by case managers enables clients to make the best use of all resources available.

Enable homeless persons to obtain and retain permanent housing and self-sufficiency through a comprehensive, integrated and regional Continuum of Care services system.

Emergency shelters: Completed the planning process to build a homeless shelter in the North County, in the city of Atascadero. Funds for building the shelter have already been secured through a state grant.

Permanent housing: Secured almost \$700,000 for the Tenant Based Rental Assistance Program and the Rental Assistance Program for Social Services for 2004-05. This will enable 220 persons to obtain permanent housing with the assistance of the first month's rent and security deposit.

Health care access: After the County General Hospital closed in June 2003, healthcare to homeless and low-income residents was picked up by Community Health Centers, with primary care and dental services at 10 locations throughout the county.

Maintaining services: The Homeless Services Council (HSC), the CoC lead entity, worked with other strategic planning and development councils to maintain existing mainstream services despite cuts resulting from California's substantial budget shortfall.

CoC infrastructure improvements: The HSC created an Ad Hoc Steering Committee to oversee the activities of the Continuum of Care; plan and execute a process to enumerate the homeless; and improve interagency cooperation.

Drug and alcohol recovery programs: Supported development of a residential sober living facility and program, outside of the City of San Luis Obispo, for 40 homeless persons.

Transitional housing: Developed a self-sustaining, stable local source of funding for the initial 12-bed transitional housing/case management program for chronically homeless adults with disabilities, primarily mental illness. This program has now become independent of SHP funding.

Outreach: The County Mental Health/Criminal Justice Task Force developed and implemented a Mental Health Court to complement the Drug and Alcohol Court, to divert persons with mental illness and substance abuse issues to treatment instead of jail.

Actions to increase the number of units of affordable housing.

- The HSC worked with the Supportive Housing Consortium to inform local, state and federal legislators about the need for affordable housing.
- The San Luis Obispo County Housing Trust Fund became a nonprofit corporation and received \$1 million to develop new units of affordable housing.
- Members of the HSC participated in developing new Housing Elements for the seven incorporated cities and the County.

Members of the HSC attended public hearings on revisions to the Housing Elements in all seven cities and the County, to advocate for new regulations and programs that

encourage and support the construction of new units of affordable housing for low-income county residents, especially those with special needs. The cities of Atascadero, San Luis Obispo and Arroyo Grande took action to create new programs to increase the number of units of affordable housing. The County of San Luis Obispo is considering creating an inclusionary housing ordinance.

Members of the HSC have taken the lead in creating the San Luis Obispo County Housing Trust Fund. This year the Trust Fund was incorporated as a nonprofit agency; received funding from the County and six of the seven cities to hire staff and open an office; and received \$1 million to provide financing for development of new affordable housing.

Detail/Strategy to End Homelessness.

INCREASE THE NUMBER OF UNITS OF AFFORDABLE HOUSING.

- Assist the San Luis Obispo County Housing Trust Fund to develop a stable local funding source of \$5 million annually designated for the development of affordable housing.
- Continue to work with local jurisdictions, local nonprofit and for-profit developers to develop affordable housing in all local communities.

ENABLE HOMELESS PERSONS TO BECOME ECONOMICALLY SELF-SUFFICIENT.

- Ensure that all homeless persons with disabilities have an income that enables them to obtain and retain permanent housing.
- Develop relationships with local employers. Train homeless persons who are able to work, with the skills needed by employers.

PREVENT LOW-INCOME COUNTY RESIDENTS WITH SPECIAL NEEDS FROM BECOMING HOMELESS.

- Work with the Supportive Housing Consortium and the Department of Social Services to ensure the continuation of tenant based rental assistance programs.
- Advocate for expansion of the Section 8 subsidized permanent housing voucher program, including a project-based component for construction and/or rehabilitation of units accessible to the homeless population.

ADVOCATE FOR A HEALTH AND HUMAN SERVICE SYSTEM THAT MEETS THE NEEDS OF LOW-INCOME COUNTY RESIDENTS.

- Work with the Adult Services Policy Council and the Children's Services Network to expand mainstream health and human services to meet the needs of homeless persons and those at risk of homelessness.

ENUMERATE HOMELESS PERSONS LIVING IN SAN LUIS OBISPO COUNTY.

- Develop baseline data on the number of chronically homeless persons with disabilities, the number of homeless families and the number of transient homeless who move through our county annually.

STRENGTHEN ORGANIZATIONAL SUPPORT FOR SERVICE PROVIDERS.

- Determine the regional services needed in our Continuum of Care to meet the needs of homeless persons.
- Improve the infrastructure of the San Luis Obispo County Homeless Services Council to better support countywide decision-making regarding the use of local, state and federal funds earmarked for homeless services.

Based on this long-range strategy, specific goals were chosen to address within the 2004-06 timeframe. Those goals are reflected in the *Continuum of Care Goals and Systems Under Development* section of this application.

CONTINUUM OF CARE - DISCHARGE PLANNING POLICY

Overview

The various agencies that participate in the San Luis Obispo County Continuum of Care have developed a number of mechanisms to ensure that the homeless services delivery system is coordinated with the discharge practices of federal, state and local institutions in San Luis Obispo County. The primary local institutions that discharge individuals who are at risk of becoming homeless are: the County Jail, County Probation Department, and Foster Care (County Department of Social Services). Veterans Services is an integral part of the discharge planning as they come into contact with local veterans who are either currently homeless or at risk of becoming homeless.

The intent is that each person discharged from a public institution has resources and systems available to them to obtain and retain permanent housing. Self-sufficiency is achieved by utilizing a comprehensive, integrated and regional Continuum of Care service system. The consensus among the Homeless Services Council and other service providers is that the most critical need is for the mentally ill homeless. Individuals with mental illness coming out of jail, off of probation, or exiting foster care may need a supervised housing situation with independent living skill-building that facilitates a smooth transition into permanent housing.

Foster Care Homeless Prevention

One of the leading programs in preventing homelessness is the Independent Living Program (ILP) assisting foster children to transition from system dependency to independence. It is well established that many homeless persons were formerly in foster care. In order to prevent homelessness among children leaving foster care, services have been targeted to adolescents, aged 16-21, who either are in or have recently left foster care. The ILP discharge planning offers a comprehensive needs assessment, assistance locating housing, utilities and grocery allowance, workshops on being a responsible tenant, and support by peers and social workers. The ILP works closely with the Housing Authority of San Luis Obispo, Cuesta Community College, California Polytechnic State University, Workforce Training Program, County Mental

Health, Probation, various group homes, and foster family agencies to piece together the full range of services needed to prevent homelessness. One of the most critical programs is the Transitional Housing Placement Program, which serve teens 16-18, in school or employed, and provides a semi-independent living opportunity. More resources are needed in the area of young adults over the age of 18 (who were formerly foster children), as funding to serve this age group is limited and there is a high percentage of former foster children living in marginal or unstable housing conditions.

San Luis Obispo County Jail

County Mental Health workers are permanently assigned to the Jail. This facilitates referral to other County service providers in the Continuum of Care, and other substance abuse rehabilitation facilities. About 15% of the jail population is mentally ill, and 35% of those enter the system homeless. Upon release they are given a 10-day supply of psychiatric medications, and referred to the services they need in the Continuum of Care. Inmates released from the jail are referred to the Department of Social Services for the mainstream assistance programs such as General Assistance (county-funded), food stamps and Medi-Cal/Medicaid. The Social Security Administration, through which the disabled may apply for permanent disability benefits, is located directly across the street from the Department of Social Services.

The Homeless Outreach Program (HOP) has a staff person who is assigned to work with those individuals in jail and hospitals who, upon their release, will return to homelessness. This Bridge Worker creates the connection to needed health and human services in an effort to avoid readmission to these facilities, and to assist with reintegration into the community.

Probation

Probation is the other major agency that discharges into the community individuals who may be at risk of homelessness. The Continuum of Care serves the Probation population, and the Multi-Agency Placement Committee meets to discuss every person in placement through Probation, to ensure that individuals have a network of resources available to them. Some of those on probation overlap with the mentally ill population and are served through local Mental Health programs. There is additional need for transitional housing in our community for this population, as some individuals are not able or ready to live independently.

CONTINUUM OF CARE SERVICE ACTIVITY CHART

BILINGUAL, CULTURALLY-SENSITIVE STAFF ARE EMPLOYED THROUGHOUT THE CoC SERVICE SYSTEM, TO ENSURE EQUAL ACCESS AND SUPPORT TO ALL LOCAL PERSONS IN NEED.

Component: ***Prevention***

Services in place:

Homeless prevention in San Luis Obispo County is accomplished through four basic approaches: 1) rental assistance, eviction prevention and utility assistance; 2) public assistance; 3) food and emergency assistance; and 4) information and referral to access long-term benefits and available resources.

1) Rental assistance, eviction prevention and utility assistance: The Housing Authority of the City of San Luis Obispo operates the Tenant-Based Rental Assistance program on behalf of the San Luis Obispo Supportive Housing Consortium, providing *rental assistance* to eligible special needs and homeless persons throughout the county. The Economic Opportunity Commission operates an *eviction prevention and rental assistance* program, as well as a *utility shutoff prevention, minor home repair and weatherization* programs to keep housing from becoming substandard. The HIV Care Consortium funds the AIDS Support Network to provide *housing and utility assistance* to HIV/AIDS clients. The St. Vincent de Paul Society, Salvation Army, El Camino Homeless Organization, Loaves and Fishes of Atascadero and of Paso Robles, Grassroots II, and Green Pastures provide limited eviction prevention funds.

2) Public assistance: The Department of Social Services operates welfare reform with cash assistance (TANF), Medicaid, food stamps and General Assistance programs. Social Security provides SSI/SSP cash assistance to persons with disabilities.

3) Food and emergency assistance: Emergency assistance centers have been established in all regions of the county to provide short-term crisis intervention assistance, food and gas vouchers, food pantries, and motel vouchers. Faith-based groups also operate food and assistance programs in every community. North County is served by Loaves and Fishes operating in Paso Robles and Atascadero. Second Baptist Church in Paso Robles provides lunch and People's Kitchen provides dinner. South County is served by Five Cities Christian Women's Food Pantry, South County People's Kitchen, Harvest Bag, and the St. Vincent de Paul Society. Central County/San Luis Obispo is served by Grass Roots II, God's Storehouse, Harvest Bag, People's Kitchen, and AIDS Support Network. The Salvation Army operates in communities throughout the county, and churches in all areas keep a small emergency fund for community members in crisis.

Services planned:

Funding for homeless prevention activities is limited while the demand for these

services is very high. Providers have expressed a desire for increased funding so homeless prevention activities can be expanded and serve more households. It is much more cost efficient and less labor intensive to keep clients housed rather than attempt to re-house clients once they have become homeless. The CoC service system will help develop additional resources for eviction prevention activities.

In 2004-2005, the local CoC network has generated \$350,000 for the Tenant-Based Rental Assistance program and \$348,000 for the Rental Assistance Program of Social Services, to meet the growing need for homeless prevention and housing assistance. To decrease the competition for entry-level housing, our community must increase the supply of rental units. Local service providers are actively supporting development of the countywide Housing Trust Fund, to fund creation of new units of affordable housing each year.

How persons access/receive assistance:

Clients of the Supportive Housing Consortium member agencies can be referred to the Tenant-Based Rental Assistance program; other homeless persons can go to the Department of Social Services emergency assistance centers, local churches, Prado Day Center, Maxine Lewis Memorial Shelter, El Camino Homeless Organization, or Economic Opportunity Commission's Emergency Services Coordinator for assistance accessing services. Typically resources such as eviction prevention and utility shutoff prevention are combined with emergency food assistance to solve a client's immediate cash flow problems in order to keep them housed. Clients must show an eviction notice or utility shut-off notice or explain their need for gas, food or motel vouchers. Funds are paid directly to landlords, utility companies and other vendors.

Component: ***Outreach and Assessment***

Outreach in place for persons living on streets:

There have been encampments of homeless adults in the county for years. Some of these chronically homeless are Vietnam veterans, disabled and/or mentally ill adults and displaced families in motels, trailers and campgrounds. Many are unable to live in communities, very distrustful of government intervention and unwilling to participate in programs with group rules. They often have multiple and chronic health problems such as alcohol or substance abuse. They are willing to meet with Outreach Workers and receive health services, however they are sometimes not willing to be case managed or participate in supportive housing programs.

A second subpopulation is disabled individuals who are homeless because they have a mental illness or are dual diagnosed. While they are willing to meet with Outreach Workers to receive services, they are often hard to locate because they move their campsites. Their mental and physical health conditions cause them to neglect their basic needs for food, sanitation or healthcare and they often end

up in the local hospital emergency room. They would be able to use the services of a transitional housing facility with on-site case management services.

There are two transitional housing programs serving the disabled homeless: Homeless Outreach Program has houses (12 beds) in the City of San Luis Obispo and Transitions-Mental Health Association maintains 7 houses (29 beds) in the county. However, with only one 4 bed transitional housing facility in all of North County and none in the South County, a bed is rarely available in these regions when it is needed.

Outreach and assessment activities for the homeless are well developed and reach all subpopulations. Outreach workers from various agencies including Department of Social Services and the Homeless Outreach Program go where homeless persons and families congregate: to campsites, emergency assistance centers, soup kitchens, emergency shelters, the Prado Day Center, and other locations. Workers provide information, service coordination and transportation to homeless people. Department of Social Services staff assist clients in applying for TANF, Medi-Cal, food stamps, and General Assistance.

A Mobile Medical Team also operates the Healthcare for the Homeless Project. Funded through the Community Health Centers of the Central Coast, the mobile health van travels to sites around the county conducting field health assessments and health interventions. The homeless mentally ill are contacted and assessed by County Mental Health, Homeless Outreach Program and Transitions-Mental Health Association Outreach Workers, and through mental health services provided by Healthcare for the Homeless at the Prado Day Center. The substance abuse subpopulation is contacted via the Community Health Centers of the Central Coast Roadrunners, County Drug and Alcohol and their support/counseling groups, County Mental Health, and Transitions-Mental Health Association Outreach Workers. The AIDS Support Network Social Service Coordinator is usually the first contact person for homeless adults with HIV/AIDS. County Drug and Alcohol, Homeless Outreach Program, Wild Coyote of South County and the Community Health Centers of the Central Coast medical van offer AIDS testing and incentives. They establish a link between the individual and the health and human service system. Victims of domestic violence are contacted by Healthcare for the Homeless, County Mental Health and Transitions-Mental Health Association Outreach Workers and through the two domestic violence shelters, Maxine Lewis Memorial Shelter, and Prado Day Center. Homeless youth are contacted through LifeSteps Foundation. Homeless veterans are contacted via the Veterans Service Center, County Mental Health Outreach Worker, Healthcare for the Homeless, VA Medical Center, Prado Day Center, El Camino Homeless Organization, local soup kitchens, and the Maxine Lewis Memorial Shelter.

Outreach in place for homeless persons not living on the streets:

The number of homeless families is steadily increasing in North County. A

combination of rising local housing costs, less cash public assistance, and low-wage jobs has caused many families to lose their housing. These families may sleep in their cars or “couch surf” with friends and relatives, in order to keep their minimum wage jobs and enable their children to continue in the familiar and supportive environment of their schools. Due to the distances between local communities and the inadequate public transportation system, homeless people are unable to access services that are not available within easy commuting range. Services are offered through the school-based SAFE family assistance sites in North and South County. As described above, outreach is done where homeless folks typically gather to access services, such as Department of Social Services, Child Welfare Services, police stations, and churches.

Outreach planned:

Local outreach workers will continue to work collaboratively in order to maintain critical services to individuals and families. Outreach workers continuously educate clients on where to access services and how to navigate the social service systems. In 2004-05, the Homeless Services Council will be developing “resource maps” showing shelter, food and healthcare services available in each region.

Component: *Support Services*

Services in place:

A full array of support services are available countywide to help homeless persons transition back into the mainstream. An extensive interagency network of nonprofit social service agencies, government agencies, faith-based organizations, and civic and community groups provides these services. These organizations work cooperatively, referring homeless clients to each other, developing joint case management plans, and in some cases arranging subcontracts for services. This focus on collaborative assessment and case planning is critical to avoid duplication of services and misuse of resources.

Case management: Client intake, assessment, comprehensive case management, and counseling for homeless individuals and families is offered by a variety of providers including County Mental Health, AIDS Support Network, Community Health Centers of the Central Coast, Child Welfare Services, Adult Protective Services, Home Health Agency, and even private case managers. The Economic Opportunity Commission (EOC) operates a case management program for homeless families and individuals who are clients of its emergency shelter in San Luis Obispo. EOC also has 3 case managers in North County, and 2 full-time and 1 half-time case managers in South County. The two women's domestic violence shelters offer case management services for the women and children who stay in their programs. Transitions-Mental Health Association provides on-site case management and life-skills training to program clients in both transitional and permanent housing. Case managers help clients stabilize their income, achieve permanent housing and develop the skills needed to retain housing.

Life skills: Numerous agencies work with homeless individuals and families to build the life skills necessary to mainstream back into the community. The range of skill-building activities can include socialization, nutrition education, menu planning and shopping, job search and job readiness, using public transportation, house cleaning, and help with budgeting. Homeless families can also attend parenting classes and parent support groups. Homeless persons with mental illness or disabilities served by Transitions-Mental Health Association's Transitional Housing Program or Homeless Outreach Program receive intensive life skills training to assist them in developing or improving independent living skills.

Substance abuse: Healthcare for the Homeless offers a variety of services for homeless men and women recovering from substance abuse including mobile medical outreach, case management, recovery programs, and individual counseling. Healthcare for the Homeless operates counseling and group support programs at the South County People's Kitchen. Clients are also referred to residential programs for recovery and counseling. Dual-diagnosed homeless individuals living in transitional housing facilities can participate in the Roadrunners Drug and Alcohol support group, Wild Coyotes, Narcotics Anonymous, and Alcoholics Anonymous. Drug and Alcohol counseling is offered daily at Prado Day Center and weekly at Maxine Lewis Memorial Shelter. Healthcare for the Homeless Project provides recovery programs and case management in South County.

Mental health intervention: Outreach workers and therapists from County Mental Health, Transitions-Mental Health Association and Healthcare for the Homeless meet with homeless clients at locations throughout the county. Once homeless clients establish a relationship with outreach workers, they are able to use the mental health system to get services such as medication, therapy, outpatient services, and day treatment. Inpatient services are used only if a homeless person meets the criteria of grave disability and is unable to meet his/her basic needs. Healthcare for the Homeless provides mental health services and therapy, in addition to substance abuse services, detox and recovery groups. Transitions-Mental Health Association provides residential mental health services to homeless individuals who enter their transitional housing programs, including case management assessment, placement, monitoring, and referral. Homeless Outreach Program serves 120 mentally ill homeless clients.

Healthcare and AIDS-related treatment: The HIV Care Consortium coordinates all HIV/AIDS services from outreach through healthcare to housing. A team of health professionals from Healthcare for the Homeless has a mobile health van that travels to sites around the county. Healthcare workers provide field health assessments and transportation to local facilities. AIDS Support Network and County AIDS Case Management provide medical care for persons with AIDS. County Health screening for TB and Hep-C is provided at the Maxine Lewis

Memorial Shelter and Prado Day Center. Emergency services and services for chronic health conditions are provided through the Community Health Centers of the Central Coast primary care clinics and/or hospital emergency rooms.

Education: Homeless persons desiring assistance with their educational goals are supported through information and referral to available resources including ESL classes, Literacy Council, Cuesta Community College, and Adult Education classes. Persons participating in intensive case management are assisted to achieve educational goals that support greater economic and social stability.

Job training and employment: One-stop career centers are operated by the Private Industry Council and California Employment Development Department in San Luis Obispo and Paso Robles. Homeless persons can be referred for formalized assessment and job training. This program can also help people move beyond entry-level jobs. The TANF Welfare-to-Work plan operated by the Department of Social Services (DSS) is integrated to serve the needs of homeless clients, who can attend two weeks of job training through this program. DSS also provides vocational rehabilitation for eligible homeless persons. Transitions-Mental Health Association provides job coaching, vocational training and placement for mentally disabled adults. Homeless residents of the Transitions-Mental Health Association Transitional Housing Program and Homeless Outreach Program can be referred to these vocational programs. Transitions-Mental Health Association also organizes volunteer work opportunities for Transitional Housing and Homeless Outreach Program residents to build life skills and self-esteem. They have a volunteer carpet cleaning crew, food distribution crew for the Food Bank, and meal production crew for the Prado Day Center. Growing Grounds is a Transitions-Mental Health Association job training and employment program. Goodwill Industries also provides vocational assessments; and operates job training and placement programs.

Services for children: The County of San Luis Obispo has initiated multi-agency service coordination and planning to meet the needs of children, through the Children's Services Network and the Safe System of Care (SAFE) programs in North and South Counties. The SAFE programs provide multi-disciplinary, school-based services from various County departments such as Social Services, Mental Health, Drug and Alcohol, Probation, and Healthy Start. Homeless families are priority populations for these services and homeless children are identified by school staff and brought into the mainstream services system through this joint planning effort.

Play areas have been installed at the Maxine Lewis Memorial Shelter and Prado Day Center to ensure that homeless children have child enrichment opportunities that support healthy development. Prado Day Center offers a half-day program of supervised childcare Monday-Friday, year-round. The Economic Opportunity Commission operates the Child Care Resource Connection which connects homeless children to childcare, before and after school care programs, and summer camp and activity groups. The Department of Social Services provides

funds to subsidize childcare for TANF families.

Transportation: The County provides discounted bus passes to homeless persons to help them access public transportation. The County and City of San Luis Obispo provide free bus tokens to Prado Day Center and the Maxine Lewis Memorial Shelter, for homeless persons to use to get to appointments, employment, housing opportunities, childcare, and to connect to day and night sheltering services. Workers from Economic Opportunity Commission case management and Healthcare for the Homeless transport homeless people to various locations for needed services. Transitions-Mental Health Association case managers also provide transportation to appointments for transitional housing residents. The McKinney-Vento Act mandates that school districts provide transportation to school for homeless children.

Public benefits assistance: Shelter workers and case managers in local public and private agencies help homeless persons and families access public benefits assistance such as: Social Security; Social Security Disability Insurance; Supplemental Security Income; Unemployment; State Disability; TANF; General Assistance; food stamps; WIC; Medi-Cal; veterans benefits; assistance in obtaining birth certificates, driver's licenses, Social Security cards, and other necessary documents; and, assistance with the Section 8 application process including paperwork, housing search and tenant applications. As previously indicated, bilingual staff are available in all CoC service agencies to assist clients with translation and completing required paperwork.

Food and clothing: Prepared meals for the homeless are served at various provider sites countywide. In North County: Second Baptist Church provides a daily hot lunch and dinner in Paso Robles; El Camino Homeless Organization provides a daily hot dinner and sack lunches in Atascadero. In San Luis Obispo: People's Kitchen provides the homeless and working poor with a daily hot lunch at Prado Day Center; the Maxine Lewis Memorial Shelter provides a daily community meal program offering dinner and breakfast to homeless persons and families. In South County: South County People's Kitchen serves a daily hot lunch.

Groceries and commodities are also distributed countywide. Harvest Bag is a volunteer organization that gleans vegetable fields and fruit orchards and gathers food from supermarkets and bakeries six days a week for distribution to the homeless and needy. The Food Bank of San Luis Obispo County has two locations that serve as distribution points for food pantries and other providers who serve the homeless. In North County: Loaves and Fishes operates in Paso Robles and Atascadero, providing emergency food and other assistance to the homeless and hungry. In San Luis Obispo: Grassroots II provides emergency food, household items and clothing to those in need. In South County: The Economic Opportunity Commission distributes bread and produce weekly, and commodities distribution to 700 people once a month. Countywide: The

Economic Opportunity Commission's thrift store provides homeless clients with free clothing to meet their work, job hunting and school needs. The Salvation Army also provides emergency food, clothing and household assistance, as well as information and referral.

Personal and hygiene facilities: In San Luis Obispo, the Maxine Lewis Memorial Shelter provides shower facilities, and the Prado Day Center provides showers and laundry facilities. In Paso Robles the Second Baptist Church provides shower facilities and laundry services to homeless persons and families. In Atascadero, the El Camino Homeless Organization provides showers to clients of the church-based volunteer shelter.

Regional service hubs: The Prado Day Center has become the primary hub for daytime supportive services to the homeless and working poor. It enables health and human service providers to meet clients at a convenient common location to ensure that appointments are kept and services delivered. Current services provided on-site include: information and referral, health assessments and testing for HIV/AIDS and Hep-C, mental health outreach, drug and alcohol recovery support groups, access to case management, and the Homeless Outreach Program services.

In North County, the Salvation Army and Loaves and Fishes emergency assistance sites in Atascadero and Paso Robles function as social service hubs. Outreach workers and North County case managers meet homeless clients at both Loaves and Fishes facilities. A mobile health van also stops at the two food pantries and the North County's Women's Shelter to give health assessments, TB and HIV testing and coordinate referrals to health services. In recent years, new social service hubs have been developed in San Miguel and Shandon, two underserved high-poverty communities. Department of Social Services, WIC, Health, Mental Health and Drug and Alcohol Services participate in these hubs. There are also regional offices of several County health and human service agencies in North County, mostly located in Atascadero. These include a primary care health clinic, mental health services, drug and alcohol services, public health clinics, public assistance, and TANF services, education and childcare.

Veterans benefits: Veterans are encouraged to utilize local transitional housing and homeless services. Prado Day Center workers, Maxine Lewis Memorial Shelter workers, other homeless outreach workers, or police usually contact veterans first. These clients are then connected to the Veterans Service Center, Employment Development Department and Veterans Services. Veterans can also receive medical and counseling services locally at the VA satellite primary care clinic. Veterans with mental health issues or dual-diagnosis, who require transitional housing, are referred to the Transitions-Mental Health Association residential programs. The Economic Opportunity Commission annually transports veterans to the two day "Stand Down" benefits fair in Ventura.

Services planned: Until the impacts of state and federal budget crises are known, local services providers have committed their energies to preserving existing services.

How homeless persons access/receive assistance: Outreach workers and case managers travel to where homeless people congregate, to help link them to appropriate supportive services offered by various community service providers. Homeless persons and families can also access support services directly at service hub sites including assistance completing forms and gathering essential documents. On-site support services are provided at the Maxine Lewis Memorial Shelter, Prado Day Center and both women's domestic violence shelters. Case management and supportive services are also offered to homeless residents participating in Transitions-Mental Health Association's Transitional Housing Program and Economic Opportunity Commission's Case Management Program.

Table 24: CONTINUUM OF CARE HOUSING ACTIVITY CHART

Fundamental Components in CoC System - Housing Inventory Chart					
EMERGENCY SHELTER					
Provider Name	Facility Name	2004 Year-Round Units/Beds			2004 All Beds
		Family Units	Family Beds	Individual Beds	Year-Round
Current Inventory					
El Camino Homeless Organization	ECHO Shelter			31	31
Economic Opportunity Commission	Maxine Lewis Memorial Shelter			83	83
North County Women's Shelter	North County Women's Shelter	7	32		32
Women's Shelter Program SLO Co.	San Luis Obispo Women's Shelter	4	20		20
		11	52	114	166
Under Development					
		0	0	0	0
TRANSITIONAL HOUSING					
Provider Name	Facility Name	2004 Year-Round Units/Beds			2004 All Beds
		Family Units	Family Beds	Individual Beds	Total Beds
Current Inventory					
Transitions-Mental Health Associates	Transitional Housing for Homeless			54	54
Casa Solana	Casa Solana			12	12
Women's Shelter Program SLO County	San Luis Obispo Women's Shelter	5	22		22
		5	22	66	88
Under Development					
		0	0	0	0
PERMANENT SUPPORTIVE HOUSING					
Provider Name	Facility Name	2004 Year-Round Units/Beds			2004 All Beds
		Family Units	Family Beds	Individual Beds	Total Beds
Current Inventory					
Transitions-Mental Health Associates	Permanent homes w/services			40	40
		0	0	40	40
Under Development					
		0	0	0	0

Table 25: Continuum of Care Housing Gaps Analysis Chart

		Current Inventory in 2004	Under Development in 2004	Unmet Need/ Gap
Individuals				
Example	Emergency Shelter	100	40	26
Beds	Emergency Shelter	114	0	402
	Transitional Housing	66	0	252
	Permanent Supportive Housing	40	0	324
	Total	220	0	978
Persons in Families With Children				
Beds	Emergency Shelter	52	0	1068
	Transitional Housing	22	0	220
	Permanent Supportive Housing	0	0	0
	Total	74	0	1288

Table 26: Continuum of Care: Homeless Population and Subpopulations Chart

Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Example:	75	125	105	305
1. Homeless Individuals	114	66	978	1158
2. Homeless Families with Children	11	5	576	592
2a. Persons in Homeless Families with Children	52	22	1288	1362
Total (lines 1 + 2a)	166	88	2266	2520
Part 2: Homeless Subpopulations	Sheltered		Unsheltered	Total
1. Chronically Homeless	210		1500	1710
2. Seriously Mentally Ill	66			
3. Chronic Substance Abuse	107			
4. Veterans	36			
5. Persons with HIV/AIDS	14			
6. Victims of Domestic Violence	49			
7. Youth	26			

CONTINUUM OF CARE INFORMATION COLLECTION METHOD

1. Housing Activity Chart

a) For the San Luis Obispo County Homeless Services Council (HSC), emergency shelter is defined as shelter for one or more nights in designated emergency shelter programs. Transitional housing is considered a time-limited stay in a small congregate living environment, while receiving services in order to stabilize an individual's life and health issues towards the goal of permanent housing.

Under the auspices of the HSC Steering Committee, the *Continuum of Care Homeless Services Survey 2004*, a three page survey requesting information about the number of clients who accessed emergency, transitional and permanent supportive housing services at a point-in-time (March 25, 2004), was mailed to a master list of 65 social services agencies in San Luis Obispo County. The survey also requested information about housing under development and the general availability of support services in addition to shelter, including specific availability of food programs, rental assistance, clothing and household goods, case management, healthcare service, and life-skills training. Other areas surveyed were different sub-populations served, challenges faced by different agencies, and daily and annual client capacity of each agency. Completed surveys were returned to the County Homeless Services Coordinator to be tallied and reported to the HSC Steering Committee.

b) For the survey to be conducted in January of 2005, the HSC plans to work with the Political Science Department of the local state university campus, California Polytechnic State University, to engage the assistance of interns who have had special survey training and experience within the *Political Analysis* course offered there. Between September 2004 and March 2005, this intern will work with local agencies and organizations to develop, execute and analyze the results of a homeless point-in-time survey to enumerate the County's sheltered and unsheltered homeless populations, with special emphasis on the chronically homeless. This will enable us to better determine the immediate needs and how well CoC services are meeting them. We have acquired a copy of the HUD-recommended manual *Practical Methods for Counting the Homeless* from the Urban Institute to assist us in developing our upcoming enumeration project.

2. Housing Gaps Analysis Chart

In April of 2003, the San Luis Obispo Supportive Housing Consortium issued a report analyzing the results of its recent *Survey of Client Housing Needs*. Based on input from 19 local agencies and programs that serve special needs populations, the survey provides estimates of the numbers of transitional and permanent (both supportive and non-supportive) housing units needed for individuals and families, along with an estimate of the number of homeless. These figures were used to calculate the unmet need for special needs housing.

3. Homeless Population and Sub-populations Chart

The *Continuum of Care Homeless Services Survey 2004* was used to request information about the number of sheltered clients who accessed emergency, transitional, and permanent supportive housing services at a point-in-time on March 25, 2004. This survey was created through a combination of input from the HSC and a review of recommendations for survey information taken from the HUD website. One key issue for the HSC was using the HUD definition of “homeless”, which is less inclusive than the federal definition used by agencies such as health-care providers. A separate column for counting ‘chronically homeless’ (according to the HUD definition) was included and this was used to determine the number who were ‘sheltered’.

The figure for ‘unsheltered’ chronically homeless clients is taken from an estimate provided by the Residential Case Manager of the County’s Homeless Outreach Program (HOP), based on his daily interaction with and ‘count’ of the chronically homeless population that lives outside the infrastructure of the shelter and support service system. The numbers of unsheltered individuals and families are derived by subtracting the ‘sheltered’ population from the total number of persons identified as homeless, or needing transitional housing or permanent housing.

b & c) Once we have developed an effective survey process and tool for the 2005 survey, that survey will be used to gather both sheltered and unsheltered information annually. Fortunately, since we are a relatively small community with well established links between service organizations, we are able to undertake this information-gathering on a regular basis.

d) Changes in number of persons reported in Part 2

Chronically Homeless: In our 2003 report, we understood the definition of “chronically homeless” to be broader than the HUD definition, which we utilized for the 2004 statistics. For this reason, the ‘sheltered’ figure this year is smaller. For the ‘unsheltered figure’, we used a general estimate both years, based on our collective knowledge of the clients that flow through the shelter system and the County’s Homeless Outreach Program. The other numbers reflect the clients who received shelter on the point-in-time date chosen, and who were identifiable as members of those subpopulations. The one noteworthy change is the identification of 14 clients with HIV/AIDS where none were identified in 2003. This may reflect greater efforts recently made to identify and assist that subpopulation, as well as clients with Hep-C, within the community.

CONTINUUM OF CARE HOMELESS MANAGEMENT INFORMATION SYSTEM

a)With the guidance and support of HUD’s Community Planning and Development Los Angeles Field Office, it was determined that a regional Homeless Management Information System Model (HMIS), potentially with a common data-collection platform, might be the most effective approach in analyzing current needs and longitudinal trends in homelessness across the central coast region of California. Therefore, San Luis Obispo County is involved in a collaborative HMIS planning effort with the counties of

Ventura and Santa Barbara and the City of Oxnard. The goal is to implement a coastal region HMIS. It is anticipated the regional system will allow for some economies of scale in the project. To date, the Central Coast Regional Steering Committee has held nine meetings resulting in the development and implementation of a Memorandum of Understanding between the jurisdictions as a Regional HMIS Planning Collaborative. Regionally, this will allow for improved assessment of homeless needs and allocation of resources, and more efficient and effective coordination of service delivery. Locally, this will also improve performance across all of these areas.

As part of this regional collaboration, San Luis Obispo County has been planning for the development of an HMIS and evaluating software vendor packages in order to identify models that best meet local needs. Additional planning efforts have been undertaken to assess the technical capacity and capital needs among local agencies and homeless service providers. This will be the basis for determining the potential scope of the system for use by local programs and maximizing the number of participants and beds included.

Through the agencies and services represented in the Continuum of Care system, there are programs in place to ensure that a range of needs are addressed for homeless clients, including outreach, emergency shelter and assistance, healthcare, transportation, food, supportive services, case management, and transitional and permanent housing. The strategic planning and infrastructure are provided by the county's Homeless Services Council, whose meetings are a forum for discussion of services and improvements in service delivery.

However, using an HMIS, our assessment of homeless needs can be improved through a more systematic information gathering and data analysis process. This will better reveal the gaps and possible overlaps in service delivery. It will also help achieve more effective coordination and allocation of service needs. This will be true across all service areas included in the local Continuum of Care system. The information derived over time with the implementation of an HMIS, will allow the Homeless Services Council and local service providers to more effectively complete evaluations of service needs and match those with available resources.

The lead agency designated to oversee this HMIS Project is San Luis Obispo County. As such, the County will ensure as broad-based a system as conceivable at project inception. All current HUD SHP Sponsors and projects will be included in the HMIS during its initial implementation. The number of beds within the local Continuum of Care system that will be included in the initial implementation of the HMIS exceeds 50% of the inventory.

The timetable for implementing the HMIS system will be finalized during the Technical Submission process. During the interim prior to grant execution, planning on HMIS implementation will continue. Much of the planning associated with the regional HMIS model has been discussed within the context of ongoing monthly HMIS Regional Steering Committee meetings held between December 2002 and July 2004. These

meetings, as well as additional sub-committee meetings with more specific project focus, will continue throughout the year in anticipation of funding in 2005.

It is anticipated that upon grant funding, many of the substantive processes related to HMIS implementation will have been addressed. As previously indicated, a Memorandum of Understanding (MOU) has been developed between participating jurisdictions of our regional HMIS collaborative and regional discussion and planning continues.

Relevant local planning issues will be addressed between July 2004 and March 2005. These issues will include: addressing data-sharing, reporting needs, software and hardware evaluation; HIPAA and other federal and state privacy and client confidentiality issues; development of Requests for Qualifications and Requests for Proposals for vendor services; HMIS budget refinement and specification; and any other matters arising during the research and analysis process that might affect implementation. The jurisdictions that are part of the MOU have received some technical assistance on HMIS.

It is anticipated that the vendor selection will occur during the period of April 2005-July 2005, with the system in place and fully functional by September 2006. Concurrently, the HMIS Regional Steering Committee will continue to work closely with the Los Angeles Field Office of HUD to engage any additional technical assistance resources and expertise that may be brought to bear for the larger region community planning process, and to encourage participation by agencies and nonprofits outside the realm of federal funding.

Currently no other funding sources have been dedicated to such an effort; therefore, no local, state or other federal funding sources would be replaced with the HMIS funding being requested from HUD.

CONTINUUM OF CARE PRIORITIES

a) As the Sponsor agency, the County of San Luis Obispo requires annual performance reports (APRs) to be submitted for each SHP project. These reports describe in detail how the goals set forth in the application and grant agreement are being met. The selected projects applying for renewal funding were determined to be performing satisfactorily and addressing the needs for which they were funded, based on the APRs submitted.

b) In June 2004 the Homeless Services Council provided the County with the following ranking of homeless priorities, based on the results of its recent survey: 1) Enable homeless persons to obtain and retain permanent housing; 2) Provide transitional and/or supportive housing with on-site case management for homeless persons with disabilities; 3) Provide case management for homeless persons and homeless families including assessment, case planning and service coordination; 4) Provide outreach,

emergency shelter and emergency assistance; 5) Create a countywide automated tracking system to document the number of homeless persons who obtain permanent housing and determine effectiveness of services.

The gaps identified in the CoC system that are addressed by the applicant projects are: 1) limited transitional supportive housing for chronically homeless mentally ill and disabled adults; 2) limited case management to work with chronically homeless clients with disabilities and homeless families to enable them to obtain permanent housing; and (3) a lack of centralized data on who is receiving services and how effective those services are.

There are two types of complementary projects proposed: one is transitional housing, the other is 'housing through case management'. The first actively addresses the immediate needs of chronically homeless mentally ill and disabled adults by providing transitional housing with comprehensive on-site case management and supportive services, and graduation to permanent housing. The second combines immediate, daily assistance and support to address the needs of homeless adults with disabilities and homeless families, with a program to ensure that case managed clients have a roof over their heads, and the entitlement benefits and other resources needed to assist them to get out of and stay out of homelessness.

c) In order to give a broad spectrum of organizations serving the homeless an opportunity to submit project proposals, the County issued a formal Request for Proposals (RFP) for the 2004 SHP program. The RFP was sent to 65 organizations in the county that serve homeless persons in some capacity and published in the County's major daily newspaper, the San Luis Obispo *Tribune*.

The County received two proposals in response to the RFP. Each proposal was from an agency already receiving SHP funding requesting renewal of their projects. One is a joint project between two selected agencies; the other combines two projects of one selected agency.

Since all of the projects proposed are renewals, it was not deemed necessary to go through an external selection process to vote for the projects to be proposed. Rather than creating a competitive process between the projects at the selected level, we have chosen to submit all applications for renewal and follow the funding priorities determined by HUD's SHP process. However, among the projects, it was determined that the joint project, which includes housing, should receive priority ranking. This project is currently funded with the San Luis Obispo Nonprofit Housing Corporation as the Sponsor, and is their only project.

This application also contains a new project proposal for a Homeless Management Information System (HMIS). This was mentioned in the HUD RFP as a required project. As no proposals to develop an HMIS project were received in response to the County's RFP, the County of San Luis Obispo will continue to act as lead agency for the HMIS project.

Estimates of Current Housing Needs

State Requirements

State housing law requires cities and counties to address housing needs for all economic segments of their community. In particular, this means that the jurisdictions must identify “existing” housing needs in their community based upon household income levels, project “future” housing needs for each income level, and then develop appropriate programs to address these needs based on project growth.

The State Department of Housing and Community Development (HCD) provides guidelines for preparing such plans, and ultimately certifies the plans as adequate. HCD started the Housing Element update process by issuing its determination of each region’s share of statewide housing need, broken down by income group. In this case, the region consists of San Luis Obispo County, including the seven incorporated cities. The San Luis Obispo Council of Governments (SLOCOG) then prepared and adopted a plan to allocate the housing need to the cities and the unincorporated areas of the county. HCD subsequently approved the Regional Housing Needs Plan (RHNP) as adopted by SLOCOG. Thus the County and the five participating jurisdictions of the Urban County must identify adequate sites (sufficient land zoned for residential uses to accommodate the number of units identified) for 16,905 new housing units during the period of January 1, 2001 to June 30, 2008, broken down by income group as shown below:

Table 27 – Units by Income Category for Urban County*

Units by Income Category					
	Very Low	Low	Moderate	Above Moderate	Totals
Arroyo Grande	310	223	259	400	1,192
Atascadero	345	254	304	456	1,359
Grover Beach	178	142	166	200	686
Paso Robles	627	467	520	651	2,266
San Luis Obispo	1,484	644	870	1,185	4,383
County unincorporated	1,029	778	929	4,284	7,020
Regional Totals	3,973	2,709	3,049	7,511	16,905

Source: HCD/San Luis Obispo Council of Governments

***Note:** HCD uses different terms when referring to certain income groups than the federal government. For example, households earning less than 80 percent of area median income are defined as “low and moderate income” under federal CDBG and Consolidated Plan regulations, whereas California law generally defines “low and moderate income” as households earning less than 120 percent of median. Roughly, the state “very low-income” is equivalent to the federal definition of “low-income” and the state definition of “low-income” is equivalent to the federal definition of “moderate-income”.

For purposes of identifying the number of housing units needed, as approved by HCD, the table above used the state income definitions. In order to avoid confusion in the plan, the federal income definitions are used throughout the plan with this exception.

It's important to note that the city and county jurisdictions must identify sufficient land zoned for residential purposes in their respective housing elements to accommodate the housing needs. This does not translate to actual housing units built by the year 2008.

Estimates based on CHAS data

In order to estimate numbers of households by income group by the year 2005, the percentages that each income group comprises of the 2000 county households has been applied to the total projected number of households in 2005 and 2010, based on the population projections shown in Table 3 and an assumed average household size of 2.49 persons per household (based on the 2000 Census). Table 28 shows the results of this method for projecting households.

Table 28: Estimated Households by Income Group - 2005 to 2010

Income Group	Households in 2000*	Percent of Total	Estimated Households in 2005	Projected Households in 2010	Increase from 2005 - 2010
Extremely low-income (0 - 30% MFI)	11,555	12.5	13,198	14,183	985
Low-income (31 - 50% MFI)	10,743	11.6	12,247	13,161	914
Moderate-income (51 - 80% MFI)	15,988	17.3	18,266	19,629	1,363
Over 80% MFI	54,297	58.6	61,870	66,487	4,617
All income groups	92,583	100.0	105,581	113,460	7,879

*Source: HUD Comprehensive Housing Affordability Strategy (CHAS) 2004 data

Housing Needs of Extremely Low- and Low-Income

Available data indicates that the housing needs of extremely low-income and low-income are similar, except for the slightly more severe nature of needs for extremely low-income. There is a high level of need for additional housing, both ownership and rental, for low-income households. Extremely low- and low-income renter households have a high level of incidence of paying more than 30 percent of their income for housing, which is considered by HUD as "overpaying" for housing. In addition, many of these households are paying over half of their income for housing costs, which HUD has termed "severe cost burden". Incidence of overpaying for housing is higher for extremely low- and low-income renters than for renters in any other income group or for homeowners in any income group. For example, 79 percent of all extremely low- and 69 percent of low-income renter households pay more than 30 percent of their income for housing, and 67 percent of extremely low-income and 36 percent low-income pay half of their income for housing. Such overpayment for housing leaves little money for a family to purchase other necessities such as food and clothing. Thus, over 76 percent of all existing extremely low- and low-income renter households, or well over 7,735 households, are in need of assistance with their rent payments (or of less costly, yet decent housing), although it may not be feasible to fully accomplish this.

There is great need for increased assistance to extremely low- and low-income households with their monthly rent payments. The waiting list for the Section 8 Program administered by the Housing Authority of the City of San Luis Obispo includes about 300 pending applications for Section 8 rental assistance in the county.

Information obtained through the public workshops and through consultations with local agencies emphasized the need for additional rental housing units with two or three bedrooms, to meet the needs of large low-income renter households. A limited number of even larger units are also needed. Large units are much sought after, so their market rents are higher than many families can afford. As a result, many families rent smaller units and end up in overcrowded conditions (Overcrowding is defined as more than one person per room). Additionally, disabled persons need one-bedroom apartments.

As is shown in Table 29, the communities of Oceano, San Miguel, Nipomo, Grover Beach, Paso Robles and San Luis Obispo exhibit the highest percentages of overcrowded housing units, indicating an undersupply of housing in general

Table 29: Overcrowded Housing Units in 2000

Community	Overcrowded Housing Units	Percent Overcrowded
City of Arroyo Grande	263	4%
City of Atascadero	380	4%
City of Grover Beach	350	7%
City of Morro Bay	273	5.4
City of Paso Robles	956	11.1%
City of Pismo Beach	72	1.7%
City of San Luis Obispo	912	4.9%
Cambria	143	5%
Cayucos	40	3%
Los Osos	154	3.4%
Nipomo	372	9.2
Oceano	455	19%
San Miguel	53%	11.6%
Shandon	61	22.8%
Templeton	72	4%
Total County	521	5.6%

Source: U.S. Census Data

Affordable rental housing for the extremely low- and low-income elderly and handicapped is needed in locations close to shopping, medical facilities and public transportation. Handicapped persons need housing with wheelchair access ramps, wide doorways, and assist bars in bathrooms, lower cabinets and elevators in multi-level buildings.

There is great need for a first-time homebuyer program for low-income and moderate-income households. Programs for first-time homebuyers should be designed to accommodate single-parent families, large families and handicapped persons. However, it is difficult for this population to qualify a market rate loan to purchase a home.

A few persons attending the workshops noted the need for rehabilitation of the existing housing stock. Extremely low- and low-income homeowners cannot afford proper regular maintenance work on their homes, and therefore are vulnerable to substandard housing conditions or even the outright loss of their homes because of deferred maintenance. Elderly and handicapped homeowners may need modifications to their homes for handicapped accessibility.

Housing Needs of Moderate-Income Households

The housing needs of moderate-income households are similar to those of low-income, but they are more feasible to meet. In other words, it is less costly to help a household in this income group than one in the low-income group. Once a household achieves

ownership of their home, they may no longer need rental assistance and they have a stable base from which to improve their employment opportunities, health and general quality of life.

Since this income group by definition has greater income, it will be more feasible for homeownership to be achieved. However, their income is generally not adequate to qualify for a loan large enough for the purchase of a home in any community of the county without some form of special assistance. Each time Peoples' Self-Help Housing Corporation announces availability of applications for homes in one of their developments of single-family homes, the organization is overwhelmed by the large numbers of applicants.

Housing Market Analysis

Housing Conditions

A comprehensive housing condition survey is not available. Although the cities and the county have recently completed housing condition surveys to update the housing element of their general plan, various survey methods were used that did not include 100 percent of the housing units. However, housing age can be used as an indicator of housing conditions within a community. One of the guidelines set by the State is that units that were constructed before 1960 may be eligible for repair and/or rehabilitation to maintain those units in the existing housing stock. Like any other tangible asset, housing is subject to gradual deterioration over time. If not properly and regularly maintained, housing can deteriorate and discourage reinvestment, depress neighborhood property values and eventually impact the quality of life in a neighborhood.

Age of the housing stock is available from 2000 census data. The age of residential structures is an indicator of the potential existence of lead-based paint, since some structure built before 1980 contained lead-based paint, as well as the potential need or rehabilitation. Similarly, older structures may contain asbestos, which poses known health hazards. Numbers of housing units by year built in San Luis Obispo County are shown below:

Table 30: Year Structure Built – San Luis Obispo County

Year Structure Built	
Built 1999 to March 2000	2,407
Built 1995 to 1998	6,595
Built 1990 to 1994	8,463
Built 1980 to 1989	25,338
Built 1970 to 1979	26,096
Built 1960 to 1969	13,112
Built 1950 to 1959	9,497
Built 1940 to 1949	4,415
Built 1939 or earlier	6,352
Total:*	102,275

Source: 2000 Census

*Includes all cities and county units.

A general rule is that structures older than 30 years begin showing signs of deterioration and require reinvestment. Unless properly maintained, homes older than 50 years may require major renovations to ensure that plumbing and electrical systems, roofing, and insulation remain in functional order. Due to high household incomes in some

communities and high housing values, housing is generally well maintained in comparison to other communities. However, some communities have a large number of absentee property owners who may defer property maintenance.

According to the 2000 Census data in Table 30 above, 33,376 (33%) housing units were constructed prior to 1970 and may be candidates for renovation. Units older than 50 years old, 10,767 (11%) would be candidates for renovation unless high household incomes and high housing values play a role in the general well-maintenance of these older housing units, as is the case in several communities in the county.

Homeownership Market

Home prices are beyond the reach of nearly all very low-income (<50% of median), low-income (51-80% of median) and moderate-income (80-95% of median) families. Sales prices affordable to these income groups are shown in Table 31, based on the assumptions that 5.7 percent interest, 30-year home loans are available with a 20 percent down payment, and that the families can afford a 20 percent down payment.

The degree to which homes in the county are not affordable to the very low, low, and moderate-income groups, and the variation between communities, is illustrated in Table 33. Table 32 shows median 1999 and 2004 home sales prices countywide and by community. Home prices in the county are projected to continue increasing in the future, although not at the rate they increased in the past several years. Already home prices have reached levels at which special assistance in the form of public or private subsidies are necessary to facilitate homeownership for moderate-income families. The County has found that an average of \$80,000+ per unit in subsidy is needed to make homeownership for families earning less than 80 percent of area median income.

Table 31: Affordable Home Sales Prices

Unit Size	Very Low-Income	Low-Income	Moderate-Income
Studio	\$85,968	\$131,760	\$204,336
1 Bdrm	\$98,207	\$150,578	\$233,426
2 Bdrm	\$110,545	\$169,428	\$262,752
3 Bdrm	\$132,634	\$203,283	\$315,255
4 Bdrm	\$142,385	\$218,228	\$338,432

Source: San Luis Obispo County Affordable Housing Standards

The 1999 single-family median house price for the county was \$208,290, and the estimated median house price in 2004 is \$439,218, a 110 percent increase in five years. While this represents a significant increase, the county median home sales price is

slightly higher with the state median home price that is reported by the California Association of Realtors (CAR) at \$438,491.

Table 32: Median Home Sales Prices

Community	1999 Median Price	2004* Median Price	Percent Increase
San Luis Obispo County	\$208,290	\$439,218	110%
City of Arroyo Grande	\$198,635	\$521,966	162%
City of Atascadero	\$160,708	\$399,209	148%
City of Grover Beach	\$158,063	\$428,808	171%
City of Morro Bay	\$194,604	\$508,788	161%
City of Paso Robles	\$151,083	\$354,279	134%
City of Pismo Beach	\$241,271	\$611,448	153%
City of San Luis Obispo	\$221,271	\$500,485	126%
Cambria	\$225,875	\$573,440	154%
Nipomo	\$188,021	\$460,966	145%
Oceano	\$131,756	\$322,204	152%

Source First American Real Estate Solutions as stated in the Economic Outlook 2005 by UCSB Economic Forecast Project.

*Estimated based on partial year data.

The housing affordability index (percentage of households that can afford to purchase a median-priced home) in the county in January 2005 stood at 13 percent, a decrease of 4 percentage points from January 2004, according to the California Association of Realtors. This represents a median price increase from \$407,320 in 2004 to \$495,000 in 2005. See Table 33 below.

The minimum household income needed to purchase a median-priced home at \$485,700 in January 2005 was \$113,340, based on an average effective mortgage interest rate of 5.78% assuming a 20 percent downpayment. The minimum household income needed to purchase a median-priced home was up from \$93,720 in January 2004, when the median price of \$404,460 and the prevailing interest rate was 5.70 percent. (Source: California Association of Realtors March 12, 2005 News Release)

Table 33: State and Region Affordability Index – Single Family Residences

Affordability Index				
State/Region	January 2004	Median Price	January 2005	Median Price
California	23%	\$404,460	18%	\$485,700
Santa Barbara County	15%	\$467,860	7%	\$680,000
Monterey Region	14%	\$571,100	10%	\$683,700
Palm Springs/Lower Desert	17%	\$296,120	10%	\$380,600
Napa/Sonoma Counties	16%	\$446,180	11%	\$545,730
San Diego	16%	\$468,450	11%	\$580,220
Orange County	20%	\$523,380	12%	\$634,280
San Francisco Bay	21%	\$573,700	13%	\$666,740
San Luis Obispo	17%	\$407,320	13%	\$495,000

Source: California Association of Realtors March 12, 2005 News Release

Housing production has not kept pace with the housing demand and housing need has worsened, especially for renter households and low-income owner households. Residents have been competing for housing with new county arrivals, many of which have large amounts of cash from previous home sales. Housing vacancy rates in recent years reflect a tight rental market that reached a low of 0.3 percent in 1999 (UCSB Economic Outlook 2000) and increased apartment rents due to demand. Recent housing vacancy rates reflect a tight rental market that slightly improved in recent years. For example, the Countywide vacancy rate in September 2002 was 1.57 percent compared to 4.34 percent in November 2004 (UCSB Economic Outlook 2005). That report also revealed that average apartment rents in the county dropped from \$946 in September 2003 to \$920 to November 2004. As noted in the above-mentioned report, a vacancy rate of 4.34 percent is still below the 5 percent range, which is generally considered equilibrium in a healthy rental market.

The escalation of rents in the county became evident as Section 8 rental assistance recipients started having great difficulty finding housing at rents consistent with the Fair Market Rents. Clients of supportive housing agencies are often unable to find affordable rental housing into which they can “graduate” from the supportive housing programs. This led to the establishment of a HOME- funded program of tenant based rental assistance for such special needs clients, sometimes in addition to Section 8 rental assistance.

Affordable Ownership Housing

Due to escalating home prices and land costs in the county during the past ten years, newly developed ownership housing affordable to low- and moderate-income persons now requires some form of public or private subsidy. This usually is made possible through the involvement of non-profit developers. The non-profit Peoples’ Self-Help Housing Corporation, a “Community Housing Development Organization” (CHDO), has operated in the county for over twenty-five years, providing more than 225 families with

affordable homeownership since 1990. Habitat for Humanity established a local affiliate that purchased and developed a three-lot site in Paso Robles for its first project. Affordable Homes, Inc., also designated by the county as a CHDO purchased a site in Oceano and developed 16 single-family dwellings. New non-profit organizations may add to the production of affordable housing in the future. In addition to new housing, the County provides funding for a first-time homebuyer program for purchase of existing homes.

Disproportionate Housing Needs

The Comprehensive Housing Affordability Strategy (CHAS) developed by the Census for HUD provides detailed information on housing needs by income level for different types of households. Detailed CHAS data for the Urban County, based on 2000 Census, is displayed in Table 34. Based on CHAS, housing problems include: 1) units with physical defects (lacking complete kitchen or bathroom); 2) overcrowded conditions (housing units with more than one person per room); 3) housing cost burden, including utilities, exceeding 30 percent of gross income; or 4) severe housing cost burden, including utilities, exceeding 50 percent of gross income. The types of problems vary according to household income, type, and tenure.

Housing Needs Findings

The following are the key findings from the CHAS information concerning housing needs in the Urban County. Cost burden was the primary problem identified for these groups.

- In general, renter households had a higher level of housing problems (52.8 percent) than owner households (32.2 percent). Owners, as a group, had fewer problems and represented a much smaller number of households compared to renters (11,983 lower income renter households compared to 5,038 lower income households). Among all owners, 72 percent of extremely low-income, 57.9 percent of very low-income, and 56.4 percent of low-income owner households experienced housing problems. The percentages were significantly higher for renters. For all renters, 83.8 percent of extremely low-income, 46.6 percent of very low income, and 59.7 percent of low-income renter households experienced housing problems.
- Large family households (5 or more persons) had the highest level of housing problems regardless of income level or tenure. All extremely low-income large family homeowners and almost all (95.3 percent) of extremely low-income large family renters experienced housing problems. A high proportion of very low-income large family owners (92.7 percent) and renters (81.4 percent) also

experienced housing problems, as did large family renters of low-income level (75.7 percent).

- Although not in as great a proportion as large families, small family households (2 to 4 persons) also experienced housing problems. In particular, 81.5 percent of very low-income small family renters had housing problems.
- Other households (comprised of non-senior singles and unreleased households) also experienced housing problems among very low-income renter households (85.9 percent), extremely low-income renters (84.1 percent) and low-income renter households (84.1 percent). Homeowners also had housing problems, but in lower percentages.
- Seniors fared a little better than all the above households, with approximately 71.8 percent of very low-income and 77.5 percent of extremely low-income elderly renters having a housing problem. Also, 65.6 percent of extremely low-income elderly homeowners had at least one housing problem, but these percentages were much less for very low-income (46.6 percent) and low-income (27.6 percent) senior homeowners.

Disproportionate Housing Need Findings

Disproportionate need refers to any need that is more than 10 percentage points above the need demonstrated for the total households. For example, 68 percent of large renter families (a subset of renter households) experienced housing problems, compared to 52.8 percent of all renter households and 40.2 percent of all households. Thus, large families that are renting have a disproportionate need or housing assistance. The following are those groups that have been found to have a disproportionate housing need.

Extremely Low Income Households (0-30 Percent MFI)

All extremely low-income households experienced a disproportionate housing need, with 80.4 percent of this income group having housing problems compared to 40.2 percent for all Urban County households. Overall, renter households had more housing problems compared to homeowners. Large family households had the most needs followed by small family households and other households. This disproportionate housing need among this income group are summarized below:

- 83.8 percent of renters had housing problems (consisting of 95.3 percent of large families, 84.9 percent small families, 84.1 percent of other households (non senior singles and unrelated households), and 77.5 percent of senior households).

- 72.5 percent of homeowners had housing problems (consisting of 100 percent of large families, 87.4 percent of small families, 73.1 percent of other households, and 65.5 percent of senior households).

Very Low Income Households (31 -50 percent MFI)

All very low-income households (except senior homeowners) also had a disproportionate housing need compared to the general population, with 72 percent of this income group having housing problems compared to 40.2 of all Urban County households. Overall, renter households had more housing problems compared to homeowners. Among renter households, other households, small families and large families had similarly high needs. Among owners, large families had the most needs followed by small families and other households. This disproportionate housing need of this group are summarized below.

- 81.5 percent of renters had housing problems (consisting of 85.9 percent of other households), 81.5 percent of small families, 81.4 percent of large families and 71.8 percent of senior households).
- 59.9 percent of homeowners had housing problems (consisting of 92.7 percent of large families, 78.1 percent of small families, 63.2 percent of other households and 46.6 percent of senior households).

Low Income Households (51-80 Percent MFI)

Low-income households (with the exception of senior homeowners and senior renters) also had a disproportionate housing need (54.1 percent versus 40.2 percent for all urban County households). Overall, renter households had more housing needs compared to owners. Among homeowners in this income group, all households except seniors had disproportionate housing needs.

- 59.7 percent of renters had housing problems (consisting of 75.7 percent of large families, 55.8 percent of small families, 60.4 percent of other households, and 55.5 percent of senior households).

Lower-income households cannot afford to purchase a home in today's housing market. Most lower income households are concentrated in the rental housing market and affected by housing cost burden and overcrowding issues. In contrast, households that can afford to own their own homes are likely to be in the moderate income and above income groups. In addition, since ownership housing tends to be larger than rental housing, overcrowding in general is less prevalent among owner-households than among renter-households. Some highlights of the Urban County include (see Table 34 below):

- Large household were most likely to experience housing problems, regardless of income. 95.3 percent of extremely low income and 81.4 percent of low-income large-family renters suffered from a housing problem.
- In general, renter-households had a higher level of housing problems (52.8 percent compared to owner-households 32.3 percent).
- Among the other household types, a high percentage of elderly households also suffered housing problems. 77.5 percent of extremely low income and 71.8 percent of low-income elderly renters suffered from a housing problem.

Table 34: HOUSING NEEDS OF LOW AND MODERATE INCOME HOUSEHOLDS

Name of Jurisdiction: San Luis Obispo County, California		Source of Data: CHAS Data Book				Data Current as of: 2000					
Household by Type, Income, & Housing Problem	Renters					Owners					Total Households
	Elderly (1 & 2 members)	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other	Total Renters	Elderly (1 & 2 members)	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other	Total Owners	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	
1. Household Income <= 50% MFI	2,437	3,755	1,020	7,264	14,476	4,674	1,543	405	1,200	7,822	22,298
2. Household Income <=30% MFI	1,267	1,725	430	4,645	8,067	2,014	674	130	670	3,488	11,555
3. % with any housing problems	77.5	84.9	95.3	84.1	83.8	65.5	87.4	100.0	73.1	72.5	80.4
4. % Cost Burden >30%	76.4	83.2	88.4	82.9	82.2	64.7	84.4	100.0	71.6	71.2	78.9
5. % Cost Burden >50%	53.3	73.3	73.3	76.0	71.7	43.4	75.5	92.3	66.4	55.8	66.9
6. Household Income >30 to <=50% MFI	1,170	2,030	590	2,619	6,409	2,660	869	275	530	4,334	10,743
7. % with any housing problems	71.8	81.5	81.4	85.9	81.5	46.6	78.1	92.7	63.2	57.9	72.0
8. % Cost Burden >30%	70.1	75.4	55.9	85.1	76.6	46.6	75.8	76.4	63.2	56.4	68.5
9. % Cost Burden >50%	29.1	32.3	11.9	50.4	37.2	26.7	55.2	34.5	38.7	34.4	36.1
10. Household Income >50 to <=80% MFI	910	3,103	844	2,913	7,770	3,875	2,475	845	1,023	8,218	15,988
11. % with any housing problems	55.5	55.8	75.7	60.4	59.7	27.6	67.3	80.5	58.5	48.8	54.1
12. % Cost Burden >30%	54.4	45.2	26.5	56.1	48.3	27.0	65.7	68.6	57.5	46.7	47.5
13. % Cost Burden >50%	14.8	5.6	3.0	12.3	8.9	11.5	28.1	22.5	30.2	19.9	14.6
14. Household Income >80% MFI	1,295	5,818	1,085	5,155	13,353	11,505	21,015	3,790	4,634	40,944	54,297
15. % with any housing problems	23.2	12.6	43.8	12.7	16.2	14.3	24.1	33.0	30.0	22.8	21.2
16. % Cost Burden >30%	17.8	6.3	6.0	9.3	8.6	14.2	22.8	21.9	29.0	21.0	17.9
17. % Cost Burden >50%	4.2	0.3	0.0	0.8	0.8	3.0	3.2	3.7	5.3	3.4	2.8
18. Total Households	4,642	12,676	2,949	15,332	35,599	20,054	25,033	5,040	6,857	56,984	92,583
19. % with any housing problems	56.6	44.1	68.0	55.9	52.8	26.3	31.9	45.9	41.0	32.3	40.2
20. % Cost Burden >30	54.1	37.4	33.9	53.4	46.2	26.0	30.6	34.7	40.1	30.5	36.5
21. % Cost Burden >50	26.0	16.6	13.9	34.2	25.2	11.9	9.4	10.8	17.6	11.4	16.7

Definitions:

Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.

Other housing problems: overcrowding (1.01 or more persons per room) and/or without complete kitchen or plumbing facilities.

Elderly households: 1 or 2 person household, either person 62 years old or older..

Renter: Data do not include renters living on boats, RVs or vans. This excludes approximately 25,000 households nationwide.

Cost Burden: Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

Source: Comprehensive Housing Affordability Strategy (CHAS), 2004 data. CHAS Data is based on sample data from Summary File 3, 2000 Census information. Due to weighting methods and other statistical operations used to extrapolate the sample data to the 100% count, the household numbers may differ from the 100% count (from Summary File 1) by a small margin of error.

The American Dream Downpayment Initiative Program

The American Dream Downpayment Initiative (ADDI) program funds will be utilized in conjunction with the HOME funded First-time Homebuyers Program (FTHB) offered to potential homebuyers in the participating jurisdictions of the Urban County of San Luis Obispo.

The FTHB will utilize HOME and ADDI funds to assist persons who meet the income limits and properties that meet minimum requirements as follow, but not necessarily limited to the following:

1. Gross annual income (based on household size) of 80% of the county median income or less. Written verification is required.
2. Must be first-time homebuyer as defined by the California Housing Finance Agency.
3. Homes proposed for purchase under this program must be inspected and certified as meeting HUD's housing qualify standards
4. Homes proposed for purchase under this program must also conform with applicable local general plans and zoning codes.
5. Homes proposed for purchase under this program must be owner-occupied or vacant low/moderate income (80% of median) families and persons with the purchase of their first home.
6. Manufactured housing (including mobilehomes) is eligible if:
 - a. On a permanent foundation on private property; and
 - b. Connected to permanent utility hook-ups; and

- c. Located on land held in fee-simple title; and
 - d. Meets construction standards under 24 CFR 3280 if constructed after June 15, 1976, or of constructed prior to June 15, 1976, complies with applicable state and local codes.
7. The amount of all mortgages on the property at the time of purchase shall not exceed the appraised value as shown on a certified appraisal
8. The loan documents shall include a stipulation whereas, the said property, at any time, will not be encumbered more than the certified appraised value.

The County of San Luis Obispo will conduct community outreach and program education throughout the county in order to maximize participation. This will be accomplished by advertising, providing media coverage, organizing community meetings (if necessary), and other methods. This will include the preparation of guidelines, including an application form and information regarding federal environmental review and relocation requirements to potential applicants and maintenance of homeownership via housing counseling to homebuyers.

Assisted Housing Inventory

The following is a description of the assisted housing units in the county by size, number of vacant units, condition, and whether the units are at risk of being lost from the stock of assisted housing. Generally, the county does not include large numbers of assisted housing, since it has been a rural county (under HUD's programs) until 1994.

Public Housing

The Housing Authority of the City of San Luis Obispo reported that it had 448 units of conventional public housing, only two of which were vacant. The sizes of those units vary in size from studios to five bedroom units. None of these units are at risk of being converted to non-assisted housing.

In October 1993, the Housing Authority of the City of Paso Robles reported 148 conventional public housing units in a development called the Oak Park Apartments, none of which were vacant. All of these units were single-level and handicapped-accessible, except for the three-bedroom units, which were two-story. Improvements needed to meet section 504 requirements have been approved for funding through a Comprehensive Improvement Assistance Program.

Section 8 Housing

The Housing Authority of the City of San Luis Obispo (HASLO) administers the Section 8 Rental Assistance Program in all areas of the county. HASLO reported 1,804 dwellings covered by Section 8 contracts in the county, providing affordable rents for 5,412 extremely low- and low-income persons. The Housing Authority had no unused

tenant-based rental certificates or vouchers. Except for the units discussed under the "Other Assisted Housing" section that follows, none of these housing units are anticipated to be lost from the assisted housing inventory.

Other Assisted Housing

Table 35 lists other assisted housing units by size, identifies the type of assistance, any known vacancies, and whether they are at-risk of being lost as assisted (and therefore affordable) housing. Table 35 will be updated as new assisted housing is provided.

Table 35: Other Assisted Housing

Project	Assisted Units	Assistance Type	Vacant	At-Risk
Hacienda del Norte 529 10 th Street Paso Robles, CA 93422 (805)238-5793	Total: 26 units Two-bedroom: 21 Three-bedroom: 5	HUD Section 221(d)(3)) Program for mortgage loan insurance, Section 8 Loan Management Set Aside for rent subsidies	0	Yes, after 10/21/97, but subject to right of first refusal for public & non-profit groups
Creston Garden Apts, 1255 Creston Road Paso Robles, Ca. 93446 (805)238-6445 Celia Lalut - Mgr.	Total: 52 units Two-bedroom: 51 Three-bedroom: 1	FmHA 515	0	No
Paso Robles Gardens 540 Sims Avenue Paso Robles, Ca. 93466 (805)293-0277	Total: 26 units Two-bedroom: 21 Three-bedroom: 5	FmHA 515	0	No
Los Robles Terrace, 2940 Spring Street #1 Paso Robles, Ca. 93446 (805)239-1081	Total: 40 units Studios: 10 One-bedroom: 30	HUD Section 202 for mortgage financing	0	No
River View Apts. 149 Olive Street Paso Roble, Ca. 93446 (805)238-7439	Total: 48 units One-bedroom: 16 Two-bedroom: 16 Three--bedroom: 16	Farmers Home Administration (FmHA) Section 515 Program for mortgage financing	0	Yes, but only if owner enters project-based Section 8 contract or upon a finding that low income housing not needed
Rolling Hills Apts. 971 Las Tablas Road Templeton, Ca 93465. (805)434-1472 Debbie Mattice - Mgr..	Total: 53 units	FmHA Section 515 Program for mortgage financing	0	
Macadero Garden Apts. 10205 El Camino Real Atascadero, Ca. (805)466-0604	Total: 19 units	FmHA	0	

Atascadero Village, Atascadero	Total: 22	HUD 221(d)(4) for mortgage loan insurance, Section 8 for rental assistance	0	Yes, effective 2/16/02 (2002).
Dan Law Apts. 649 Branch Street San Luis Obispo, Ca. 93401 (805)597-5318 Anita Shower	Total: 7 units	HUD Section 236 Program for mortgage financing interest reduction, HUD Section 8 Loan Management Set Aside for rental subsidy	0	No
Parkwood Village Apts. 1045 Southwood Dr. San Luis Obispo, Ca 93401 (805)543-2992	Total: 34 units	SLO City sponsored multi-family housing revenue bonds	0	No
Judson Terrace Homes 3000 Augusta Street San Luis Obispo, Ca. 93401 (805)544-1600	Total: 107 units	HUD Section 202 Program for mortgage financing, Section 8 Rental Assistance (43 units)	0	Yes, effective 7/31/95, but the non-profit sponsor has no intention of terminating the Section 8 contract.
Monterey Arms Hotel, San Luis Obispo	Total: 68 units	HUD Section 8 Rental Assistance	0	Yes, beginning 9/97
Park Hotel Apartments 1820 Santa Barbara Street San Luis Obispo, Ca 93401 (805)544-6529	Total: 21 units		0	
Madonna Road Apts. 1550 Madonna Road San Luis Obispo, Ca. 93401 (805)544-1102	Total: 120 units		0	No
Pacific View 485 Main Street #5 Morro Bay, Ca. 93446 (805)772-8159	Total: 26 units		0	
Ocean View Manor 456 Elena Street #41 Morro Bay, Ca. 93442 (805)772-1921	Total: 39 units		0	
Sea Breeze Apts. 1251 Los Olivos, #A-1 Los Osos, Ca. 93402 (805)528-5407	Total: 28 units (all one-bedroom)	CDBG	0	No
South Bay Apts. 1351- Los Olivos, Los Osos, Ca. 93402 (805)528-5407	Total: 76 (all one-bedroom)	CDBG	0	No
Parkview Manor, 365 So. Elm Street Arroyo Grande, Ca. 93420 (805)489-5101	Total: 64 units	HUD	0	

Non-Housing Community Development Needs

Economic Development

The San Luis Obispo County economy is heavily concentrated in the government Sector and the utility Sector. Normally, this protects the County from the worst of economic cycles. This recession has been different. In particular, California's fiscal crisis caused a delayed recession in San Luis Obispo County. Disappointing wine prices and tourism compounded this impact. The State's continued fiscal problems will likely result in continued weak economic growth for San Luis Obispo County (UCSB Economic Forecast Project's Economic Outlook 2005. According to the UCSB Economic Forecast Project's Economic Outlook 2005, employment growth is projected at 0.3 percent in 2005 and approximately 1.4 percent in 2007, mostly in the Durable Manufacturing Sector; the Transportation, Warehousing Section, and Utilities Sector; and the Finance, Insurance and Real Estate Sector. The near term forecasts in that report can be summarized as follows:

- ? employment growth will be weak in 2005 but with a low unemployment rate
- ? per capita income will rise at a moderate rate
- ? interest rates will rise, slowing the market
- ? residential building in the county will slow somewhat
- ? consumer spending will remain constant
- ? housing price increases will continue, but not at double digits

In order to foster a healthy local economy, it is increasingly common for cities and counties to plan and implement economic development programs. Atascadero, Arroyo Grande, and the County have each adopted an Economic Elements as part of their general plans, providing official statements of each jurisdiction's strategy regarding business retention, expansion and attraction.

One of the tools available to help revitalize deteriorated urban areas is redevelopment. Paso Robles, Atascadero, Pismo Beach, Grover Beach and Arroyo Grande all have established redevelopment agencies in order to direct public investment into improving their communities. The County may also become involved in redevelopment of its communities where appropriate and desired.

One of the greatest areas of economic development need in the county is for public improvements such as water, sewer and drainage systems that enable commercial and industrial development. In addition, obtaining adequate water resources to support development is a challenge in an arid climate such as that of San Luis Obispo County.

In 1993, the County completed a business retention, expansion and attraction study with funding provided through the CDBG program. That study suggested that the county's climate and quality of life are assets that should be built upon and promoted to attract new businesses, and that the some of the county's economic weaknesses can be addressed. Generally, the study recommends focusing on the following key goals:

- ? increase the skilled and unskilled workforce
- ? increase the availability of land and buildings, while reducing their costs
- ? greater access to seed and venture capital
- ? provide incentives for businesses and a friendlier regulatory climate
- ? reduce housing costs

The rising cost of housing in the county represents a potential threat to future economic health. Large and small employers are already finding it difficult to attract qualified employees, due to high housing cost, and numerous locally grown businesses have relocated outside the County due in part to high housing costs.

Public Facilities

Public input received prior to preparation of this consolidated plan indicated that a wide variety of public facilities are needed. These include senior centers, youth centers, and childcare facilities, making existing public facilities handicapped accessible, parks and recreational facilities.

However, the ability for the benefiting communities to pay for these facilities varies considerably. Thus, communities or neighborhoods with high proportions of extremely low, low and moderate income persons exhibit a more pronounced level of need for available government assistance than some other areas. For example, residents of the community of Oceano, which is comprised primarily of low- and moderate-income persons and a high concentration of Latino persons, requested assistance in planning and developing a community center. After five years of planning and organizing, the nonprofit Oceano Community Center, Inc., was successful in obtaining an allocation of CDBG funds to build the community center.

Infrastructure Improvements

Some communities with a limited ability to pay have great need for work on water supply or sewage disposal facilities. The low and moderate-income community of Shandon needed a new water storage tank to provide dependable domestic water supply and adequate fire flow, so the County allocated CDBG funds for the project. Numerous neighborhoods in Paso Robles and San Luis Obispo need handicapped access improvements to buildings or sidewalks, so those cities used CDBG funds to provide those improvements.

Public Services

A comprehensive listing of available services in San Luis Obispo County can be found in the annually revised Human Services/Support Directory, published by HOTLINE of San Luis Obispo County. Input received prior to preparation of this plan emphasized the need to increase homeless services that include the homeless shelter and case management, availability of health care and child care services, youth services and employment training services, particularly for extremely low-, low- and moderate-income persons.

PART III. FIVE-YEAR STRATEGIC PLAN

This section of the consolidated plan includes a five-year strategy to address the housing and community development needs described in the previous section. This will provide the rationale behind the allocations of available funds and other actions identified for the following year in the next section, which contains the annual action plans, starting with the program Year 2005 Action Plan. While this five-year section of the plan is not required to be revised each year, the County may assess each year whether the strategies stated herein need any improvements or changes in emphasis. In addition, as major changes to HUD programs initiated at the federal level are implemented, this plan will need to reflect those changes.

Housing and Community Development Resources

The County has determined that the resources described below may reasonably be expected to become available for local activities to carry out this plan. The County has direct control over only some of the funding programs described here. However, the County can influence the other resources through partnerships with the applicable public, private and non-profit groups.

Federal Resources

Federal funds made available for use in the county are generally appropriated by Congress in one federal fiscal year, but programmed locally for use in the following county fiscal year. For example, funds were approved by Congress for the federal fiscal year beginning September 1, 2004. In December 2004, HUD published the amounts of CDBG, HOME, ESG and ADDI formula funds available and the County prepared this plan to establish how the funds will be used. The plan was submitted to HUD in May, 2005, and local uses of the funds can begin once HUD approval and environmental review requirements are met, generally some time between July 1 and September 31, 2005. For purposes of this plan, these funds are referred to as the 2005 CDBG, HOME, ESG and ADDI funds.

The federal resources projected to be available during the five-year period covered by this plan are based on the average of the annual amounts made available to the County in recent years. This may or may not prove to be accurate, particularly with the major changes occurring at the federal level. Accordingly, each annual revision to the one-year action plan may be accompanied by corrections to the estimates of available federal resources.

Community Development Block Grant (CDBG) Program

HUD announce that San Luis Obispo County's formula CDBG award for the County's 2005 program year is \$2.386 million. In the previous year, \$2.526 million in CDBG funds was available. Therefore, annual CDBG awards are declining, with the exception of the 2001-year where \$2.8 million was allocated to the County. The County multiplied \$2.386 million to estimate the amount of CDBG funds expected to be available during the five-year period of this plan is about \$11.9 million.

HOME Program

The County is designated by HUD as a "participating jurisdiction" under the HOME Program, providing the County a yearly award of about \$1.4 million. The County expects to receive about \$7.1 million in HOME funds over the next five years.

Low Income Housing Tax Credit Program

While the County does not control funding from this program, it is possibly the most significant funding source for development of affordable housing in the county. Roughly, \$5 million or more may become available in the county for new rental housing construction during the five-year period covered by this plan, if housing developers are successful in competing for these funds.

U.S. Department of Agriculture programs:
Rural Housing Services (RHS),
Rural Economic and Community Development Services (RECDS)

An undetermined amount of funds from the Rural Housing Services' Section 502 Program will be available for use by low and very low-income families purchasing homes in the county through the non-profit Peoples' Self-Help Housing Corporation, and potentially also through independent, for-profit contractors. These homes must be in communities of the county considered by USDA to be rural, which excludes San Luis Obispo, Paso Robles, Atascadero, Pismo Beach, Grover Beach, Arroyo Grande and Oceano.

HUD Section 8 Certificates and Vouchers

The Housing Authority of the City of San Luis Obispo, which administers the Section 8 Program countywide, has allocations from HUD for Section 8 Rental Certificates and Section 8 Rental Vouchers. The amount of federal funds represented by these commitments of Section 8 assistance can vary, depending of the amount needed by the

households to pay their rents. However, the County anticipates that at least 1,500 assisted units can be provided throughout this five-year period.

Federal Emergency Shelter Grant (ESG) Program

Local agencies have indicated they need at least about \$700,000 from this program to support operation of the EOC homeless shelter, the Women's Shelter of San Luis Obispo, the North County Women's Shelter, the Prado Day Center the North County Winter Shelter and the El Camino Homeless Organization. However, the amount of funds available to the County from this program have been less, with the exception of 2001 when the County was awarded a formula grant of \$95,000. Based on this annual formula, the County anticipates receiving about \$461,980 during the five years covered by this plan. The County will provide \$150,000 of non-HUD funds to these agencies in the 2005 program year for shelter operations.

Housing Opportunities for Persons With AIDS (HOPWA) Program

The AIDS Support Network may receive HOPWA funds in response to local applications to the state, but the amount cannot be predicted with any certainty.

Supportive Housing Program

Approximately \$1.375 million (\$275,000/yr) is anticipated to be available during the five-year period covered by this plan.

Federal Emergency Management Agency (FEMA) Food & Shelter National Board Program

About \$79,845 was made available during the 2004 program year to assist a number of homeless shelters, emergency services and rental assistance. The allocation changes each year, since the County allocation is determined by the unemployment rate. Thus, the County projects that about \$400,000 will be available during the next five years.

State

California Housing Finance Agency (CHFA)

CHFA is expected to allocate funds for purchase financing on homes developed in the county by Peoples' Self-Help Housing Corporation.

Department of Economic Opportunity

About \$12,000 is expected from this program to assist with continuation of the EOC shelter during the 1995 program year. Thus, \$60,000 may be available over five years.

Local

Redevelopment Agencies

The Paso Robles and Pismo Beach redevelopment agencies have been in existence long enough to have accumulated tax increment funds, 20 percent of which will be available for affordable housing activities. New redevelopment agencies have been established in Grover Beach, Atascadero, and Arroyo Grande, but it will some time before significant tax increment is accrued by these agencies.

United Way

The United Way may continue to provide about \$30,000 annually to support the EOC shelter and the battered spouse shelters, or other housing-related programs. However, the County does not determine how these funds will be awarded.

Housing Trust Fund

The San Luis Obispo County Housing Trust Fund (HTF), a newly created California nonprofit public benefit 501(c)(3) corporation will use dedicated revenue to produce or preserve affordable housing. The HTF was created to increase the supply of affordable housing in San Luis Obispo County for very low, low and moderate income households, including households with special needs. Rather than build or operate housing directly, the Housing Trust Fund provides financing and technical assistance to help private developer, nonprofit corporations and government agencies produce and preserve homes that working families, seniors on fixed incomes and persons with disabilities can afford to rent or buy. The trust fund could stimulate development of more affordable housing than available federal and state grants can facilitate alone. The trust fund could assist housing for moderate-income households, in addition to very low and low-income households.

San Luis Obispo County approved appropriation of up to \$225,000 from the General Funds to the Housing Trust Fund in July 2003 for start-up costs. As a condition, the appropriation was based on a one-to-one match: \$1 for every \$1 received from other jurisdictions and sources – up to \$225,000 over the next two-years. The funds could also be used for “brick and mortar” if a balance remained after expenditure of start-up costs.

In recognition of financial limitations of local governments, advocates of the trust fund have asked the cities and the County to consider dedicating portions of revenues from an increase in the transient occupancy tax, an increase in the real estate transfer tax. An increase in sales tax, and/or fees paid by builders in-lieu of providing required affordable housing. Such commitments may require voter approval.

In-Lieu Fees

The cities of Arroyo Grande and San Luis Obispo have adopted inclusionary housing ordinances which require the provision of specified amounts of affordable housing in conjunction with new market-rate housing development. The ordinance allows the developer to pay a fee to the city in-lieu of providing the prescribed number of affordable housing units. The in-lieu fees are specifically used to provide affordable housing within the jurisdiction. The County of San Luis Obispo will consider the preparation of such ordinance in the next year.

The amount of in-lieu fees generated by this ordinance will depend on the amount of market-rate housing development and if the in-lieu fees option is preferred by the developer.

Rental Assistance Program of the Department of Social Services (RADSS)

The Rental Assistance Program of the Department of Social Services (RADSS) provides \$350,000 per year for rental assistance to families, contributing to the rental assistance in the county in similar way as the Section 8 Rental Assistance Program.

Homeless Services Fund – County of San Luis Obispo

The County of San Luis Obispo contributes \$150,000 on an annual basis to the San Luis Obispo County Shelter Services Coalition to support homeless services. The Coalition is made up of five nonprofit organizations providing emergency shelter for the County's homeless citizens.

Private

An unknown dollar amount of private resources is expected to be available, but not controlled by the County. These resources consist of financial institutions which provide short- and long-term financing for development of affordable housing; financial resources of a few private nonprofit organizations which are involved in affordable housing development; and resources of private, for-profit groups which invest in a wide variety of housing and other community development activities. Where possible and practical, the County will collaborate with such private groups to enhance the

effectiveness of housing and community activities that benefit low- and moderate-income persons in the county.

Housing and Community Development Objectives and Programs

This section sets forth the housing and community development priorities based on the needs of the county. Specific objectives, programs and policies for implementation of the priorities are also described. Approaches for service delivery and management are discussed under each of the individual programs. Geographic distribution of assistance is also discussed. Finally, public policies that could be barriers to affordable housing are discussed, and strategies to address such potential barriers identified.

Public input and consultations with the various involved groups enabled the County to identify several basic principles to guide establishment of the priorities and programs identified in this plan. These basic principles include the following:

1. Emphasize programs which offer long-term solutions to problems and empower people to improve their own lives and self reliance. As an example, rental or ownership housing developments which will not require additional future subsidies is preferred over those which will require continued subsidies to prevent loss of affordable housing stock. Also, programs which will increase employment opportunities for low- and moderate-income persons may reduce potential future need for a variety of assistance programs to those individuals and families.
2. Build local capacity to continue needed programs well into the future. Where possible, programs that provide loans to local projects, rather than grants, can gradually build a loan portfolio. Repayments of those loans can again be used locally to fund high priority programs. Availability of annual formula grants from the federal government will probably continue for some number of years, but this is not guaranteed to continue indefinitely.
3. Maximize benefit to low- and moderate-income persons through programs that address the most important needs and do so in a cost-effective manner. Cost-effectiveness can be provided through efficient implementation techniques and through leveraging additional private and public resources. Proposed programs that are not cost-effective or are infeasible should be avoided. The most important needs must be identified through extensive public participation and consultation with private and public groups having special knowledge about the needs. The needs of underprivileged and under-represented residents of the county must not be overlooked.

Affordable Housing Strategy

Priority #1: Increase availability of affordable and decent rental housing for low and very low-income persons and families.

As noted in the needs assessment section of this plan, extremely low- and low-income renter households have higher incidence of paying more than they can afford than renters in any other income group or for homeowners in any income group. Low-income renters are in need of assistance, but not nearly to the degree of extremely low-income renters. This is supported by the long waiting lists at both housing authorities for public housing or Section 8 rental assistance.

Recent projects have demonstrated that rental housing for low and moderate-income households can be developed with \$50,000 per unit of County grant funds, when combined with major funding from the Low Income Housing Tax Credit Program or other outside resources.

Section 8 Rental Assistance Program: The Housing Authority of the City of San Luis Obispo administers this HUD program countywide. Assistance includes Section 8 rental assistance certificates and vouchers. There is a long waiting list for this very popular and needed program. The County estimates that the current level of 300 Section 8 assisted households can at least be maintained, if not increased, during the five-year period covered by this plan.

The Rental Assistance Program of the Department of Social Services (RADSS) provides \$350,000 per year for rental assistance to families, contributing to the rental assistance in the county.

Tenant-Based Rental Assistance for Special Needs Households: The San Luis Obispo County Supportive Housing Consortium initiated this HOME-funded program to enable its member agencies to move their clients from homelessness or from a residential-based program into independent rental housing by paying a portion of their rent for a limited time. The County has also provided other funds to supplement the HOME funds. The program has been successful in placing people into permanent housing, freeing up places in shelters and other program for new clients.

Affordable Rental Housing Development Programs: The housing authorities of the cities of San Luis Obispo and Paso Robles both own and operate public housing units with subsidized rents for low-income tenants. In addition, other non-profit organizations have acquired existing rental housing, or developed new rental housing, to be operated as affordable rental housing for low and very low-income households for many years.

Supportive services such as childcare, health care screening and education should be linked to rental housing built for extremely low- and low-income households. Where feasible, projects of rental housing that can be made to remain affordable for many years without additional (Section 8) assistance will be supported. Making this possible will require initial assistance to acquire or develop the housing through the Low Income

Housing Tax Credit Program, the HUD Section 202 (Elderly Housing) Program, the FmHA 514/515 (Rental/Farmworker Housing) Programs, the HOME, CDBG and ADDI programs.

Housing Trust Fund: The San Luis Obispo County Housing Trust Fund (HTF) will use dedicated revenue to produce or preserve affordable housing. The HTF was created to increase the supply of affordable housing in San Luis Obispo County for very low, low and moderate income households, including households with special needs. Rather than build or operate housing directly, the Housing Trust Fund provides financing and technical assistance to help private developer, nonprofit corporations and government agencies produce and preserve homes that working families, seniors on fixed incomes and persons with disabilities can afford to rent or buy.

Density Bonus Programs: As mentioned previously, California jurisdictions are required to provide increases in allowable density for projects that include specified amounts of affordable housing for low- or moderate-income households. The County and all of the cities in the county meet or exceed the requirements of state density bonus law.

Quantified objectives: The County intends to allocate about \$4.6 million in a combination of HOME and CDBG funds during the next five years to assist with site acquisition and/or development costs for the provision of long-term affordable rental housing, including conversion of existing motels or commercial/industrial buildings, and for tenant-based rental assistance for special needs households. Proposals to use other funding sources not under direct control by the County will be considered favorably for consistency with this plan by the County. Approximately 100 low- and moderate-income (0-80% MFI) households are projected to benefit from funding this program during the next five years. Some of the resulting rental units will occur after this five-year period, since new housing construction normally involves lengthy periods of time for planning, site acquisition, design and construction.

Geographic distribution: Activities increasing affordable rental housing opportunities will be focused in any urban areas close to shopping, schools, public transportation, medical facilities and other services. Special emphasis will be placed on new affordable rental housing for extremely low-income families in communities with large numbers of agricultural, service sector or manufacturing employees, combined with relatively low availability of affordable rental housing.

Priority #2: Increase first-time home ownership opportunities for low- and moderate-income households.

As established in the Housing and Homeless Needs section of this plan, extremely low-, low- and moderate-income households have higher levels of overpayment for housing than other income groups.

The highest priority under this plan is first-time homeownership assistance to other moderate-income (51-80% MFI) persons and families. Recent loans for first time homebuyers range from \$80,000 to \$90,000 per unit. This is because these families cannot afford to purchase a home in the county without some form of assistance. This type of assistance for very low-income (31-50% MFI or 0-30% MFI) is rated slightly less high in priority, due to inability of such families to afford monthly payments on home loans without very large amounts of subsidy. Another category of projects that qualify for this highest priority is where a project includes a mixture of ownership units for low-income households, moderate-income households and/or middle-income households. Mixed-income neighborhoods are considered better than having separate areas for each income group.

The principal type of activity to accomplish first-time home ownership is homebuyer assistance, but site acquisition and new construction are considered to be almost as important. Under this priority category, rehabilitation would be appropriate only in conjunction with acquisition of existing housing for low- and moderate-income persons or families.

Ownership Housing Development Program: This program encourages development of affordable ownership housing for very low-income, low-income, and moderate-income households by offering a variety of incentives to reduce development costs. The program is flexible, applicable to new or redeveloped sites, and project sponsors who are public, non-profit or for-profit. The most important types of incentives are expected to be financial assistance for the costs of site acquisition, public improvements or actual construction of homes. The primary funding source will probably be the HOME Program, while CDBG funds are also appropriate for this program and the ADDI program contributes. Partnerships with local non-profit organizations with the expertise to obtain funds through a variety of federal, state and private funds are expected to prove most successful in producing affordable housing.

Density Bonus Programs: California jurisdictions are required to provide increases in allowable density for projects, which include specified amounts of affordable housing for low- or moderate-income households. The County and all of the cities in the county meet or exceed the requirements of state density bonus law, which requires at least a 25 percent increase in allowable density (or incentives of equivalent financial value) plus additional incentives for projects meeting one of the following minimum thresholds: 10 percent of the housing is for low-income households (0-50% MFI), 20 percent of the housing is for moderate-income households (51-80% MFI) or 50 percent of the housing is for senior citizens.

First-time Home Buyer Programs: Many and moderate-income families could afford to purchase their first home if the amount of the purchase price financed through an amortized loan with monthly payments could be brought down enough to make the monthly payments affordable. The County will use HOME and ADDI funds to provide low interest down payment loans, or "gap" loans. In this manner, loans of \$25,000+ about \$10,000 to \$25,000 each will enable many families to obtain the major portion of

the needed purchase money by qualifying for conventional home loans through banks, savings and loans, or other private lenders. However, due to high housing costs, low-income persons may not qualify for a market rate loan without substantial down payment assistance.

Quantified objectives: The County intends to allocate about \$1.1 million total of a combination of HOME, CDBG and ADDI funds during the next five years to assist with the development of new ownership housing and the acquisition of existing ownership housing. Qualified organizations will be invited to submit proposals for the use of those HOME and CDBG funds. Approximately 40 low- and moderate-income (0-80% MFI) households are projected to achieve homeownership as a result of funding this program during the next five years. Some of the resulting units of homeownership will occur after this five-year period, since new housing construction normally involves lengthy periods of time for planning, site acquisition, design and construction.

Geographic distribution: Activities increasing homeownership opportunities for low- and moderate-income persons and families are needed in all communities, and therefore the assistance will be made available county-wide. Communities with relatively low vacancy rates, high housing costs or high concentrations of low- and moderate-income families will be emphasized.

Priority #3: Maintain and upgrade existing neighborhoods and housing units occupied by low-income households.

Maintenance and improvement of existing residential neighborhoods aids in the elimination of blight and preserves the existing stock of affordable and decent housing units. Rehabilitation of existing housing is often more cost-effective than building new housing, and rehabilitation can be used to enlarge housing units to alleviate overcrowding. Rehabilitation may also be appropriate to correct seismic deficiencies in some older buildings. In addition, when homes owned or occupied by low-income households are rehabilitated, their neighbors (who are not low-income) may invest in the maintenance or improvement of their properties because they now have an improved confidence that home values in that neighborhood justify the investment. Rental rehabilitation is of secondary priority because the County has found that rental owners rarely want or need public assistance to finance rehabilitation work, partly because of the affordability restrictions that accompany public assistance.

Residential Rehabilitation Program: This program provides low interest loans or grants to homeowners of housing occupied by low-income households. It can apply to both ownership and rental housing, although few rental-housing owners are expected to participate. Grants may be appropriate where small programs would make processing of loans too costly. The primary source of funding is the CDBG program, but other potential sources include the California Housing Rehabilitation Program and the HOME Program.

The County does not intend to fund a program of major housing until a large enough program can be designed to make it cost effective. Small programs of housing rehabilitation have proven in the past to have a high unit cost, but large programs (at least 30 units averaging about \$15,000 each) can be designed to be implemented in a cost effective manner, although this cost has risen since the adoption of the 2000 Consolidated Plan. In addition, this program has been implemented in the 1980's in the communities of San Miguel, Paso Robles, Templeton, Santa Margarita, Morro Bay, Grover Beach, Oceano, Nipomo and a number of smaller communities in the unincorporated areas of the county.

However, the County plans to continue to support the minor home repair program that has been implemented for the past several years by the Economic Opportunity Commission (EOC). EOC has extended the impact of the program by combining County CDBG funds with weatherization funds from other sources.

Quantified objectives: The County may allocate as much as \$500,000 in CDBG funds to the minor home repair program over the next five years. The number of low and moderate-income households that would benefit is estimated at about 60.

Geographic distribution: Countywide.

Addressing Homelessness (Continuum of Care)

Priority #1: Provide needed emergency shelter facilities and related services.

The County proposes to continue its partnership with the City of San Luis Obispo and the Economic Opportunity Commission (EOC) to operate the primary homeless shelter and the homeless day center, both located in San Luis Obispo. The City of San Luis Obispo and the County will continue to contribute CDBG funds for operation of the shelter and the Prado Day Center, unless other funds become available in the future. The winter shelter program provided through the Interfaith Coalition for the Homeless is expected to continue in operation, although the County does not expect to be able to provide funding for it.

Funding is also needed to continue the motel voucher shelter program, operated by the Homeless Housing Project, primarily in the North County. The El Camino Housing Organization (ECHO) provides a church-based shelter program in the North County areas, specifically in the City of Atascadero. ECHO receives both CDBG and ESG funds for the operation of this service. In addition, the two domestic violence shelters are proposed to be supported in part by Emergency Shelter Grant funds available to the County.

Quantified objectives: The County proposes to continue its support to the programs described above, providing about \$1.3 million or more in CDBG funds, plus \$461,000 in

ESG funds for a total of approximately \$1.8 million, benefiting at least about 2,500 unduplicated extremely low income and low income persons.

Geographic distribution: Activities directly benefiting the homeless tend to be concentrated in the City of San Luis Obispo, where many homeless congregate. The Economic Opportunity commission's (EOC) Maxine Lewis Memorial Shelter, Prado Day Center and San Luis Obispo homeless case management programs are located in the City of San Luis Obispo. Two safe houses operated by the Women's Shelter of San Luis Obispo and five transitional houses operated by Transitions-Mental health Association are all located in the City. Many health and social service agencies are also concentrated in San Luis Obispo including two hospitals, County Behavioral Health, County Department of Social Services, County Drug and Alcohol Services, and the San Luis Obispo Housing Authority.

EOC also provides homeless case management in the South County. In the North County, ECHO provides a temporary church-based shelter program in Atascadero; EOC provides homeless case management; the North County Women's Shelter operates two safe houses (one in Atascadero and one in Paso Robles); Transitions - Mental health Association operates a transitional house in Atascadero; and the Homeless Housing Project operates the Motel Voucher Program. There is need for a permanent overnight shelter in the Northern and southern portions of the county. EOC is in the process of developing a permanent shelter in Atascadero. Once it is open, ECHO's temporary shelter operation will "fold into" the permanent shelter.

Priority #2: Prevent homelessness by enabling people to obtain or retain decent affordable housing and supportive services.

As stated in the needs assessment section of this plan, homeless persons need permanent affordable housing. Thus, one necessary part of the "continuum of care" strategy for addressing homelessness consists of the affordable housing programs described above. In addition, it is crucial to include measures to help people who are now in housing from losing it to become homeless, or the numbers of homeless persons could grow rapidly. This section addresses both the homeless and non-homeless who have special needs.

The City of San Luis Obispo Housing Authority's affiliate Non-Profit Housing Corporation has opened four new apartment complexes, rehabilitated two properties, and acquired another, with a total of 130 units. This agency has also acquired three homes for transitional housing since 1992. The current transitional housing program, operated by Transitions-Mental Health Association, has 12 beds for homeless disabled adults housed in three single-family homes, and another 16 beds in housing it leases. In the first 20 months, 31 people have been housed and 12 have graduated into permanent housing utilizing a Section 8 subsidy. It is anticipated that another 60 residents will move into permanent housing during the five years covered by this plan. The program combines case management and intensive living skills training with

socialization and individual self-determination, which are needed by this severely disabled population. Case management continues beyond transitional housing and into permanent housing.

However, in addition to funding for acquisition of housing for this program, ongoing funding for staffing and operating costs is necessary. The County will support applications to the HUD Supportive Housing Program for this purpose, since most public service CDBG funds are used for other homeless programs.

The Economic Opportunity Commission (the local community action agency) and the Salvation Army operate formal rental assistance programs. Most food distribution programs and Churches have small eviction prevention funds. The HIV Consortium and the Aids Support Network provide rental assistance and transitional housing to persons with Aids and their families.

Quantified objectives: The HUD Supportive Housing Program may provide as much as \$1.2 million during the next five years for this program, benefiting 590 low income households.

Geographic distribution: Countywide.

Economic Development Strategy

The County and several cities have established formal economic development programs aimed at fostering retention, expansion or attraction of businesses, especially those with high-paying jobs. The nonprofit Economic Vitality Corporation and the Cuesta College Small Business Development Center are expected to play an important role in fostering economic development in the future.

Priority #1: Provide business technical assistance to enable small businesses to create and/or retain jobs.

A way to help businesses create or retain jobs is to provide the entrepreneurs with business training. Cuesta College now operates a Small Business Development Center that provides training to small businesses, funded with CDBG funds and funds from EDA. With the technical assistance, business owners can obtain loans to create and/or expand the business and create new jobs.

Priority #2: Provide financial assistance to existing small businesses for expansion and to start-up businesses.

Greater access to capital can improve the ability of businesses to hire local residents, or to keep existing jobs. "Micro-enterprises", or businesses owned by low- and moderate-

income persons with no more than five employees can be enabled to stay in business, or to start their business, with relatively small infusions of low interest loan funds. The CDBG program is appropriate for this purpose. Other businesses can use CDBG funds to create or retain jobs that are available to low- and moderate-income persons.

In addition, when appropriate, the County will initiate a cooperative effort with the cities to prepare a new countywide Overall Economic Development Plan in order to gain access to economic development funds through the federal Economic Development Administration (EDA). However, the current low unemployment rate in the county probably precludes EDA funding for programs in the county.

Quantified objectives: The County previously committed about \$2 million for the EVC's revolving loan program, and those funds have been "revolving" as intended. Interest and fees charged to the borrowing businesses is largely sustaining the loan pool, so no new CDBG funds have been awarded for this activity since 1999. Cuesta College's SBDC is still spending CDBG funds previously allocated, but it approached and received a funding recommendation for additional funding for the 2005 program year. The County estimates that about \$250,000 in CDBG funds may be needed for economic development over the next five years, and that the programs will create 150 jobs during that period.

Geographic distribution: County-wide. The county has many assets that can be brought to the attention of businesses. One of the ways to accomplish this is the preparation of information packages, which are provided to any businesses that inquire about the county. Another technique is the preparation of marketing videos to be broadcast on network television. Both of these methods have been in use in the county to some extent, but they have as yet unrealized potential to benefit the county economy. Other techniques need to be identified and tested. The funding sources covered by this plan are not suitable for use in implementing this priority program, so other funding sources must be identified.

Public Facilities and Services Strategy

The needs assessment section of this plan noted that some communities in the county, particularly those with high concentrations of low- and moderate-income persons, have a limited ability to pay for needed public facilities and services. Therefore, the County should consider assisting these communities where possible to meet their most important unmet needs through funds available through the county.

Priority #1: Provide assistance to communities that consist primarily of low- and moderate-income persons and cannot afford necessary public facilities or services.

Public facilities include (but are not limited to) water supply and sewage disposal systems, community centers, childcare centers, and youth recreation facilities. Public facilities that may be eligible for CDBG funding during the next five years include the following: drainage improvements in San Miguel and Oceano; a new railroad crossing in San Miguel; redevelopment opportunities in the cities of Arroyo Grande, Grover Beach and Paso Robles; hooking up the homes of low income persons to the Los Osos sewer; making existing public facilities handicapped accessible, rehabilitating community buildings primarily serving low and moderate-income populations, and many other similar projects.

Public services include the operation of the homeless shelter, Prado Day Center, case management and other homeless services, childcare, at-risk youth services, employment training, and meal programs. The CDBG program is suitable for this type of program if it primarily benefits low- and moderate-income persons. The County is limited by federal regulations to use no more than 15 percent of its annual formula CDBG funds for public services.

Quantified objectives: The County anticipates allocating up to about \$7.3 million in CDBG funds over the five years covered by this plan for a variety of public facilities, to benefit 100,000 persons

Geographic distribution: This program will be limited to communities and neighborhoods that consist primarily of low- and moderate-income persons. Emphasis will also be place on ensuring that communities with high concentrations of minorities are not excluded from fair consideration.

Public Policies That May Constitute Barriers to Affordable Housing

Impact Fees:

Many jurisdictions have found it necessary to impose impact fees on new development to pay for public improvements needed to support that housing. One strategy for addressing this impact on affordable housing, currently being implemented by the County, is to collect an additional fee on market-rate housing to be used to pay public facilities fees on behalf of projects which provide affordable housing. Similarly, the City of San Luis Obispo offers a fee waiver program for certain affordable housing projects.

Zoning:

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) to Los Osos (population of 14,461). 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) to San Luis Obispo (population of 42,497).

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. Table 36 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 cities. Larger group homes typically require a conditional use permit and public review.

Institutional Structure

Most of the housing services identified in this consolidated plan are expected to be provided through the two housing authorities, Peoples' Self-Help Housing Corporation, the Paso Robles Non-Profit Housing Corp., the San Luis Obispo Non-profit Housing Corporation, and Habitat for Humanity. The participating cities, the County, the Economic Opportunity Commission, and numerous other smaller agencies will also be involved in providing the services. Funding for these agencies will be provided partially through the County, the cities, redevelopment agencies, and directly from the federal or state governments. The cities and the County will consider pooling CDBG or other funds to which they have access for projects or programs that need the added funding. In addition, for-profit firms will be involved in building affordable housing using density bonuses and/or public financial assistance.

The County and its cities are sensitive to the shortage of affordable housing and are responding with various ordinance amendments and policy changes. Four of the cities have adopted inclusionary housing ordinances. The County recently updated its Housing Element by incorporating several programs that will encourage the development of affordable housing.

The City of San Luis Obispo has adopted and is implementing an Inclusionary Housing Ordinance which has produced over 40 units of affordable housing. With the approval of its Housing Element, the County is pursuing the development of its own inclusionary housing ordinance that will be released for public review and comments in May, 2005.

Public Housing Improvements

The Housing Authority of the City of Paso Robles and the Housing Authority of the City of San Luis Obispo receive annual, formula-based funding for improvements to their public housing complexes from the Comprehensive Improvement Assistance Program. If current funding levels for this program are maintained by Congress, these housing complexes will be adequately maintained.

Resident Initiatives

Both public housing authorities in the county have encouraged public housing residents to become more involved in management of their housing and to work toward acquiring ownership of the units, but with limited success. The authorities' Comprehensive Plans describe these efforts in more detail than is shown here.

Table 36 - 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 Residential-2 Residential-3 Residential-4	Allowed Use -no conditional use permit " " "	Allowed Use -no conditional use permit " " "
City of Paso Robles	Residential-1 Residential-2 Residential-3 Residential-4	Allowed Use -no conditional use permit " " "	Approval of conditional use permit " " "
City of Morro Bay			
City of Atascadero	Res. Suburban Res Sin Fam x Res Sin Fam y Res Sin Fam z	Allowed use-no conditional use permit " " "	Approval of conditional use permit " " "
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

Source: San Luis Obispo County Analysis of Impediments to Fair Housing Choice

With HUD assistance and encouragement from the Housing Authority of the City of Paso Robles, a resident organization was formed, and officers elected for the public housing units in Paso Robles. The purpose was to improve quality of life in these housing units through better communication with management.

In the City of San Luis Obispo, that housing authority initiated the Family Self-Sufficiency Program for Section 8 tenants and Public Housing tenants to work toward homeownership. The increment that monthly rent payments rise as income rise is deposited into an escrow account, and at the end of the five-year Section 8 contract, the resident may use those accumulated funds as a down payment for purchase of a home. This provides an incentive for residents to become better educated and obtain better income.

The Housing Authority of the City of San Luis Obispo also has encouraged residents to become organized to participate in the management of their housing. However, although some resident councils have formed in the past, the organizations have not lasted. It may be that the small size of the projects has not provided a "critical mass" of residents.

Lead-based Paint Reduction

As part of preparation of this plan, the County Environmental Health Division was consulted. They indicated that their statistics on numbers of children poisoned by lead-based paint are misleading, since most parents in the county seem to be reluctant to have their children tested. This is primarily because they are unaware of the hazard.

In the County of San Luis Obispo there have been 55 cases of children with lead poisoning since 1992, but only one caused by lead-based paint (LBP). Typically, lead poisoning exposure is the result of parent occupation or hobbies (i.e., lead from work clothes or from the making of lead bullets). According to the County Environmental Health Division no active lead-based paint poisoning cases have been reported during the past years. The County Health Department now has certified EBL (elevated blood lead level) staff and an XRF machine.

The County's public health clinics began testing all pre-natal children clients for LBP within the last three years. This is due to recently adopted guidelines in state public health programs for WIC (Women in Care of Children) and CHDP (Child Health Disability Program) that recommend such blood testing. The County will continue to do follow-up inspections for all public health clinic cases of children suspected of suffering from LBP.

All public housing units in the county have been tested for LBP, and corrective measures implemented. All Section 8 residents in the county are now receiving a HUD pamphlet alerting them to the hazards of lead-based paint, and how to request health screening if they suspect contamination.

The County Department of Planning and Building has launched a program to educate HUD grant recipients about the new federal requirements regarding lead-based paint. This is in response to the new HUD regulations in 24 CFR 35, particularly Subparts J, K & M. The County is revising its own policies, documents and procedures. In addition the County has initiated a program with the following components:

- Inform the local administrators (i.e., housing authorities), subrecipients (i.e., public and non-profit agencies) and other entities who have the responsibility of implementing the lead-based paint regulations. The County is actively contacting the responsible individuals and agencies to inform them about the new regulations and how to implement them.
- Advise the responsible individuals and agencies on updating their policies, documents and procedures regarding lead-based paint. The updates must reflect the new requirements for initial inspection, lead hazard removal, clearance work, recipient (client) notification, and on-going maintenance that shall be performed by qualified individuals.
- Inform the responsible individuals and agencies of classes available for the training of in-house staff in implementing the lead-based paint regulations.
- Identify the available pool of inspectors and contractors qualified in dealing with the hazards of lead-based paint.
- Establish quarterly contact with state and local health agencies to share information regarding cases of children with Environmental Intervention Blood Lead Level.
- Monitor local awareness and compliance with the federal regulations regarding lead-based paints.

Anti-poverty Strategy

Except through public employment, the County and participating cities do not directly control the numbers of households with incomes below the poverty level, and there are limits on how many persons local governments can afford to employ. However, local governments can influence the numbers of households experiencing poverty through public goals, policies and programs that promote retention and growth of existing businesses, as well as attraction of new businesses, that pay their employees better than poverty-level wages.

For example, the County and cities plan, zone and provide services to land for development of new or expanding businesses, most of which pay above the poverty level. Generally, these areas of land are located near areas designated for housing in order to reduce potential commuting costs and environmental impacts.

In addition, the County's affordable housing programs have, directly and indirectly, helped many households to raise themselves from the poverty level. Once enabled to obtain or maintain safe and decent housing, these households can focus their attention and energy on maintaining or improving their job status by obtaining education or specialized job training. In the past, some actually received training on housing

construction directly through participation in the "self-help" housing construction process, which subsequently enabled them to obtain employment in the construction industry. Additionally, the County's procurement procedures applicable to its affordable housing programs encourage participation by local firms, and therefore act to support locally employed persons.

The County and cities therein have begun work on preparing and implementing economic strategies. Once implemented, these strategies will have some effect on promoting growth of businesses that pay their employees adequately to afford the local cost of living. In addition, redevelopment is being implemented by several of the cities to revitalize their urban areas.

Coordination efforts

The Urban County intends to improve coordination between public and assisted housing providers and private and governmental health, mental health, and service agencies. This can be accomplished, but it will require an unprecedented level of communication and cooperation between the many public, non-profit and private entities that comprise the affordable housing and supportive services network. For example, the Supportive Housing Consortium has made great strides in establishing ongoing coordination of homeless, supportive housing, public services and affordable housing programs.

Monitoring

The County conducts regular monitoring and evaluation of assisted activities being implemented by the County, its subrecipients and other organizations or individuals responsible for implementation of the approved activities. Each subrecipient city has designated a single point of contact with the County, and those individuals collectively comprise the "urban county team." The team meets quarterly to review status of the assisted activities and identify appropriate remedial actions for activities that are not proceeding as planned. The subrecipients are required to submit quarterly progress reports to the County, which are also reviewed to identify any problems that require some form of corrective measure. The quarterly report outline the services they provided, the number of people served, race/gender, and income levels of the clients. On an annual basis, information is collected by all subrecipients and contractors for preparation of the County's annual grantee performance reports. The County anticipates that one result of these monitoring activities will be to initiate amendments to the applicable consolidated plan to reallocate funds away from activities that prove infeasible.

The County will monitor its own accomplishments towards meeting Consolidated Plan Priority goals by reporting on people, households, and businesses served and housing units completed. The information reported in the chart will show progress toward goal attainment, and the impact the programs are having in each Consolidated plan priority area.

Citizens will have an opportunity to monitor all aspects of the Consolidated Plan through public hearings on the Annual Action plan and CAPER and upon request to staff.

We will ensure that program requirements are met by consulting with HUD staff, including our CPD representative and the environmental officer, attending available training on program requirements including CDBG and HOME refreshers, Davis-Bacon, etc., using IDIS reports to ensure adherence to timeliness requirements, and keeping applicable guidelines and regulation available for reference.

Outreach to Small, Minority or Women-owned Businesses

The Urban County encourages small businesses and businesses owned by minorities or women to seek contracts with the Urban County to implement the activities described in this plan. This is accomplished primarily through special language in published requests for proposals. In addition, upon request, the Urban County will provide a limited amount of technical assistance to such firms to enable them to learn about the many requirements of the CDBG, HOME and ESG programs. Finally, the Economic Vitality Corporation prepared an outreach plan to improve access to its revolving loan program for minority-owned businesses.

Anti-Displacement

For federally funded activities, the County will attempt to avoid any displacement. In the event that the County undertakes an activity with federal funding that would involve displacement, the County will follow the procedures as identified within the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

Summary of Comments

Comments were received throughout the process of developing the consolidated plan. Comments were received during the initial eight public workshops, through consultation with appropriate agencies, the eight public workshops conducted after the draft consolidated plan was published, the public hearings conducted by the five participating city councils, and the two public hearings conducted by the county Board of Supervisors. The comments and the County's response are summarized in this section. Support letters submitted to staff during the last five months has been attached as part of this exhibit.

Some people merely asked questions about the process, eligibility factors, and other technical matters. Those questions were answered immediately, and are not restated here.

Comment: Several persons stated that there should be funding support for both the Homeless Shelter, the Prado Homeless Day Center and case management for the homeless. These persons also expressed the need for additional funding for the Prado Day Center and the homeless shelter. Service providers to the homeless have noted an increase in homeless population and the high need for a homeless shelter in the North County area and another in the South County area in the future. A discussion ensued regarding changing the Addressing Homelessness (Continuum of Care) priorities to make emergency shelter facilities and related services priority number one, instead of the current priority number one in the 2000 Consolidated Plan to prevent homelessness by enabling people to obtain or retain decent affordable housing and supportive services.

Response: *The County and the City of San Luis Obispo support funding for both facilities operated by the Economic Opportunity Commission. The Urban County proposes to allocate a total of \$232,765 for the Homeless Shelter and case management and \$26,500 for the Prado Homeless Day Center in CDBG funds. The use of ESG funds will also benefit both facilities with \$43,671 proposed for the homeless shelter and \$14,751 for the Prado Day Center. Both the County and the City of San Luis Obispo also provide significant funding for these services from Federal Funds revenues. CDBG funds would be eligible to build the homeless shelter facilities, but due to the 20% cap on public services, the operation of an additional shelter would greatly impact the existing Maxine Lewis Memorial Shelter in the City of San Luis Obispo. Input from the numerous homeless service providers influenced the ranking of priorities for the 2005 Consolidated Plan.*

Comment: Several persons cited the need for affordable housing throughout the county. Housing costs have soared in recent years. This must be a high priority in the new Consolidated Plan.

Response: *The County and cities allocated HOME and some CDBG funds to facilitate more affordable housing. However, these grant funds are not sufficient to make a major dent in the problem. Other funding sources and more private sector involvement will be needed in the future.*

Comment: Many persons and agencies commented that increased permanent affordable housing and transitional housing are needed to enable the homeless and special needs clients of residential programs to “graduate” from their programs, and thereby make room for new clients and homeless persons. Increasing affordable, permanent housing and transitional housing resources can make these agencies’ programs much more effective. There was support for the Tenant Based Rental Assistance program, especially for persons with special needs.

Comment: Two persons expressed concern that the prevention of homelessness is identified as a priority number two in the draft Consolidated Plan. There is a need for emergency shelters but this need should not carry a priority number one. CDBG and HOME funds should be used to fund the construction of affordable housing for the homeless and not minimize a priority that could assist homeless persons over the long run.

Response: *Information obtained from homeless service providers indicates that the need to provide immediate shelter to the homeless is great in the County. The County is aware of the need to build a homeless shelter in the North County and the Economic Opportunity Commission is currently working on obtaining land-use permits. There is a growing need to provide additional shelter in the South County since many homeless in this area are being transported to available facilities that provide overnight shelter.*

Response: *The County understands the great need for affordable housing in the area, especially for the special needs population. Funding for housing will be made available to several affordable housing projects and the Tenant Based Rental Assistance Program.*

Comment: Several individuals expressed the need for a North County homeless shelter and the possible need for a shelter in the South County area in the future.

Response: *The County is aware of this need. However, an adequate and sustainable funding source for operating such proposed facilities have not yet been identified. EOC is in the process of obtaining a land-use permit for a new homeless facility in the City of Atascadero. The completion date for this*

new facility is yet unknown. The County will continue to collaborate with involved residents in their effort to establish appropriate homeless programs in the North County. While adequate funding has not yet been identified, there is a need for a homeless shelter in the North County.

Comment: Several persons expressed the need to place the first-time homebuyer program as a high priority in the new Consolidated Plan. This program is needed, especially with the creation of the American Dream Downpayment Initiative Program.

Response: *The first-time homebuyer program will receive consideration. However, due to the high amount of public funds now required to assist a moderate income family, the priority may not receive a priority number one. With the amount of funds that could help one family obtain permanent housing, the same amount of funds could house two or more families in newly constructed rental housing. ADDI funds and the recent allocation of HOME program income has allowed for the Board of Supervisors to renew this program, in spite of the high real estate market.*

Comment: Several persons expressed the need for funding to purchase the Sunny Oaks Mobile Home Park in Los Osos.

Response: *Due to prior project commitments for HOME funds to two housing projects in the City of San Luis Obispo and in Avila Beach, and unresolved questions about this project's feasibility, there are insufficient funds to allocate to this project.*

Comment: Several persons expressed the need to assist low and moderate-income homeowners in Los Osos construct sewer laterals from their property to the street service line.

Response: *Construction costs for the laterals could range from \$995 to \$4,100, depending if a grinder pump is required. With CDBG assistance, low and moderate-income homeowners may not be displaced from their homes because they will be able to afford the cost of the sewer connection. The LOCSD received a permit from the Coastal Commission, but the actual installation of sewer laterals may be two years away and possible pending legal challenges may further delay the project. Should funding be allocated this year to this project, the timeliness expenditure of CDBG funds may not be achieved as required by federal regulations.*

Comment: The Department of Public Works expressed the need to fund two multi-million dollar projects involving a pedestrian crossing over the Union Pacific Railroad and a draining improvement project along Mission Street in the community of San Miguel.

Response: *The two projects are eligible for CDBG funds because San Miguel is predominately low-income. After the release of the Draft Funding Recommendations, Public Works expressed the desire to receive funding for only the drainage project because of possible delays presented by the pedestrian crossing. The drainage project will have an economic benefit to the community and eliminate a safety concern. For these and other reasons, staff supports funding for this project is recommended.*

Comment: Several persons expressed the need for the continuation of the motel voucher program.

Response: *The County has allocated funding for the motel voucher program in the past. The cities of Paso Robles and Atascadero have previously allocated funding for the motel voucher program and for a day center. However, this program will be in competition for the public services money that is allocated to the Homeless Shelter and the Prado Day Homeless Center.*

Comment: One person expressed the need to fund the Small Business Development Center.

Response: *For several years, the County has funded this program in recognition of the economic development benefits of this program. Funding for this program is recommended in order to continue to provide assistance to low income persons with basic information on establishing their own business.*

Comment: The Department of General Services expressed the need to fund American with Disabilities Act (ADA) projects at various county owned buildings.

Response: *CDBG funds have been widely used for meeting this federal law by the participating jurisdictions if the Urban County and by the County. General Services has been successful in obtaining CDBG funds in the past and has demonstrated good capacity to spend the funds on a timely basis. Funding for the Shandon Senior Center is recommended by staff this year.*

HUD TABLES

Continuum of Care: Gaps Analysis - Individuals

Beds/Units				
	Estimate Needs	Current Inventory	Unmet Need/Gap	Relative Priority
Emergency Shelter	1,057	84	1,012	HIGH
Transitional Housing	519	39	480	HIGH
Permanent Housing	768	113	655	HIGH
Total	2,344	197	2,147	
Estimated Supportive Services Slots				
Job Training	291	64	227	LOW
Case Management	1,431	104	1,327	HIGH
Substance Abuse Treatment	451	115	336	MED
Mental Health Care	419	116	303	MED
Housing Placement	1,129	232	897	HIGH
Life Skills Training	1,420	104	1,316	MED
Estimated Sub-Populations				
Chronic Substance Abusers	153	0	153	MED
Seriously Mentally Ill	126	14	112	HIGH
Dually-Diagnosed	317	10	307	HIGH
Veterans	142	0	142	LOW
Person with HIV/AIDS	27	9	18	LOW
Victims of Domestic Violence	212	45	167	MED
Youth	18	10	8	LOW

Continuum of Care: Gaps Analysis – Persons in Families with Children

Beds/Units				
	Estimated Needs	Current Inventory	Unmet Need/Gap	Relative Priority
Emergency Shelter	1,220	115	1,105	HIGH
Transitional Housing	425	156	269	HIGH
Permanent Housing	762	202	560	HIGH
Total	2,407	473	1,934	
Estimated Supportive Services Slots				
Job Training	210	157	53	LOW
Case Management	1,070	321	749	HIGH
Child Care	586	298	288	LOW
Substance Abuse Treatment	206	80	126	MED
Mental health Care	220	136	84	MED
Housing Placement	906	489	417	HIGH
Life Skills Training	1,070	321	749	HIGH
Estimated Sub-Populations				
Chronic Substance Abusers	130	26	104	MED
Seriously Mentally Ill	95	12	83	HIGH
Dually-Diagnosed	209	18	191	HIGH
Veterans	106	0	106	LOW
Persons with HIV/AIDS	21	18	3	LOW
Victims of Domestic Violence	580	73	507	MED

Housing Needs

Renter				
		Need Level	Units	Estimated \$
Small Related	0 – 30% of MFI	HIGH	74	\$4,070,000
	31 - 50% of MFI	HIGH	87	\$4,785,000
	51 – 80% of MFI	MED	133	\$7,315,000
Large Related	0 – 30% of MFI	HIGH	17	\$935,000
	31 - 50% of MFI	HIGH	24	\$1,320,000
	51 – 80% of MFI	MED	34	\$1,870,000
Elderly	0 – 30% of MFI	HIGH	54	\$2,970,000
	31 - 50% of MFI	HIGH	25	\$1,375,000
	51 – 80% of MFI	MED	20	\$1,100,000
All Other	0 – 30% of MFI	HIGH	197	\$10,835,000
	31 - 50% of MFI	HIGH	112	\$6,160,000
	51 – 80% of MFI	MED	125	\$6,875,000

Owner				
		Need Level	Units	Estimated \$
Owner	0 – 30% of MFI	MED	2,443	\$207,655,000
	31 - 50% of MFI	HIGH	1,664	\$141,440,000
	51 – 80% of MFI	HIGH	1,871	\$159,035,000

Community Needs

Anti-Crime Programs			
	Need Level	Units	Estimated \$
Overall	-	0	\$0
Sub-Categories			
Crime Awareness	-	0	\$0

Economic Development			
	Need Level	Units	Estimated \$
Overall	HIGH	150	\$250,000
Sub-Categories			
Rehab; Publicly or Privately-Owned Commer.		0	\$0
CI Land Acquisition/Disposition		0	\$0
CI Infrastructure Development		0	\$0
CI Building Acquisition, Construction, Re		0	\$0
Other Commercial/Industrial Improvements		0	\$0
ED Direct Financial Assistance to For-Pro		0	\$0
ED Technical Assistance		0	\$0
Micro-Enterprise Assistance	HIGH	150	\$250,000

Infrastructure			
	Need Level	Units	Estimated \$
Overall	-	0	\$0
Sub-Categories			
Flood Drain Improvements	-	0	\$0
Water/Sewer Improvements	-	0	\$0
Street Improvements	-	0	\$0
Sidewalks	-	0	\$0
Tree Planting	-	0	\$0
Removal of Architectural Barriers	-	0	\$0
Privately Owned Utilities	-	0	\$0

Planning & Administration			
	Need Level	Units	Estimated \$
Overall	MED	0	\$0
Sub-Categories			

Community Needs (Page 2)

Public Facilities			
	Need Level	Units	Estimated \$
Overall	HIGH	0	\$6,000,000
Sub-Categories			
Public Facilities and Improvements	HIGH	0	\$6,000,000
Handicapped Centers	-	0	\$0
Neighborhood Facilities	-	0	\$0
Parks, Recreation Facilities	-	0	\$0
Parking Facilities	-	0	\$0
Solid Waste Disposal Improvements	-	0	\$0
Fire Stations/Equipment	-	0	\$0
Health Facilities	-	0	\$0
Asbestos Removal	-	0	\$0
Clean-Up of Contaminated Sites	-	0	\$0
Interim Assistance	-	0	\$0
Non-Residential Historic Preservation	-	0	\$0

Public Services			
	Need Level	Units	Estimated \$
Overall	HIGH	0	\$1,300,000
Sub-Categories			
Public Services	HIGH	0	\$1,300,000
Handicapped Services	-	0	\$0
Legal Services	-	0	\$0
Transportation Services	-	0	\$0
Substance Abuse Services	-	0	\$0
Employment Training	-	0	\$0
Health Services	-	0	\$0
Mental health Services	-	0	\$0
Screening for Lead-Based Paint/Lead Hazard	-	0	\$0

Senior Programs			
	Need Level	Units	Estimated \$
Overall	-	0	\$0
Sub-Categories			
Senior Centers	-	0	\$0
Senior Services	-	0	\$0

Community Needs (Page 3)

Youth Programs			
	Need Level	Units	Estimated \$
Overall	-	0	\$0
Sub-Categories			
Youth Centers	-	0	\$0
Child Care Centers	-	0	\$0
Abused and Neglected Children Facilities	-	0	\$0
Youth Services	-	0	\$0
Child Care Services	-	0	\$0
Abused and Neglected Children	-	0	\$0

Other			
	Need Level	Units	Estimated \$
Overall	-	0	\$0
Sub-Categories			
Urban Renewal Completion	-	0	\$0
CDBG Non-profit Organization Capacity Building	-	0	\$0
CDBG Assistance to Institutes of Higher Education	-	0	\$0
Repayments of Section 108 Loan Principal	-	0	\$0
Unprogrammed Funds	-	0	\$0

Funding Sources

Entitlement Grant (includes reallocated funds)		
CDBG	\$2,386,689	
ESG	\$ 92,396	
HOME	\$1,427,299	
ADDI	\$ 46,096	
HOPWA	\$ 0	
Total		\$3,952,480
Prior Years' Program Income NOT previously programmed or reported		
CDBG	\$323,600	
ESG	\$0	
HOME	\$200,000	
ADDI	\$0	
HOPWA	\$0	
Total		\$523,600
Reprogrammed Prior years' Funds		
CDBG	\$846,726	
ESG	\$0	
HOME	\$0	
ADDI	\$0	
HOPWA	\$0	
Total		\$846,726
Total Estimated Program Income		\$0
Section 108 Loan Guarantee Fund		\$0
TOTAL FUNDING SOURCES		\$5,322,806
Other Funds		\$0
Submitted Proposed Projects Totals		\$4,476,080
Un-Submitted Proposed Projects Totals		\$0

PART IV. ANNUAL ACTION PLANS

This section contains the one-year action plans designed to implement the five-year strategic plan in Part III. Each action plan will be added to this Consolidated Plan as it is approved by the County and HUD, starting with the Program Year 2005 Action.