



Atascadero City Council

Staff Report - Community Development Department

Affordable Housing Funds Policy PLN 2007-1266 (City of Atascadero)

RECOMMENDATION:

Council adopt the Draft Resolution, approving the City of Atascadero Affordable Housing Funds Policy with attached Affordable Housing Participation Checklist.

DISCUSSION:

Background:

In 2003, the City Council approved an Inclusionary Housing Policy for all developments requiring a legislative approval i.e. Zone Change or General Plan Amendment. The Inclusionary Housing Policy includes provisions for in-lieu fees to be applied to future affordable housing. In addition, the City's Redevelopment Agency (RDA) sets aside the state required sum of 20 percent of the tax increment, commonly referred to as RDA set-aside funds.

In December 2007, Tierra West Advisors (TWA) was selected to aid in the creation of an Affordable Housing Funds Policy for allocation of Redevelopment Agency housing set-aside funds, and City affordable housing in-lieu funds. TWA contacted various groups and members of the housing community, including: The Housing Authority of San Luis Obispo (HASLO), Peoples' Self Help Housing, SLO Nonprofit, ECHO, North County Women's Resource Center, the San Luis Obispo County Housing Trust Fund, private affordable housing developers, and affordable housing advocates which may have an interest in Atascadero's new Affordable Housing Funds Policy.

The process for developing a policy included extensive community outreach to assure consistency with community goals. The City Council, Agency Board and Planning Commission held two Affordable Housing Joint Study Sessions on February 28, 2008 and April 29, 2008, with a specific public-only workshop held on March 5, 2008. This

provided ample opportunity for public consideration of affordable housing issues and concerns, as well as workshop activities designed to review and test a draft Affordable Housing Policy. The process milestones which lead to development of the proposed Affordable Housing Funds policy are summarized as follows:

Tierra West Associates selected and contract approved	December 2007
Community Outreach Initiated	January 2008
First City Council/Planning Commission Study Session	February 2008
Community Meeting	March 2008
Second City Council/Planning Commission Study Session	April 2008
Community Outreach Follow-up	April 2008
City Council to consider Final Draft Policy	October 2008

Analysis:

As directed by the City Council, TWA and City staff incorporated extensive public input into developing an Affordable Housing Funds Policy (Policy). The proposed Policy has been drafted to guide both the Community Development Department and the Redevelopment Agency in evaluating projects and proposals that request financial assistance from the City's affordable housing in-lieu and Redevelopment set-aside funds.

The Policy is modeled on the format used in the General Plan, and provides the guidelines that City and Agency staff will adhere to in evaluating the appropriateness of affordable housing project proposals. It takes into account the current size of City and RDA staffing and scale of the City, to include alternatives that may aid the City to achieve maximum levels of production and success.

The evaluation checklist provides detail and reveals the expectations of the City to aid the development community in crafting appropriate affordable housing proposals for consideration. The checklist is made up of criteria delineated within five sections based upon Council and public input during the Affordable Housing Workshops to include Project Funding; Site, Location, and Neighborhood Consistency; Affordability; Term of Affordability; and, Proponent/Partnerships.

Each criterion within a section has been assigned points. "Optional" elements are worth two (2) points, "Encourage" elements will earn four (4) points, "High Priority" elements will receive ten (10) points, and "Mandatory" elements can earn up to eighteen (18) points. The maximum number of points available is two (200) hundred. However, it is unlikely that any one proposed project would or could receive the maximum number of points because of the diversity of desired elements.

City of Atascadero - Affordable Housing Participation Checklist

Organization Name: <input style="width: 90%;" type="text"/>	Date: <input style="width: 80%;" type="text"/>
Project Name: <input style="width: 90%;" type="text"/>	
Contact Person: <input style="width: 90%;" type="text"/>	Project Type: <input style="width: 80%;" type="text"/>
Phone: <input style="width: 90%;" type="text"/>	New Construction <input style="width: 80%;" type="text"/>
Email Address: <input style="width: 90%;" type="text"/>	Rehabilitation <input style="width: 80%;" type="text"/>
Application Number: <input style="width: 90%;" type="text"/>	

Is this an update to an existing checklist?

Instructions: Please insert the appropriate number of points in the "Points" column. Except where there is a range of points offered, there is no graduated point allowance for less than full compliance. In addition to the minimum optional points, all projects must meet the applicable mandatory requirements.

Optional Points	2 points
Encouraged Points	4 points
High Priority Points	10 points
Mandatory Points	18 points

Criteria	Description	Requirement Type	Points
Section 1- Project Funding			
1-1 Funding Leveraged	Are there funds from other sources?	<40% = 0 pts, 40-80% = 9 pts, >80% = 18 pts	18
1-2 Principal Sum Public Investment	Will principal sum be recovered in specified time?		18
1-4 Return on Investment	Will there be a reasonable return on investment?		4
1-5 Cost Per Unit	Lower City cost per unit given higher priority	<\$20,000 = 10 pts, \$20,000-40,000 = 8 pts, \$40,001-60,000 = 6 pts, \$60,001-80,000 = 4 pts, \$80,001-100,000 = 2 pts, >\$100,000 = 0 pts	10
SUBTOTAL			50

Section 2- Site, Location, and Neighborhood Consistency			
2-1 Neighborhood Compatibility	Does the project fit the neighborhood?		4
2-2 Adherence - Zoning Requirements	Does the project follow General Plan Consistency?		4
2-3 Environmental Suitability	Are there no significant environmental issues?		2
2-4 Neighborhood Acceptance	Does the neighborhood support? (neighborhood meeting required)		4
2-5 Green Development Plan	Is the project LEED certified?		4
2-6 Building Appearance	Does project provide high quality architecture?		4
2-7 Landscape	Does project provide high quality landscape?		2
2-8 Commercial Component	Project includes mixed use?		10
2-9 Downtown Site	Project in downtown zone?		10
2-10 Located in RDA Project Area	Project in the Redevelopment Project Area?		10
SUBTOTAL			54

Section 3- Affordability			
3-1 Very Low Income	Percentage very low income units?	<10% = 5pts, 10-30% = 10pts, >30% = 18pts	18
3-2 Low Income	Percentage very low income units?	<10% = 0pts, 10-30% = 9pts, >30% = 18pts	10
3-3 Moderate Income	Will there be any Moderate Income?		4
3-4 Rental Units Project	Does project include rental units?	<50% = 0pts, 50-75% = 5pts, >75% = 10pts	10
3-5 Number of units/density	Is Project at maximum General Plan density?		4
3-6 Variety of Unit Size	Is there a mix of unit size/bedrooms? (min 25% of units)		2
SUBTOTAL			48

Section 4- Term of Affordability			
4-1 Ownership Units Deed Restriction Term	45 year term required		18
4-2 Rental Unit Deed Restriction Term	55 year term required		18
4-3 Additional Time Restriction	Proposing to deed restrict at least 10 years more than 45/55 years?		4
SUBTOTAL			22

Section 5- Proponent / Partnerships			
5-1 Local Non-profit/For Profit	Is project a SLO County non-profit involved in the project?		10
5-2 Local Proponent	Is project proponent located in SLO County?		2
5-3 Experience of Proponent	Is developer experienced in affordable housing / good references?		10
5-4 Project Timing & Readiness	Are project entitlements approved?		4
SUBTOTAL			26

Percentage of Points Received =	100%	Point Scored	200
		Out of Total Points	200

In specific cases, a point scale is used. For example, depending on the percentage of very low and/or low income units provided within a proposed project, between five (5) and eighteen (18) points can be added to the total number of points available.

Projects that earn at least eighty (80%) percent of the points available will be given consideration by Staff for possible project development.

General Plan Consistency

The proposed Affordable Housing Funds Policy is consistent with the following General Plan policies:

HOS 1.1.1. Designate adequate sites and implement programs to help met the City Regional Housing Needs Allocation.

HOS 6.2.1. Earmark RDA set aside funds for housing projects.

HOS 8.1.3. Use Redevelopment Agency funds to leverage State and federal funds (including and encourage the use of private financing mechanisms), to assists in the production of affordable housing.

HOS 9.1.3. Continue to review and revise local procedures to streamline the process.

LOC 1.1.7. Within the Urban Core encourage infill development or the revitalization or reuse of land already committed to urban development where utilities and public services exist.

Conclusion:

The Policy provides clear direction for staff when reviewing and evaluating proposed affordable housing projects that are requesting financial assistance from the City and Redevelopment Agency. The Policy and checklist will increase staff efficiencies and ensure that proposed projects will meet the desired and mandated affordable housing requirements, and City, State, and other funding source requirements. Staff is looking forward to implementing the proposed Affordable Housing Funds Policy, and recommends that the Policy and checklist be approved as presented.

FISCAL IMPACT:

Adoption of this Policy has no fiscal impact.

ALTERNATIVES:

The City Council may refer the application back to staff for additional analysis or clarification of specific issues. The Council should provide direction on issues that require additional analysis.

ATTACHMENTS:

- Attachment 1: Draft Resolution – Approval of Affordable Housing Funds Policy with attached Affordable Housing Participation Checklist
- Attachment 2: Tierra West Advisor Affordable housing Policy & Strategy Development, May 15, 2008 (Informational Document)

ATTACHMENT 1: Draft Resolution

DRAFT RESOLUTION

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
ATASCADERO, CALIFORNIA APPROVING
AFFORDABLE HOUSING FUNDS POLICY
(City of Atascadero)**

WHEREAS, the City of Atascadero has an Inclusionary Housing Policy for all developments requiring a legislative approval, which includes provisions for in-lieu fees to be applied to future affordable housing; and

WHEREAS, the City of Atascadero Redevelopment Agency (RDA) sets aside the state required sum of 20 percent of the tax increment, commonly referred to as RDA set-aside funds for affordable housing; and,

WHEREAS, the Atascadero General Plan provides policy direction in support of programs that help meet the City Regional Housing Needs Allocation; earmark redevelopment agency funds for housing projects; and use redevelopment agency funds to leverage State and federal funds to assist in the production of affordable housing; and,

WHEREAS, the City of Atascadero held three separate public outreach meetings to discuss affordable issues and develop an affordable housing funds policy; and,

NOW THEREFORE, the City Council of the City of Atascadero, hereby resolves to approve the Affordable Housing Funds Policy, attached hereto as Exhibit A, which includes an attached Affordable Housing Participation Checklist.

On motion by Council Member _____, and seconded by Council Member _____, the foregoing resolution is hereby adopted in its entirety by the following roll call vote:

ITEM NUMBER:
DATE:

C - 5
10/28/08

AYES: ()
NOES: ()
ABSTAIN: ()
ABSENT: ()
ADOPTED:

CITY OF ATASCADERO, CA

Mike Brennler
Mayor

ATTEST:

Marcia McClure Torgerson, C.M.C., City Clerk

APPROVED AS TO FORM:

Brian Pierik, City Attorney

EXHIBIT A: Affordable Housing Funds Policy

Affordable Housing Funds Policy

It is the goal of the City that there be an adequate supply of quality housing for its residents regardless of income levels and/or special needs over the long term. To achieve this goal, the City will consider assisting affordable housing projects based upon a number of factors. Chief among those factors is projects located within the Redevelopment Agency Project Area, affordable housing projects with a commercial retail component, and the return on investment made by the City or Agency.

In addition to considering the cost per unit, depth of affordability and length of affordability, at least the principal amount of any investment should be returned to the City or Agency in a timely manner. This will help to ensure that adequate funds are available to maximize affordable housing opportunities over the long term.

Goal: Promote an adequate supply of quality housing regardless of income levels and/or special needs of residents, and ensure that adequate funds are available to maximize affordable housing opportunities over the long term.

Policy 1.1: City and Agency will consider assisting affordable housing projects based upon a number of factors including projects located within the Redevelopment Agency Project Area, affordable housing projects with a commercial retail component, and the return on investment made by the City or Agency.

Policy 1.2: City and Agency will use the Affordable Housing Project Ranking Checklist to evaluate proposed affordable housing projects and assistance requests.

Policy 1.3: City and Agency's highest priority will be to utilize Redevelopment Agency Housing Set-Aside Fund and City Affordable Housing In-Lieu Fund monies to provide "gap funding" so as to leverage funds from other sources for qualifying affordable housing projects.

Policy 1.4: At a minimum, the principal sum of any investment made by the City or Agency on an affordable housing project shall be recovered within a prescribed period of time.

Policy 1.5: At all times the City and the Agency shall obtain the principle amount loaned to a project. Projects that provide an additional return on investment will be given higher priority.

Policy 1.6: The City and Agency shall consider the experience, the timing, and the readiness of the proponent and proposed project.

- Policy 1.7: The City and Agency shall make neighborhood compatibility, adherence to zoning requirements, environmental suitability of the site, and neighborhood acceptance principal considerations when evaluating the suitability of any proposed affordable housing project.
- Policy 1.8: The City and Agency shall make green build practices, building appearance, and landscape principal considerations when evaluating the suitability of any proposed quality affordable housing project.
- Policy 1.9: The City and Agency shall consider the type of affordable housing project being proposed such as very low/low/moderate income, rental or ownership product, size and variety of units.
- Policy 1.10: The City and Agency shall give higher priority to projects with a lower cost per unit.
- Policy 1.11: The City and Agency will consider the location and commercial component of a proposed project, and give higher priority to projects located in the downtown area and the Redevelopment Project Area.
- Policy 1.12: The City and Agency shall obtain the longest possible term of affordability for assisted projects. At a minimum 45 years for home ownership units, and 55 years for rental units.
- Policy 1.13: The City and Agency shall encourage a wide range of partnerships between nonprofit corporations and private developers of affordable housing that are located within San Luis Obispo County.
- Policy 1.14: The City and Agency shall use the San Luis Obispo County Council of Governments Regional Housing Needs Allocation Plan (RHNA) Scale as a guideline for the percentage of income targeting housing units that should be developed.
- Exhibit A: Affordable Housing Project Ranking Checklist (post Matrix)

EXHIBIT A: Affordable Housing Participation Checklist (Exhibit A Attachment)

City of Atascadero - Affordable Housing Participation Checklist

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**ATTACHMENT 2: Tierra West Advisor Affordable housing Policy & Strategy Development, May 15, 2008
(Informational Document)**

Affordable Housing Policy And Strategy Development

**Community Redevelopment Agency
City of Atascadero**



Tierra West Advisors

Real Estate and Redevelopment Consultants

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Email: mgarcia@tierrawestadvisors.com

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Email: rcandelario@tierrawestadvisors.com



Tierra West Advisors
Real Estate and Redevelopment Consultants

Affordable Housing Policy
Development
City of Atascadero

May 15, 2008

Mr. Martin "Marty" Tracey
Deputy Executive Director
CITY OF ATASCADERO
COMMUNITY REDEVELOPMENT AGENCY
6907 El Camino Real
Atascadero, CA 93422

SUBJECT: Affordable Housing Policy and Strategy Development

Dear Mr. Tracey:

The Community Redevelopment Agency ("Agency") of the City of Atascadero ("City") has commissioned Tierra West Advisors ("Tierra West") to develop an Affordable Housing Policy and Strategy ("Analysis"). The following data is provided in support of our recommendation that the Agency utilize the affordable housing policy, project evaluation checklist and implementation strategy (Exhibits A and B) that has been cooperatively developed by City staff, community members and Tierra West over the past six months. Tierra West is confident that these documents meet the two primary Agency goals that were identified throughout the affordable housing policy development process. The six month community outreach process and policy development workshop activities accomplished the goal of providing a community education process regarding affordable housing to frame the affordable housing obligations of the City for policy decision makers in Atascadero. The project evaluation checklist has accomplished the goal of providing staff with an easy to use tool for reviewing project proposals and the provision of a method for analyzing project feasibility for use by policy decision makers.

ASSIGNMENT

The assignment as requested by the Agency requests that Tierra West provide an analysis to include the following:

- an analysis of the existing housing programs offered in Atascadero,
- development of an inventory of existing housing loan/grant projects in Atascadero,
- analyze existing staffing and recommend appropriate staffing for housing programs,
- identify potential housing program partners,
- implementation of a community outreach/educational effort to key stakeholders in Atascadero including Commissioners and City Council members, and
- Develop a new affordable housing policy and strategy for the Agency.

BACKGROUND

The City of Atascadero is known as a family oriented, mid-size community with a quaint small-town charm. The City is buzzing with new business and a blossoming economy. Atascadero's rolling-hill topography is covered with oak trees and is home to a variety of wildlife species. Residents of Atascadero are concerned with preserving the town's open space resources and native horticulture, and have kept these goals as a priority



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while still encouraging growth and revitalization. Atascadero was to be E.G. Lewis' "utopia" back when he founded it in 1913, and it truly is a little bit of paradise. It is an exciting place to live and do business.

The past few years have been an exciting time for the City's housing program. The update of the City's General Plan and Housing Element initiated a period of both commercial and residential growth in the City. The City Council implemented many policies and actions to promote a variety of housing products and provide affordable housing for their workforce. If approved on June 10, 2008 the City will also have an affordable housing policy in place that will provide clear guidelines and expectations for new affordable housing projects. The recent actions include:

- Updating the General Plan and Housing Element in 2002
- Adoption of an "Inclusionary Housing" Program in 2003
- Adoption of a "Mixed Use" Program in 2004
- Adoption of a Second Residential Unit ordinance in 2004
- Adoption of a Second Unit Amnesty policy in 2004
- Adoption of Equity Sharing Program for moderate income units 2005
- Authorization to Begin Process for Inclusionary Housing Ordinance 2005
- Authorization to Begin Process for Condominium Conversion Ordinance 2005
- *Expected approval of a new Affordable Housing Policy: Summer, 2008*

All of these actions contribute to the City's housing programs and enable the City to move forward toward implementation of the City Council adopted Housing Element. The years 2001 through late 2005 continued to show growth. With the start of 2006, the City began to see a slowing in the housing market which continues to be the case in mid 2008. The City has chosen this time to plan effectively for future housing needs and growth.

ASSIGNMENT UPDATES:

Analysis of existing housing programs-

Tierra West has reviewed the 2005 and 2006 Annual Housing Report documents, the Interim Affordable Policy, the adopted Amnesty Program, Inclusionary Housing and Second Unit Program documents. The existing housing program analysis provided a basis for development of the affordable housing policy development strategy. Tierra West conducted discussions with Deputy Executive Director Marty Tracey, Planner Kerry Margason and Agency Board Treasurer Rachelle Pickard regarding existing programs and priorities for staffing. Tierra West also researched information regarding affordable housing programs available from the private sector including nonprofit organizations such as Habitat for Humanity, Peoples Self Help Housing Corporation, El Camino Homeless Organization and the Housing Authority of San Luis Obispo. Tierra West identified many affordable housing organizations and advocates based within Atascadero and located within the County of San Luis Obispo. These contacts were compiled in a database to serve as a resource for staff for years to come.

Inventory of housing programs-

Tierra West reviewed files at City Hall and has had brief discussions with the Finance and Community Development Staff. Tierra West facilitated a working meeting on January 30, 2008 to discuss the status of current files and to agree upon a standard database format and filing plan. A complete filing and maintenance plan designed to ensure long term success for project monitoring and maintenance was provided to staff.



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Staff determined that the inventory responsibility and file maintenance task would be handled through the existing Geographic Information Systems ("GIS") contract with the Community Development Department. Per Planner Kerry Margason, Tierra West concluded efforts with regard to the inventory task.

Analysis of existing and recommendation for housing staffing-

Well qualified, well trained and well equipped staff is the key to successful organizations and successful public sector programming efforts. Tierra West is confident that the human resource efforts of the City of Atascadero will continue the successful nature of affordable housing efforts on behalf of the community. The final affordable housing policy does not recommend the implementation or development of new affordable housing projects or programs and; therefore, no staffing recommendation is needed for implementation. Tierra West recommends that the City of Atascadero consider a consolidation of housing efforts to one department for ease of supervision and focused efforts regarding monitoring and compliance as well as new project evaluation and project management responsibilities.

Tierra West has reviewed the existing housing projects and housing programs provided by staff over the past six months. The affordable housing policy recommendation provided a project evaluation checklist that will enable staff to quickly and efficiently evaluate funding assistance requests from the private sector. The checklist will also assist staff with the identification of potential projects that may be initiated by the Agency or submitted to the development community in the form of a request for proposals or request for qualifications.

Funding of the administration of housing responsibilities can be achieved through the Redevelopment Agency which would be the logical location for all affordable housing activities. Tierra West also recommends that the Agency identify a partner and contract monitoring requirement services with that partner to ensure that all requirements and reporting is completed on schedule.

Identify potential Housing Program Partnerships-

Tierra West has completed outreach and cooperative discussions regarding housing programs and the development of a new affordable housing policy. The outreach has enabled Tierra West to build relationships with key community stakeholders involved in housing issues. Tierra West has also identified three potential housing program partners. As the process comes to a close, we expect that the improved relationship and continued involvement of the key stakeholders will facilitate greater partnership opportunities with Peoples Self Help Housing Corporation, Housing Authority of San Luis Obispo (HASLO), and San Luis Obispo Housing Trust Fund.

Should time and budget permit, Tierra West will schedule and facilitate meetings with the targeted potential housing program partners.

Implement an Outreach and Educational Effort-

Tierra West has contacted and developed a database of key stakeholders and organizations who are interested in Atascadero affordable housing. Many of these contacts have participated in the extensive outreach effort over the past six months. Their interest and expertise have assisted in the process of developing an affordable housing policy for the Agency and have ensured that the policy is reflective of the community. Tierra West completed two Special Joint Study Sessions including the City Council, Redevelopment Agency Board, Planning Commission, and the public to study and discuss affordable housing in Atascadero. The study sessions were held on Tuesday, February 28, 2008 and Tuesday, April 29, 2008. Additionally, a community meeting covering a similar agenda was held on Wednesday, March 5, 2008. The outreach and educational effort was successful on two fronts.



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First, key decision makers in attendance were provided a great deal of background regarding the requirement to provide, affordable housing. The information and hands on experience provided through the use of quality management tools and a workshop atmosphere greatly enhanced this educational effort. Second, community members in attendance were exposed to a significant amount of information regarding affordable housing. The availability of information and increased clarity regarding issues (and/or myths) associated with affordable housing will be valuable as the City moves forward with efforts to provide affordable housing. The outreach associated with the development of the affordable housing policy should serve as a community building effort that creates a partnership mentality about City staff, residents, businesses and other interested parties.

Outreach Efforts:

- Two Press Releases
- Two published "News from the City Manger" newsletters
- Two Public Study Sessions held in the City Council Chambers at City Hall
- One Community Meeting held at The Pavilion on the Lake
- 50+ email correspondences to key community stakeholders and affordable housing advocates
- Over 50 phone discussions with key community stakeholders and affordable housing advocates
- Development of a contacts database for future affordable housing communication

Tierra West utilized a "hands-on" approach to the educational outreach effort through two distinct workshop activities and one on one discussion. The first workshop activity (Affinity Technique) allowed the community to be creative regarding the provision of affordable housing and then come to a general consensus regarding affordable housing preferences. The second workshop allowed the community to further define their preferences and test the proposed policy against potential projects and the reality of potential project locations within the city. Current support for the policy and project evaluation checklist and success of the outreach effort was based on the hands-on approach to developing the new affordable policy.

Develop a new Affordable Housing Policy and Strategy for the Agency-

Tierra West created a list of twenty-two (22) housing policy alternative scenarios for the Agency to consider. Tierra West chose to continue the process with the most appropriate course, selected by the Agency, and developed the affordable housing policy, project evaluation checklist, and an implementation strategy based on that direction provided as Exhibits A and B.

If you have any questions regarding any of the recommendations or analysis I will make myself available for discussion. Please feel free to contact me directly at 805/550-8898 or via email at rcandelario@tierrawestadvisors.com. We look forward to continuing to work with you and your staff and to the eventual adoption of a new housing policy by the City Council and Redevelopment Agency Board summer of 2008.

Sincerely,

TIERRA WEST ADVISORS

Regan M. Candelario
Senior Associate



Tierra West Advisors
Real Estate and Redevelopment Consultants

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Cc Mike Garcia, Tierra West Advisors
Warren Frace, Community Development Director, City of Atascadero

List of Exhibits:

Policy Document (Exhibit A)
Implementation Strategy (Exhibit F)
Project Evaluation Checklist (Exhibit B)
Contacts Listing (Exhibit C)
File Management System (Exhibit D)
Draft Staff Report (Exhibit E)

(Exhibit F)

Implementation Strategy

City/Agency affordable housing participation proposed process:

Any request for City/Agency participation in an affordable housing project or program must be submitted in writing to the Deputy Executive Director of the Community Redevelopment Agency. The request must detail the project scope, proposed budget, and funding sources. The request must also clearly identify how the project meets and/or exceeds the affordable housing policy issue considerations. A copy of the Affordable Housing Policy and Project Evaluation Checklist will be provided to the applicant.

The Executive Director and appropriate staff will review the request and determine a ranking of the project based on the 2008 Affordable Housing Policy issue considerations. If warranted, staff will convene a meeting with the applicant to clarify any outstanding issues and to answer any project specific questions and may submit the project for consideration by the appropriate governing body. If the request is not feasible for any reason, a response letter will be generated by staff.

(Exhibit B)

**2008 Affordable Housing Policy - Project Ranking Checklist
City of Atascadero**

	<u>Possible Points</u>	<u>Proposed Project</u>	<u>Average Project</u>	<u>Wonder Project</u>
Policy Directives				
Funding Source Compliance	6	0	6	6
RHNA Support				
Very Low	3	0		3
Low	2	0	2	2
Moderate	1	0	1	
Above Moderate	0	0		
Addresses Agency Deficit				
Utilizes SLO Green Build	3	0	0	3
Consistency with Housing Element Goals and Policies				
HOS G1	1	0	1	1
HOS G2	1	0	0	0
HOS G3	1	0	1	1
HOS G4	1	0	0	0
HOS G5	1	0	1	1
HOS G6	1	0	1	1
HOS G7	1	0	0	1
HOS G8	1	0	0	0
HOS G9	1	0	0	1
HOS G10	1	0	0	0
City Council Priorities				
Improve the Cities Economic Base	1	0	1	1
Emphasis on Roads	1	0	0	1
Natural Resources Protection	1	0	0	1
Administrative Considerations				
City Staff Burden	0	0	0	0
Leveraging of outside funding sources and grants.	15	0	9	13
Project includes a repayment plan for the Agency or City	10	0	5	5
Project is requesting a grant	0	0	0	0
Site Control	5	0	0	5
Project is located within the Redevelopment Project Area	6	0	6	6
Project is located within the City Limits	2	0	2	2
Project is located downtown with higher density and mixed-use components that take advantage of existing transportation and community infrastructure/facility resources.	4	0	0	4
Increased supply of affordable rental housing	4	0	4	4
Support of transitional housing	1	0	0	0
Development of SRO housing	1	0	0	0

Increased supply of special Needs and/or accessible housing	3	0	3	3
Participation with local Nonprofit and community based organizations	3	0	0	3
Housing Development Experience in Atascadero	3	0	0	3
Housing Development Quantity and Quality of Experience	3	0	0	3
Development of affordable senior housing opportunities	1	0	1	1
Development of a secondary dwelling unit	2	0	0	0
Total Project Points	96	0	49	80
Possible Discretionary Point Percentage	15%	15%	15%	15%
Maximum Discretionary Points	14	0	7	12
Maximum Possible Points	110	0	56.35	92

Based on 90% of total points for red.

Red	86 - 96
Orange	77 - 85
Yellow	67 - 76
Green	57 - 66
Blue	48 - 56
Purple	0 - 47

Alternative One

Based on 85% of total points for red.

Red	82 - 96
Orange	67 - 81
Yellow	52 - 66
Green	38 - 51
Blue	24 - 37
Purple	0 - 36

Alternative Two

Note: Staff can substitute completed projects in place of the "average" project and "wonder" project to provide historical comparisons of the current project being ranked.

(Exhibit C)

First Name	Last Name	Title	Organization	Street	City	State	Zip
Sorrel	Marks	Commissioner	City of Atascadero	11275 Atascadero Avenue	Atascadero	CA	93422
Doug	Marks	Commissioner	City of Atascadero	11275 Atascadero Road	Atascadero	CA	93422
Ann	Hatch	Commissioner	City of Atascadero	12505 Santa Ana Road	Atascadero	CA	93422
John	Laufer	President	El Camino Homeless Organization (ECHO)	12675 Cabazon Road	Atascadero	CA	93422
Seth	Gellis		Simpson Housing Solutions	320 Golden Shore, Suite 200	Long Beach	CA	90802
Kevin	Merrett	Land Acquisition Analyst	Simpson Housing Solutions, LLC	320 Golden Shore, Suite 200	Long Beach	CA	90802
Barbie	Butz	Vice Chairperson	City of Atascadero	3370 San Fernando Road	Atascadero	CA	93422
Jeannette	Duncan	Executive Director	Peoples Self Help Housing Corporation	3533 Empleo Street	San Luis Obispo	CA	93401
Pearl	Munak	President	Transitional Food and Shelter, Inc.	3770 N. River Road	Paso Robles	CA	93446-8392
Jerry	Rioux	Executive Director	SLO Hsg Trust Fund	4111 Broad Street, Suite A-6	San Luis Obispo	CA	93401
Carol	Hatley	Executive Director	HASLO	487 Leff Street	San Luis Obispo	CA	93401
Bonnie	Mallory	Outreach Coordinator	Salvation Army	5411 El Camino Real	Atascadero	CA	93422
Joanne	Main	President/CEO	Chamber of Commerce	6550 El Camino Real	Atascadero	CA	93422
Joan	O'Keefe	Chairperson	City of Atascadero	6907 El Camino Real	Atascadero	CA	93422
Jerry	Clay	Council Member	City of Atascadero	7285 Sycamore Rd.	Atascadero	CA	93422
Diane	Diane Larsen	Executive	Board of Realtors	7350 El Camino Real, #202	Atascadero	CA	93422
Pamela	Heatherrington	Commissioner	City of Atascadero	7790 Yesal Avenue	Atascadero	CA	93422
Roberta	Fonzi	Vice Chairperson	City of Atascadero	7880 Sinaloa Avenue	Atascadero	CA	93422
Jerry	Bunin	Government Liaison	H BIA, Workforce Housing Coalition	811 El Capitan Way, Suite 120	San Luis Obispo	CA	93401
Jay	Sechrist	Chairperson	City of Atascadero	8215 LosCerritos	Atascadero	CA	93422
Sandy	Jack	Commissioner	City of Atascadero	8250 San Diego Road	Atascadero	CA	93422
Jonalee	Istenes	Commissioner	City of Atascadero	8885 Marchant Avenue	Atascadero	CA	93422
Daniel	Chacon	Commissioner	City of Atascadero	9040 Junipero Avenue	Atascadero	CA	93422
Julie	Dunn	Commissioner	City of Atascadero	9150 Carmelita Avenue	Atascadero	CA	93422
Ellen	Beraud	Mayor Pro Tem	City of Atascadero	9608 Laurel Road	Atascadero	CA	93422

Jerry	Whinery	Director	Habitat for Humanity	2146 Parker Street, P.O. Box 613	San Luis Obispo	CA	93406
Penny	Rappa	Executive Director	Habitat for Humanity	2146 Parker Street, P.O. Box 613	San Luis Obispo	CA	93406
Paul	Jagger		Habitat for Humanity	2146 Parker Street, P.O. Box 613	San Luis Obispo	CA	93406
John	Knight		RRM Design Group	3765 S. Higuera, Suite 102	San Luis Obispo	CA	93401
Dick	Mason	News Director	KPRL	32nd and Oak Street, PO Box 7	Paso Robles	CA	93447
Charles "Chuck"	Treatch	Chief Financial Officer	JRW Group, Inc.	2004 Dallons Drive, Suite 100	Paso Robles	CA	93446
Thomas	Banuelos	Director of Construction	JRW Group, Inc.	2004 Dallons Drive, Suite 100	Paso Robles	CA	93446
Heather	Curry	Reporter	Atascadero News		Paso Robles	CA	
Ellen	Holland	Editor	Atascadero News		Paso Robles	CA	
Dave	Low		Thousand Oaks Studios			CA	
Keith	Jones	Property Owner		1535 El Camino Real	Atascadero	CA	93422
Gaylen	Little	Resident		3370 San Fernando Road	Atascadero	CA	93422
Keith	Mathias		The Rottman Group				
Mike	Zappas		Hidden Oaks	941 Buena Fortuna	Atascadero	CA	93422
Emily	Marks		Habitat for Humanity	6700 Rocky Canyon	Atascadero	CA	93422
Don	Blazer		Atascadero Association of	4220 Arizona Avenue	Atascadero	CA	93422
Kim	Croft		Atascadero Association of	4220 Arizona Avenue	Atascadero	CA	93422
Ted	Bench	Home Owner		12055 San Marcos	Atascadero	CA	93422
Muna	Cristal	Property Owner					

Analysis and Draft:
Affordable Housing Inventory

**Community Redevelopment Agency
City of Atascadero**



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Real Estate and Redevelopment Consultants

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(Exhibit D)

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Atascadero Community Redevelopment Agency
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AFFORDABLE HOUSING INVENTORY
City of Atascadero Community
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- Adoption of a Second Residential Unit ordinance in 2004
- Adoption of a Second Unit Amnesty policy in 2004
- Adoption of Equity Sharing Program for moderate income units 2005
- Authorization to Begin Process for Inclusionary Housing Ordinance 2005
- Authorization to Begin Process for Condominium Conversion Ord. 2005

All of these actions contribute to Atascadero's housing programs and enable the City to move forward toward implementation of the City Council adopted Housing Element. The years 2001 through late 2005 continued to show growth. With the start of 2006, the City began to see a slowing of growth in the housing market.

The success of these programs and projects has necessitated the organization of, and streamlining of the process for, management and monitoring of the various housing programs offered by the Agency and City of Atascadero. In particular, the projects with covenants must be monitored and inspected on a regular basis as well as the housing loan and grant programs that must be monitored and inspected on a regular basis.

Tierra West identified that the Finance division has one set of documents that provide detailed information regarding existing loans. Tierra West also found that there are project files in more than one location within City Hall. The loan and grant program files appear to be filed based on different time frames and based on different program names. The City of Atascadero has done an excellent job coping with a very difficult office space situation following the earthquake damage to City Hall in December of 2003. Following the earthquake, staff has been required to move documents from one place to another on multiple occasions. The following recommendation is provided to meet this Agency need as well as to provide direction for appropriate housing program staffing.

RECOMMENDATIONS

- Develop a Central Filing System and Central Filing System location within City Hall for all Housing Program Related Documents.
- Create a Central Filing System guidelines document, distribute the guidelines to all staff, post the guidelines at the central filing system location, and schedule a simple one hour training session for key staff (Project Managers, Loan Specialists, Support Staff, Interns).
- Schedule two coordination meetings for the key staff members from Finance and Community Development. (Include the Planning Staff as needed.) The meetings will provide an opportunity for each division to agree upon their respective needs regarding the file system and document format.
- Agree upon a single document and/or program application to be used for all housing related projects. The system should include a "tickler" function for follow-up on each individual case as needed. Additionally, the document should be set-up so that only key people have access to the main inventory document so that files are not lost or changed without the proper approval.
- Implement the central filing system recommendation by December 31, 2008. Tierra West is available to facilitate this process and provide the necessary documents to

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AFFORDABLE HOUSING INVENTORY
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accomplish the central filing system as an added scope of service under the current contract.

Alternative 1:

Continue the status quo which does not improve the current system and will undoubtedly increase the potential for projects "falling through the cracks." Projects that fall through the cracks will create a situation where the Agency becomes subject to fines and unfavorable results during State and Federal audits.

Alternative 2:

Relocate all of the project files to one location and allow each Division to maintain the status quo. This will improve the process; however it will not generate communication among the Divisions and will not improve the likelihood of positive audit outcomes from State and Federal auditors.

If you have any questions regarding any of the recommendations or analysis I will make myself available for discussion. Tierra West is available to facilitate the staff training, inter division discussions and to assist with the implementation of the filing system as an added scope of service under our current contract.

Sincerely,

TIERRA WEST ADVISORS



Regan M. Candelario
Senior Associate