

Affordable Housing Incentives

If you're thinking about developing housing in San Luis Obispo, the City offers a range of affordable housing incentives that may be of interest. Adopted in 1985, the [Affordable Housing Incentives](#) are part of the City's Municipal Code (Ch. 17.90) and describe benefits available to affordable housing developers. Possible incentives include residential density bonuses, fee reductions or waivers, city installation of off-site improvements, direct city financial assistance, subdivision, zoning or other exceptions to city standards and other incentives that may be negotiated between the City and developer.

For example, the incentives allow a residential density bonus *by right* of at least 25 percent for projects of five or more dwellings in which at least 20 percent of the units will be sold or rented at prices affordable to seniors or to very-low, low or moderate income persons.

Other specific incentives include:

Waiver of Development Review and Meter Installation Fees for Affordable Housing Projects

In 1995, Council adopted Resolution No. 8415 which exempts very-low and low income affordable housing developments from all planning, building or engineering development review fees and from water meter and sewer installation fees.

Waiver of Citywide Development Impact Fees for Affordable Housing Units

In 2000, Council adopted Resolution No. 9131 waiving city-wide development impact fees (traffic, water, wastewater) on new dwellings that either: 1) exceed the minimum number of affordable units required by the City's Inclusionary Housing Requirements; or 2) are built, owned and managed by the San Luis Obispo City Housing Authority, government agencies or not-for-profit housing agencies. The waiver reduces cost for an affordable detached, single-family house by about \$11,000.

Relaxed Parking Standards for Affordable Housing

Under City Zoning Regulations, housing occupied exclusively by very low or low-income households, as defined by the State, requires one car and one bicycle space per dwelling unit.

Utilities Assistance Program for Low-Income Residents

The City helps low-income residents with their utility costs through a Low Income Assistance Program, consisting of: 1) Rate Assistance. There is a 15% reduction of the standard rate for water and sewer for qualified, low income customers. 2) Payment Assistance. Economic Opportunity Commission (EOC) administers the Payment Assistance Program. Customers are eligible once, every two years, to have one billing period paid depending on the availability of funds; and 3) Water Efficiency Assistance. Utilities Conservation staff provides customers receiving either Rate Assistance or Payment Assistance with free information and water audit services to help control the cost of their water bills. For more information on the Payment Assistance Program, call the EOC offices at (805) 541-4122.

The Affordable Housing Fund

The City's Affordable Housing Fund, established in March 1999 provides a fund for the collection of in-lieu housing impact fees. Funds are then used to help build affordable housing projects citywide. The City Council determines how the funds will be used, based on award procedures and criteria adopted by Council in December 2001 (Council Resolution 9263). In 2001, Council earmarked Affordable Housing Funds to help Judson Terrace Lodge to build a 32-unit apartment project for frail, low-income elderly persons. Anyone may request affordable housing funds for the development of affordable housing projects. The fund has a balance of approximately \$1.3 Million. Council uses these criteria for evaluating requests for use of the Affordable Housing Fund:

- Eligibility. Use of the Affordable Housing Fund for the requested purpose will increase or improve affordable housing and promote General Plan policies regarding housing and related community goals.
- Suitability. The project to be assisted is appropriate for its location, both in terms of land use and design.
- Urgency. There exists an urgent or overarching need for the type of housing to be assisted.
- Financial Effectiveness. But for the requested assistance, the project would not be economically feasible; or AHF funding "leverages" significant additional funding from other sources.
- Readiness. The project has all necessary City approvals and is ready to proceed.