



CITY OF MORRO BAY CITY COUNCIL AGENDA

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

NOTICE OF SPECIAL MEETING

**Tuesday, October 8, 2019
Veterans Memorial Hall - 3:30 P.M.
209 Surf St., Morro Bay, CA**

ESTABLISH QUORUM AND CALL TO ORDER

PUBLIC COMMENT FOR ITEMS ON THE AGENDA

SPECIAL MEETING AGENDA ITEM:

I. AFFORDABLE HOUSING POLICY DISCUSSION

RECOMMENDATION: Receive an update on:

1. State Housing policy from Dave Mullinax, Regional Public Affairs Manager, League of California Cities; and
2. Receive an update on regional housing and infrastructure efforts from Carolyn Berg, Principal Analyst with the County of San Luis Obispo; and
3. Receive an update from Scot Graham, Community Development Director on current affordable housing efforts in the City; and
4. Provide direction to staff on potential activities that qualify for State grant funding to facilitate production of affordable housing.

ADJOURNMENT

DATED: October 4, 2019



John Heading, Mayor

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO ENSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

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AGENDA NO: I

MEETING DATE: October 8, 2019

Staff Report

TO: Honorable Mayor and City Council **DATE:** October 4, 2019
FROM: Scot Graham, Community Development Director
SUBJECT: Affordable Housing Policy Discussion

RECOMMENDATION

Receive an update on:

1. State Housing policy from Dave Mullinax, Regional Public Affairs Manager, League of California Cities; and
2. Receive an update on regional housing and infrastructure efforts from Carolyn Berg, Principal Analyst with the County of San Luis Obispo; and
3. Receive an update from Scot Graham, Community Development Director on current affordable housing efforts in the City; and
4. Provide direction to staff on potential activities that qualify for State grant funding to facilitate production of affordable housing.

BACKGROUND/DISCUSSION

Housing is a critical issue in the State of California. It is well documented that the average costs of housing in California have well outpaced the nation and there is nowhere where this is more evident than in the County of San Luis Obispo, where we have one of the least affordable housing markets in the United States. As affordability decreases, people overpay for housing, workers drive longer distance between home and work, overcrowding increases and in the more extreme cases people are forced out of housing all together and become homeless. The State demand for housing is approximately 180,000 units per year, with housing production running roughly half of that at around 90,000 units. The under production of housing units over the last 10-years has created a deficit somewhere in the neighborhood of 1.8 to 2 million housing units.

The Council has identified housing a critical issue for the City and to address this issue the Council adopted Goals and Objectives for fiscal year 2019/2020 include Goal 4: "Land Use

Prepared By: SG Dept Review: _____
City Manager Review: SC City Attorney Review: _____

Plans and Zoning Policies Updates and Address Affordable Housing Issues,” which includes Action Item 4, “work with San Luis Obispo and cities therein on a regional partnership and solutions to housing issues.” Staff is providing information on several housing issues including changes in State housing law, regional housing and infrastructure efforts, Grant funding options, recently approved Regional Housing Needs Allocation (RHNA) for the City, status on the City’s Housing Element update process (Cycle 6), and local opportunities to provide affordable housing production. This agenda item is meant to provide an overview of statewide, regional, and local housing issues and to provide an opportunity for Council to initiate discussions on Morro Bay housing initiatives and to seek input related to housing solutions that qualify for state funding through Senate Bill 2 (SB 2).

LEGISLATIVE INFORMATION

Recently Adopted Housing Legislation

Over the last couple of years, numerous housing bills have been approved by the State that are aimed at addressing the state’s housing crisis. Legislation has been geared toward providing funding for new affordable homes, accelerating development to increase housing supply, holding cities accountable for addressing housing needs in their communities and creating opportunities for new affordable homes and preserving existing affordable homes. The State Department of Housing and Community Development (HCD) tracks progress on the implementation of recent housing legislation at the following link: <http://www.hcd.ca.gov/policy-research/lhp.shtml#summary>.

Senate Bill 2, adopted as part of the 2017 Legislative Housing Package, establishes a permanent source of funding to increase affordable housing stock. The funding for this year includes approximately \$125 million for financial and technical assistance to local governments to update planning documents to streamline housing production. Funds will be distributed on an “over the counter”, non-competitive basis to eligible jurisdictions. To be eligible, the jurisdiction must have a Certified Housing Element, and 2017 or 2018 Annual Progress Report submitted to HCD and a few other requirements. The City meets all eligibility requirements (The SB 2 grant application package can be found at the following link: <http://www.hcd.ca.gov/grants-funding/active-funding/planning-grants/docs/SB2-Planning-Grant-Guidlines.pdf>). Applications are due by November 30, 2019. Items that are eligible for the funding include:

- Rezone to permit By-Right development of housing
- Objective design and development standards
- Specific Plans or form based codes coupled with CEQA streamlining
- Accessory dwelling unit or other innovative building strategies
- Expedited permit processing
- Fee reduction strategies, and housing related infrastructure financing

The General Plan Housing Element update process, which the City has just initiated, is typically how the Council establishes housing policies that are implemented through the Zoning Code. However, based on the timing and funding available under SB 2, staff recommends that the Council provide direction on any desired initiatives they would like staff to pursue in order to submit the grant application by the November 30, 2019 deadline. Staff

has provided several grant eligible activities for Council consideration discussed later in the staff report.

Legislative Update

The State is far from done with their efforts to facilitate the construction of new housing units in California. As such, there are numerous housing bills currently under review by the Legislature that will likely continue to reshape the housing landscape for years to come, including bills that would further reduce local control in the review and processing of housing permit applications. Dave Mullinax, with the League of California Cities, will provide an overview and status update on bills pending before the Legislature.

REGIONAL HOUSING NEEDS ALLOCATION AND HOUSING ELEMENT

Regional Housing Needs Allocation

The Regional Housing Needs Allocation (RHNA) is mandated by State housing laws as part of the process of updating General Plan Housing Elements. The RHNA process is meant to address housing needs for projected state population and household growth, to improve the jobs - housing balance in communities and to ensure the availability of affordable housing for all income groups. The HCD works with the San Luis Obispo County Council of Governments (SLOCOG) and the eight jurisdictions in the County to determine the number of housing units to be assigned. SLOCOG’s 2019 RHNA Final Plan for the 6th Cycle quantifies the need for housing, by income group within each jurisdiction for incorporation in the City’s Housing Element update for the period from December 31, 2020 to December 31, 2028. The RHNA is used to assist with local planning efforts to help address existing and future housing needs. The RHNA for San Luis Obispo County is 10,810 units with 391 units allocated to the City of Morro Bay as shown in the Table below broken down by income level (sourced from SLOCOG’s 6th Cycle Final RHNA Plan):

Figure 1: Regional Housing Need Allocation (2019)

Jurisdiction	Total Allocation	Very Low 24.6%	Low 15.5%	Moderate 18.0%	Above Moderate 41.9%
Arroyo Grande	692	170	107	124	291
Atascadero	843	207	131	151	354
Grover Beach	369	91	57	66	155
Morro Bay	391	97	60	70	164
Paso Robles	1,446	356	224	259	607
Pismo Beach	459	113	71	82	193
San Luis Obispo	3,354	825	520	603	1,406
Unincorporated	3,256	801	505	585	1,365
Regional Total	10,810	2,660	1,675	1,940	4,535

2019 RHNA: Jan. 1, 2019 - Dec. 31, 2028 (10 years)

Note 1: The table above includes minor percentage calculation adjustments (to the top percentage to achieve whole units). Income group totals accurately match HCD’s determination.

Note 2: Income limit categories for San Luis Obispo County in 2019 are determined by HCD and found at:

<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits.shtml>

The City is not required to construct the 391 units, but we are required to identify available land with appropriate zoning to accommodate the units. Other methods are also available for identifying where the units can go, including increasing density in certain land use categories, providing overlays for mixed use development, or providing/facilitating construction of Accessory Dwelling Units (ADU's). The City's RHNA numbers are broken down by county wide income levels and Affordable Housing Standards published by the County that identify maximum household incomes, home purchase prices, and rents for each income category identified in the table above (See Attachment 1).

In order for a unit to qualify as a very-low, low, or moderate-income, the City must demonstrate to HCD that the rent or sale price is below the median incomes shown on Attachment 1. The typical method to demonstrate affordability at these income levels is to record a deed restriction on the units for all future renters or owners for a specified number of years (currently 30-years but moving to 55 years in the update). The City may also take credit for market rate units rented or sold within the income percentage for any of the three affordable income categories, if it can demonstrate the current market rental rate or sales price does not exceed the median income.

Current or 5th Cycle RHNA

The City's current RHNA numbers for the 5th Cycle, are shown below with the chart taken from the 2014-2019 Housing Element (The 6-units identified as being built since January 2014, were units built between January 2014 and June 2014):

Income Level	RHNA	Units Built Since January 2014	Remaining RHNA
Extremely Low	19	0	19
Very Low	20	0	20
Low	24	0	24
Moderate	27	0	27
Above Moderate	65	6 ¹	59
Total	155²	6	149

Source: SLOCOG 2013

Notes:

1. Single-family building permits
2. The total RHNA number of 154 in the SLOCOG Regional Housing Needs Plan is off by one unit due to a rounding error. Per HCD direction, the numbers in the income categories were totaled and the total RHNA number used for analysis in the Housing Element update is 155.

Housing units produced through 2018 of the 5th Cycle Housing Element are identified in the table below (sourced from the City's 2018 HCD Annual Housing Element Progress Report):

Table B													
Regional Housing Needs Allocation Progress													
Permitted Units Issued by Affordability													
		1	2								3	4	
Income Level		RHNA Allocation by Income Level	2014	2015	2016	2017	2018	2019				Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	39	3									3	36
	Non-Deed Restricted												
Low	Deed Restricted	24	17									17	7
	Non-Deed Restricted												
Moderate	Deed Restricted	27					2					2	25
	Non-Deed Restricted												
Above Moderate		65	9	21	18	26	38					112	
Total RHNA		155											
Total Units 44			29	21	18	26	40					134	68

The Table above shows that the City is producing 86% of the total units identified in the 5th Cycle RHNA. However, the City overproduced market rate units by 47 and under produced affordable units by 68. This phenomenon is not unique to Morro Bay as most cities in California face the same difficulties in producing affordable housing units. Traditional methods utilized to facilitate affordable housing units include:

- Inclusionary housing ordinances that require developers to construct a certain percentage of affordable units as part of a residential project or pay an in-lieu fee that cities use to assist in the development of affordable housing. See [Chapter 17.50](#) of the Morro Bay Municipal Code (MBMC) for the City's Inclusionary Policy.
- Providing incentives that allow for increases/decreases to development standards (e.g., increased building lot coverage, reduction in parking, or increased building height) in return for providing affordable housing units. [Chapter 17.50](#) of the MBMC contains the City's Affordable Housing, Density Bonuses and Incentives policies to encourage affordable housing.
- Working with non-profit or for-profit affordable housing developers that apply for federal, state and non-profit grant/loan funds. For example, Pacific Southwest Community Development Corp., a for profit affordable housing provider, constructed the 21-unit senior affordable housing project, known as Morro Del Mar at the corner of Main and Driftwood.
- Using City funds or land to construct, leverage or incentivize development of affordable housing. The City currently has approximately \$300,000 in low-income housing funds.

Housing Element Update

The Housing Element is one of seven State-mandated elements of the City's General Plan and is a critical component of the City's blueprint to provide affordable housing opportunities in the city. The Housing Element is required to be updated on a regular schedule, referred to as cycles and is the only element that requires review and approval by HCD. The current (5th Cycle) [2014 - 2019 Housing Element](#) was adopted on June 24, 2014 and is available for review on the City's website.

The next or 6th Cycle of the Housing Element must be adopted by December 2020 and will cover the timeframe from December 31, 2020 through December 31, 2028. Staff recently prepared a request for proposals (RFP) to update the Housing Element, receiving two responses. After review of the proposals by City staff, PlaceWorks was determined to be the most qualified consultant. PlaceWorks has prepared in excess of 100 Housing Elements since 2008, the majority of which were certified by HCD after single round of review. The point person for PlaceWorks will be Amy Sinsheimer, who also serves as the primary consultant for the General Plan/Local Coastal Program Update and who also prepared the City's HCD certified 5th Cycle Housing Element.

Based on the regional nature of housing and the need for all jurisdictions in the County to update their respective Housing Element, the development and release of the Housing Element RFPs were loosely coordinated as a regional effort between the County of San Luis Obispo and all seven incorporated cities. This regional coordination led by the County also includes consideration of potentially linking housing production countywide to regional infrastructure funding with the assistance of SLOCOG. Carolyn Berg, Principal Analyst with the County, will provide an overview of the regional housing and infrastructure efforts at the October 8, 2019 Special Meeting.

The update of the Housing Element will provide the opportunity for the Council to establish goals, policies and implementation measures that will facilitate housing production and demonstrate how the City will accommodate the 391 housing units spread across different income levels. This year's budget includes \$65,000 for the update of the Housing Element, although the recently signed Assembly Bill 102 (AB 102) provides \$65,000 in technical assistance funding to all cities with population under 20,000. These funds can be used for the Housing Element update or for planning that will accommodate the development of housing and infrastructure that will accelerate housing production in a way that aligns with State planning priorities, housing, transportation, equity, and climate goals.

The Housing Element update will reassess the community's housing related goals and objectives, while addressing issues and community desires with respect to a wide range of possible housing program initiatives. Such initiatives are anticipated to include, but are not limited to:

- Affordable Housing Program
- Update of Density Bonus Provisions
- Update of Housing In-Lieu Fee calculation methodology
- Evaluation of and improvement of City's Accessory Dwelling Unit Provisions

- Consideration of programs/policies allowing tiny homes as primary dwelling units and/or accessory dwelling units
- Market Study of Mobile/Manufactured homes related to affordability and inclusion in reporting to HCD on City's RHNA targets

The above items are included in the scope of the Housing Element update.

CITY OPPORTUNITIES AND CONSTRAINTS

City Opportunities for Housing Development

The City is either in the process of removing barriers to housing in the form of the General Plan/Local Coastal Program/Zoning Code Update or the City has implemented policy to remove development barriers to facilitate production of both affordable and market rate housing as follows:

- Draft GP/LCP includes policies/overlays to encourage mixed-use projects in the City's commercial zones
- Draft Zoning Code removes the garage requirement for single family residences, making it easier for smaller lots to accommodate ADU's
- City has implemented Cityworks, a new project tracking system, to facilitate project intake, and project routing to reduce overall processing times (Cityworks went live in August 2018)
- City restructured development impact fees for accessory dwelling units (ADUs) consistent with State Law.
- The City's updated Density Bonus Ordinance allows developers to exceed the State density bonus lawn maximum density bonus of 35% in return for constructing a percentage of below market rate units.

City Constraints to Housing Development

As a mostly built-out city, Morro Bay has a limited number of vacant residential zoned lots, with most no larger than 6,000 square feet. Most properties in commercial zones that allow mixed-use developments are also small, requiring developers to acquire multiple lots in order to create economies of scale that result in profitable projects. However, many developers prefer to avoid lot consolidation and find larger lots to develop. In addition, there is very low turnover of commercial properties because property owners collect income from renting and have limited interest in redeveloping or selling the property. The City's small lots are also a hinderance in using the State's density bonus because if a lot allows the development of five units, a 35% density bonus only allows two additional units and one must be affordable. As a result, there is minimal incentive to use the State density bonus for small projects. Conversely, if a lot can construct 20 units, the 35% density bonus allows the development of 27 units. The City's adopted density bonus policy does allow the City to approve density

bonuses in excess of the State's 35% maximum density bonus for projects that include affordable units.

One way to address the lack of undeveloped property available in the City would be for the City to annex property to accommodate additional housing. However, the City is subject to Ordinance 197, adopted June 24, 1981, that implements Measure "F", which requires a vote of Morro Bay citizens to approve annexation of property to the City for anything other than permanent public use.

SB 2 FUNDING

SB 2 Eligible Grant Funding Opportunities

The \$160,000 funding made available through SB 2 to the City provides a unique opportunity to examine and reshape its housing polices to facilitate increased housing production. The SB 2 grant application must be submitted by November 30, 2019 with all activities completed by June 2022 and the preparation of the grant funded activities would occur concurrently with the Housing Element update. The SB 2 grant process from start to finish would take approximately 18 months to complete as follows:

- October 2019 – Council provides direction to staff on the types of activities that would be included in the SB 2 grant application.
- October 22, 2019 – Council would adopt a resolution that identifies the activities and directs staff to submit the grant application.
- Fall 2019 – Staff would prepare an RFP to hire a consultant to prepare the activities funded by the grant.
- Winter 2020 – City would approve the selected consultant.
- Spring 2020 – City would have an initial public workshop led by the consultant to receive a variety of options to discuss formulating potential Code amendments.
- Summer 2020 – City would have a second public workshop led by the consultant to consider more refined options prior to drafting the proposed Code amendments.
- Fall 2020 – The consultant would provide a presentation on the draft Code amendments to the Council for input along with public comment.

Staff has prepared the following list of potential grant-funded activities for the Council's consideration. In order to be eligible for the grant funding, only the project objectives need to be identified as there will need to be public workshops and Council input before an ordinance can be drafted. Staff is requesting the Council provide input on the potential activities listed below in addition to any Council-generated ideas and provide direction to staff on which activities should be included in the grant application:

1. Allow Residential Projects by Right

Currently all proposed housing projects, in excess of four units, require approval of a Coastal Development Permit (CDP) and/or Conditional Use Permit application by the Planning Commission. This is a discretionary permitting process and a developer must incur costs for preparing the project plans, staff time to process the application, and the public noticing for the Planning Commission public hearing. All these costs are incurred without knowing if the project will receive approval from the Planning Commission. Changing the development review process to allow residential projects by right would guarantee a developer the proposed project could be constructed if it is consistent with the General Plan and met all Development Code standards. Staff would still review the project to ensure it met all the development standards and design guidelines, but it would significantly reduce the time to process application. However, this approach would eliminate the public hearing process. Given that a project under this scenario would likely still require a CDP, mailing notices would still be required to be sent out to all residents within 500 feet.

This type of Code Amendment automatically qualifies for the SB 2 funding because it is a Priority Policy Area. If the Council wanted to pursue this type of Code Amendment, there would need to be further discussion on the applicable projects (e.g., all residential projects, only multifamily residential projects) and the threshold of the number of units that would be allowed by right. For example, projects with less than nine residential units could be allowed by right and 10 or more could still require a discretionary permit. There could also be exceptions to a threshold such as allowing projects that provide all affordable housing be allowed by right. This would also require the development of objective design standards (Design Guidelines) to set the minimum architectural requirements.

2. Affordable Housing Density Bonus

The State density bonus allows up to a 35% increase to the base density in return for providing a percentage of affordable units. The City's Density Bonus policies allow for density bonus above 35%, but there are no parameters identified for justifying density bonus above 35%. A Code Amendment could identify a number of affordable units required to obtain certain percentage above 35%. If the Council wanted to pursue this option, there would need to be further discussion to determine which residential and commercial zones this would apply to and/or the types of residential projects. The maximum density bonus could also vary based on the income level allowing more density bonus for very-low income units and less density bonus for moderate income units. The Housing Element update will look at this issue, but SB 2 funding could be used to prepare the implementing ordinance.

3. Increase Residential Densities

The Council could consider increasing densities in multi-family residential zones and/or in commercial zones that allow residential development. The draft GP/LCP/Zoning would allow for the residential component of a mixed use project in a commercial zone to max out at the high density residential density of 27 units per acre. This could also include requiring smaller residential units and/or changing the density calculation. For example, currently all units are

calculated as one unit, regardless of whether it is a studio or three-bedroom apartment. This approach is a disincentive in developing smaller units because it will not generate the same revenue as a larger unit. There are approaches that can eliminate barriers to producing smaller units such as a density calculation based on the number of bedrooms or square footage.

4. Update ADU Ordinance

The State laws enacted to ease the requirements for ADUs preempted several City requirements, such as parking and some fees. However, the current ordinance needs to be revised to incorporate these changes and make additional revisions. The Draft Zoning Code update is picking this amendment up, only to bring it into alignment with recent changes to the law. The update could include additional incentives for ADU's beyond those mandated by the State, in the form of relaxation of development standards, reduced processing times and fee reductions. ADU's represent one of the easiest ways to increase housing production and there have been approximately 23 ADU applications submitted to Building since August of 2018.

5. ADU Prototype Building Plans

Property owners interested in building a new detached ADU must pay for the cost of designing and preparing construction plans. Many jurisdictions now offer a prototype building plan package that fit the typical lot size for use by the public. This eliminates the cost of preparing the plans and the time and cost of the plan review because the City has already approved the plans. The only cost to the owner is to prepare a plot plan indicating grading and drainage. This also a Priority Policy Area of the State and therefore a good candidate for SB 2 funding.

6. Tiny Home Ordinance

Tiny homes on wheels are a type of ADU which are typically very small, ranging from 180 to 250 square feet. The Housing Element update is tasked with looking at use of tiny homes as either primary or accessory dwelling units, but we would need additional funding to draft an implementing ordinance, which is where SB 2 comes into the equation.

7. Affordable by Design

The concept of affordable by design focuses on smaller and more efficient units, which assist in reducing housing costs and expands the market for renters and buyers that have lower incomes. Sometimes referred to as micro-units, these residential units may be as small as 500 square feet. While these units are not typically deed restricted low-income housing units and may not qualify in meeting the below-market RHNA, they do provide more attainable housing. This activity would need to be associated with providing a density bonus for projects that provide affordable housing or other Priority Policy Area to be eligible for SB 2 funding.

Lastly, the list of items above is provided by Staff to provide a starting point for discussion with Council on items that could be included in the SB 2 grant application. Council may have other ideas that may also qualify for SB 2 funding. To this end, SB 2 includes technical

assistance to local agencies through HCD who hired PlaceWorks, to assist in developing and submitting the grants applications. The PlaceWorks representative for the Morro Bay area, is Amy Sinsheimer, the same consultant the City is contracting with to complete both the Housing Element update and the update of the GP/LCP.

Affordable Housing Projects on the Horizon:

Staff has been working with the Housing Authority of San Luis Obispo (HASLO) on a 35-unit affordable housing project at 405 Atascadero Road. The project would consist of 17 one bedroom units, 9 two bedroom units and 9 three bedroom units. Staff expects HASLO to submit their Planning application within the next couple of weeks.

CONCLUSION

Council should receive the presentations, ask questions as appropriate and provide direction to staff with regard to the SB 2 grant application process.

ATTACHMENT(S)

1. San Luis Obispo County Affordable Housing Standards
2. Staff Presentation (to be published Monday, 10/7/19)



Affordable Housing Standards

SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING

County Government Center San Luis Obispo, California 93408 Telephone (805) 781-5600

This bulletin summarizes the county's affordable housing standards including maximum household incomes, home purchase prices and rents. It applies to new projects in both the Coastal and Inland portions of the County.

Income limits:

The state defines family income groups as follows: **"Extremely Low Income"** is defined by Health and Safety Code Section 50106 as 30% of county median income; **"Very Low Income"** is defined by Health and Safety Code Section 50105 as 50% of county median income; **"Lower Income"** is defined by Health and Safety Code Section 50079.5 as 80% of county median income; **"Moderate Income"** is defined by Health and Safety Code Section 50093 as 120% of county median income; **"Workforce"** is defined by Title 22 of the County Code as 160% of county median income. The following income limits are effective as of May 6, 2019.

Persons in Household	Extremely Low Income	Very Low Income	Low Income	Median Income	Moderate Income	Workforce
1	\$18,900	\$31,500	\$50,350	\$61,250	\$73,500	\$98,000
2	\$21,600	\$36,000	\$57,550	\$70,000	\$84,000	\$112,000
3	\$24,300	\$40,500	\$64,750	\$78,750	\$94,500	\$126,000
4	\$26,950	\$44,950	\$71,900	\$87,500	\$105,000	\$140,000
5	\$30,170	\$48,550	\$77,700	\$94,500	\$113,400	\$151,200
6	\$34,590	\$52,150	\$83,450	\$101,500	\$121,800	\$162,400
7	\$39,010	\$55,750	\$89,200	\$108,500	\$130,200	\$173,600
8	\$43,430	\$59,350	\$94,950	\$115,500	\$138,600	\$184,800

Sample maximum sales prices: (see footnotes)

Unit Size (Bedrooms)	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Workforce
Studio	\$50,000	\$100,000	\$149,000	\$294,000	\$410,000
1	\$61,000	\$120,000	\$174,000	\$339,000	\$471,000
2	\$71,000	\$135,000	\$199,000	\$385,000	\$533,000
3	\$82,000	\$153,000	\$224,000	\$430,000	\$595,000
4	\$90,000	\$167,000	\$243,000	\$467,000	\$645,000

Note 1: Homeowner association due (HOA) assumption per month is 150.00

Note 2: Mortgage financing assumed at a fixed rate for 30 years (per HSH Associates) is 3.49%

Note 3: Prices shown are preliminary estimates and may be revised. Round to the nearest 1000th.

Note 4: Actual sales price limits will be determined by the County on a case-by-case basis.

Maximum rents: (see footnotes)

Unit Size (Bedrooms)	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Workforce
Studio	\$459	\$766	\$919	\$1,684	\$2,297
1	\$525	\$875	\$1,050	\$1,925	\$2,625
2	\$591	\$984	\$1,181	\$2,166	\$2,953
3	\$656	\$1,094	\$1,313	\$2,406	\$3,281
4	\$709	\$1,181	\$1,418	\$2,599	\$3,544

Note 1: These rent limits include allowances for utilities as determined by the Housing Authority of the City of San Luis Obispo (805-543-4478).

Note 2: Rent limits are updated when the State issues its annual update to median incomes, generally in April of each year.