

July 19, 2023

Arroyo Grande City Council
300 E Branch Street
Arroyo Grande, CA 93420

Subject: Request for Inclusionary Housing Funds

Dear Members of the Arroyo Grande City Council:

As you are aware, the Housing Authority San Luis Obispo has been diligently working to develop a 63 units 100% affordable project at 700 N. Oak Park Blvd, Arroyo Grande. While we have obtained commitments from the County of San Luis Obispo, and from HASLO, a financial gap remains.

The purpose of this letter is to request City funding for the project, which would reduce our current funding gap and increase our competitiveness for State Tax Credits. As of July 12, 2023, we submitted a grant application to the State Department of Housing and Community Development (HCD) under the Multifamily Housing Program (MHP). We will apply for State Tax Credits ("Tax Credits") in spring 2024.

Arroyo Terrace – 700 Oak Park Boulevard

The Arroyo Terrace project is our highest priority for pursuit of funding. The Housing Authority of San Luis Obispo (HASLO) is providing funding support through the commitment of 20 Project-Based Vouchers for of the residential units. We are requesting the available balance of Inclusionary Housing Fund (estimated \$448,337.37) as currently we are showing a \$1,171,861 funding gap. This funding commitment will help reduce our funding gap and will increase the competitive scoring for Tax Credit funding. We are confident that we can then close the remaining financial gap.

Please do not hesitate to reach out should you have any questions.

Sincerely,



Ken Litzinger
Director of Finance & CFO
Housing Authority of San Luis Obispo