

## San Luis Obispo County Market Update

Trends At A Glance For: **JULY 2022**

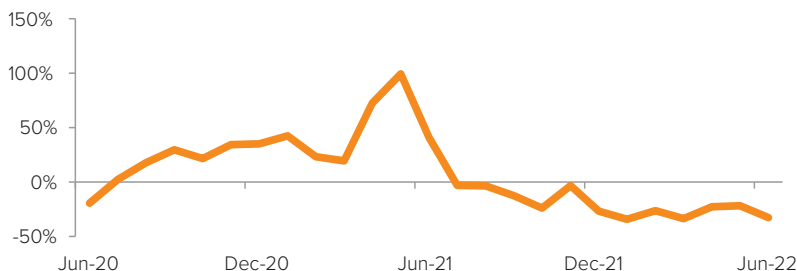
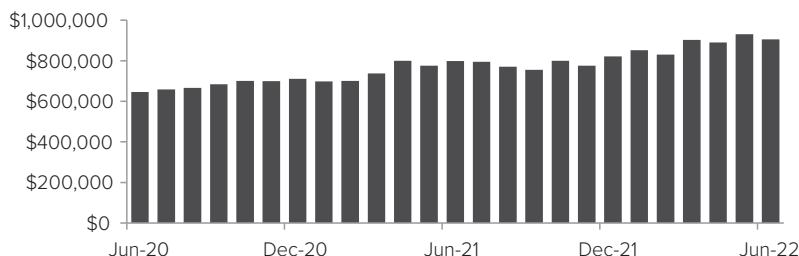
### MEDIAN PRICE

For SF Detached Homes

**\$905,000**

-2.8% MTM

13.3% YTY



### HOME SALES

For SF Detached Homes

**-32.7% YTY**

1.7% MTM

-28.4% YTD



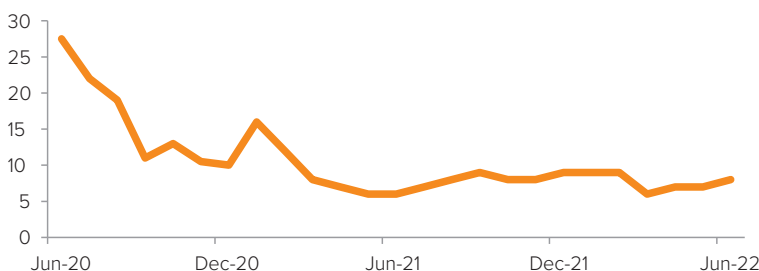
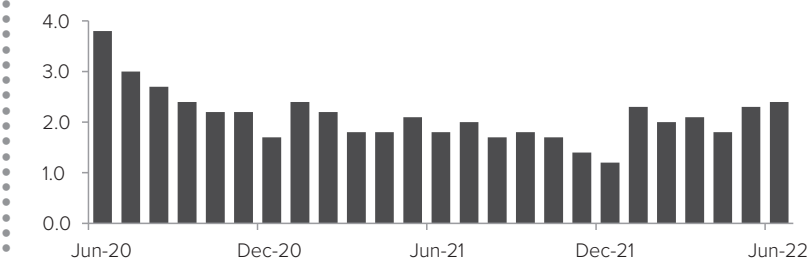
### UNSOLD INVENTORY

For SF Detached Homes

**2.4 Months**

4.3% MTM

33.3% YTY



### MEDIAN TIME ON MARKET

For SF Detached Homes

**8 Days**

14.3% MTM

33.3% YTY



### INTERESTING FACT

According to the National Association of Home Builders, there has been a **225% increase in building permits for single-family homes issued in SLO county from 2021 to 2022.**

### MOST EXPENSIVE HOME SOLD IN SLO COUNTY THIS PAST MONTH



1990 Wellsona Rd,  
Paso Robles, 93446

**Selling Price:**  
**\$5,750,000**

7 BED / 6 BATH  
6,178 square feet

PRICE PER SQ-FT:  
\$930.72

## SLO's Inclusionary Housing Ordinance Update

On July 19th, San Luis Obispo's City Council introduced two ordinances as part of an equitable-development strategy to address affordable-housing needs. Final adoption is scheduled for August 16th and they will go into effect after September 25th. Here's a quick summary for better understanding.

1999

2022

### Inclusionary Housing Ordinance (IHO)

Adopted in 1999, this ordinance was intended to ensure that a percentage of all new housing units built in San Luis Obispo were affordable to income-eligible households.

**REQUIRED:** A range of 3-15% inclusion depending on the project, or an in-lieu fee based on building valuation.

**CONCERNS:** Developers were incentivized to avoid the inclusionary housing requirement by building smaller units and denser projects. The "affordable by design" strategy resulted in units that were subsequently rented at prices deemed unaffordable to residents earning median incomes.

**REASON FOR REVISION:** A study performed in 2020 showed that both commercial and residential growth impacts the demand for housing, thus, the housing ordinance should apply to both residential and commercial businesses. An analysis completed in 2021 identified those parameters necessary for an updated IHO program and recommended adjusting the in-lieu fees and include commercial linkage fees. It was found that The City had fallen behind on its targets and the ordinance was not generating enough affordable housing units; only 10.7% of the units needed.

### Updated IHO

A few weeks ago, City Council voted to repeal its existing inclusionary housing ordinance and replace it with a more stringent version.

**REQUIRED:** Builders must set aside at least 10% of the homes to be affordable by deed restriction, or pay an in-lieu fee to the city of \$25/square foot. For rentals, 6% must be set aside (half of these for low income, the other half for very low income), with a \$20/square foot in-lieu fee. These fees will be used by the city to support other affordable housing projects.

**CONCERNS:** Some worry that developers will pass over SLO altogether, and choose to build in other cities and unincorporated areas of the county. There is also concern that the ordinance only addresses housing for very low, low and moderate incomes, while leaving the middle class out entirely.

### Commercial Linkage Fees

New to the IHO is a fee paid by the applicant of commercial development projects to mitigate the impacts that such projects have on the demand for affordable housing in SLO.

**REQUIRED:** This fee will be calculated based on the gross square footage of the non-residential space.

Information for this article was sourced from  
[newtimesslo.com](https://www.newtimesslo.com) & [slocity.org](https://www.slocity.org).

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