



People's Self-Help Housing Corporation
 1060 Kendall Road
 San Luis Obispo, CA 93401

October 8, 2025

Phil Dunsmore
 Community Development Director
 City of Atascadero
 6500 Palma Ave
 Atascadero, CA 93422

Subject: Request for City In-lieu and Deferred Impact Fee Loan Funds – Del Rio Ridge

Dear Mr. Dunsmore,

Peoples' Self-Help Housing (PSHH) purchased the property at 2455 El Camino Real (APN 049-151-056) in June 2019. The 1.95-acre site is planned for development into forty-two (42) affordable apartments serving households at or below 60% of San Luis Obispo County's area median income (AMI). The proposed development will provide a mix of one-, two-, and three-bedroom units, including a resident manager's unit, and will feature a community building with resident services and amenities.

To support this important project, PSHH respectfully requests an allocation of both the City's In-lieu Loan funds in the amount of \$400,000 and the Deferred Impact Fee (DIF) Loan funds in the amount of \$527,573. Together, these City resources, nearly \$1 million in total, are critical to the financial feasibility of Del Rio Ridge. Commitment of these local funds will demonstrate community support and provide the leverage necessary to secure significant additional resources from state, federal, and private partners.

As you know, Del Rio Ridge has already been awarded CDBG-DR MHP Accelerator funding, which is structured differently than our traditional tax credit projects. The City's participation through the In-lieu and DIF loans will ensure we can complete the project's financing stack and move forward to deliver high-quality, affordable housing in Atascadero.

Allocating these funds will directly support the City's General Plan Housing Element goals and advance the Regional Housing Needs Allocation (RHNA) requirements by producing 42 new affordable units—representing approximately 26% of the City's Very Low and Low-income RHNA allocation from the most recent Housing Element cycle.

Our anticipated unit mix and income levels are as follows:

Unit Type	30% AMI	45% AMI	50% AMI	55% AMI	60% AMI	Total
1 Bedroom	6	0	0	0	0	6
2 Bedroom	3	9	0	4	8	24



Unit Type	30% AMI	45% AMI	50% AMI	55% AMI	60% AMI	Total
3 Bedroom	4	0	3	1	3	11
Manager's	--	--	--	--	--	1
Total	13	9	3	5	11	42

In addition to providing deeply affordable units, Del Rio Ridge will dedicate:

- 5 units serving veterans
- 11 units serving homeless veterans
- 5 units serving homeless households

This project will also provide long-term community benefits through its resident services program, green building features, and family-oriented amenities.

We respectfully request that both the In-lieu Loan and DIF Loan funds be allocated in the form of soft loans requiring annual residual receipts payments, with standard affordable housing terms (55 years, 3% simple interest). These commitments will provide the critical local investment needed to ensure the project's success.

Thank you for your continued support of affordable housing in Atascadero. Please feel free to contact me at (805) 699-7239 or wills@pshhc.org if you have any questions or need additional information.

Sincerely,

Will Sholy
Senior Project Manager
Peoples' Self-Help Housing