



Housing Department Update

Driving a Strong Economy
Committee

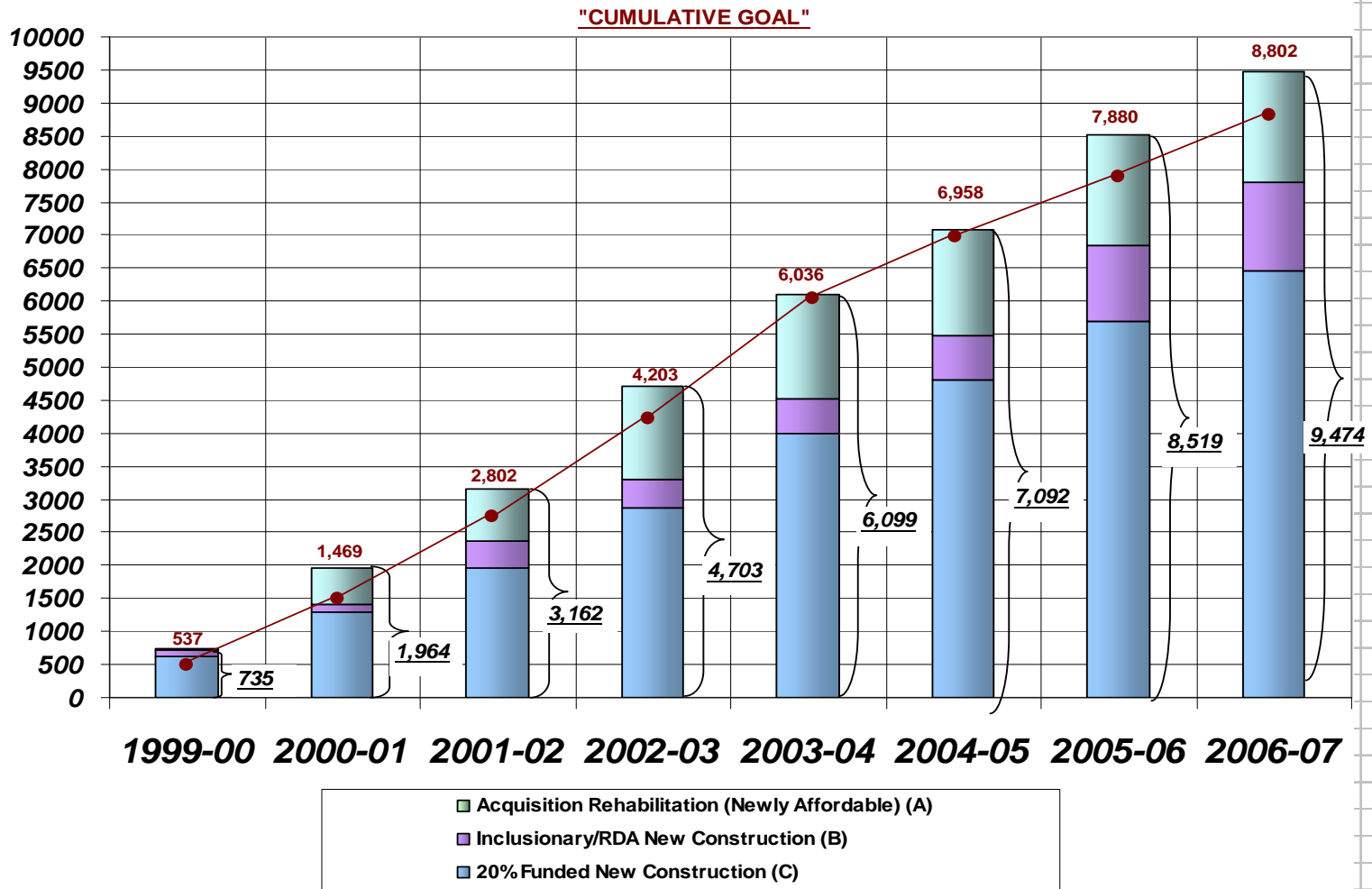
June 28, 2004



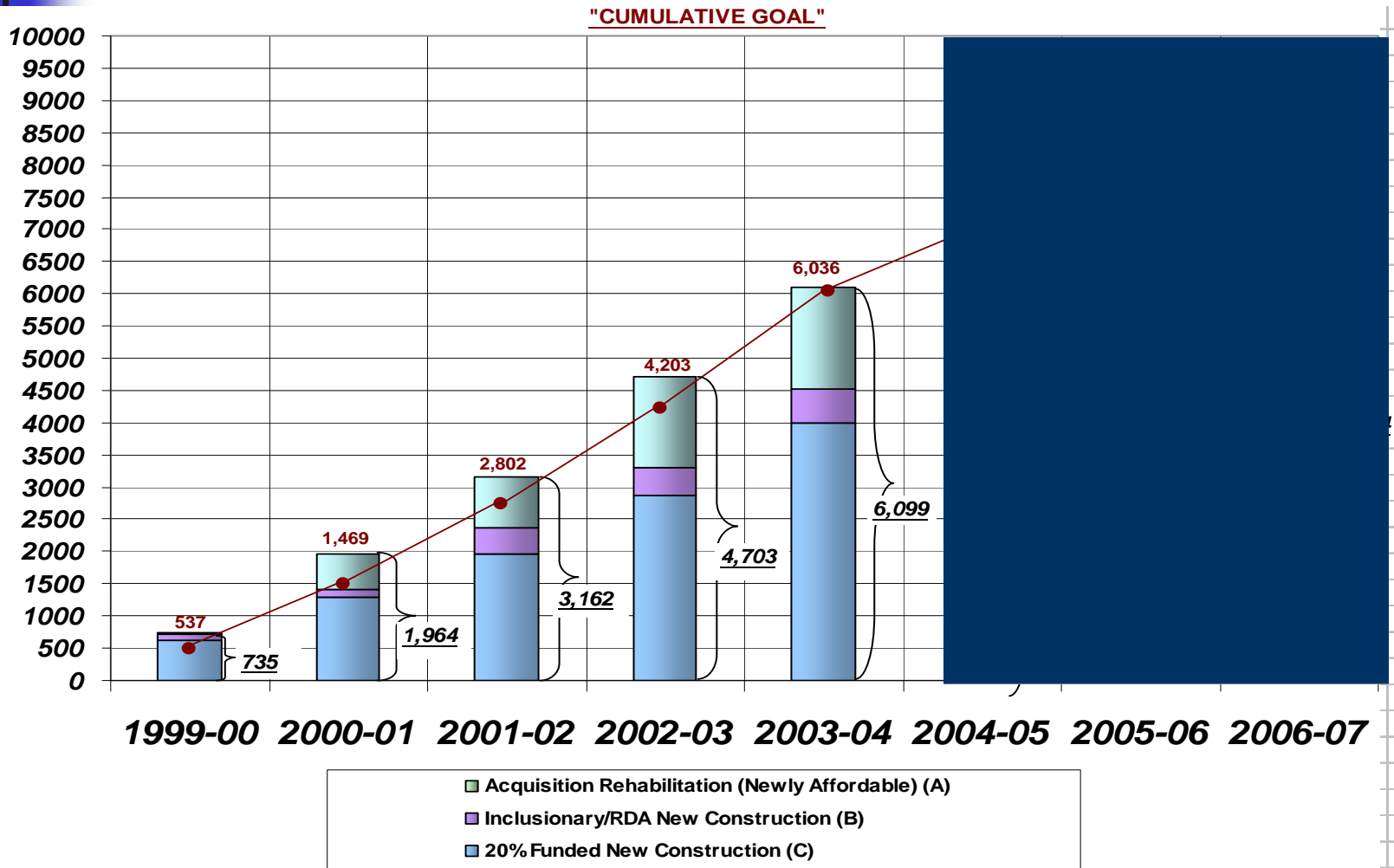
Housing Department Update

- Affordable Housing Production Program Update
- Housing Rehabilitation Program Report
- Teacher Homebuyer and First Time Homebuyer Report
- 10 Year Homeless Strategy Update

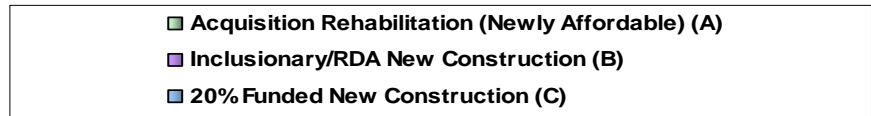
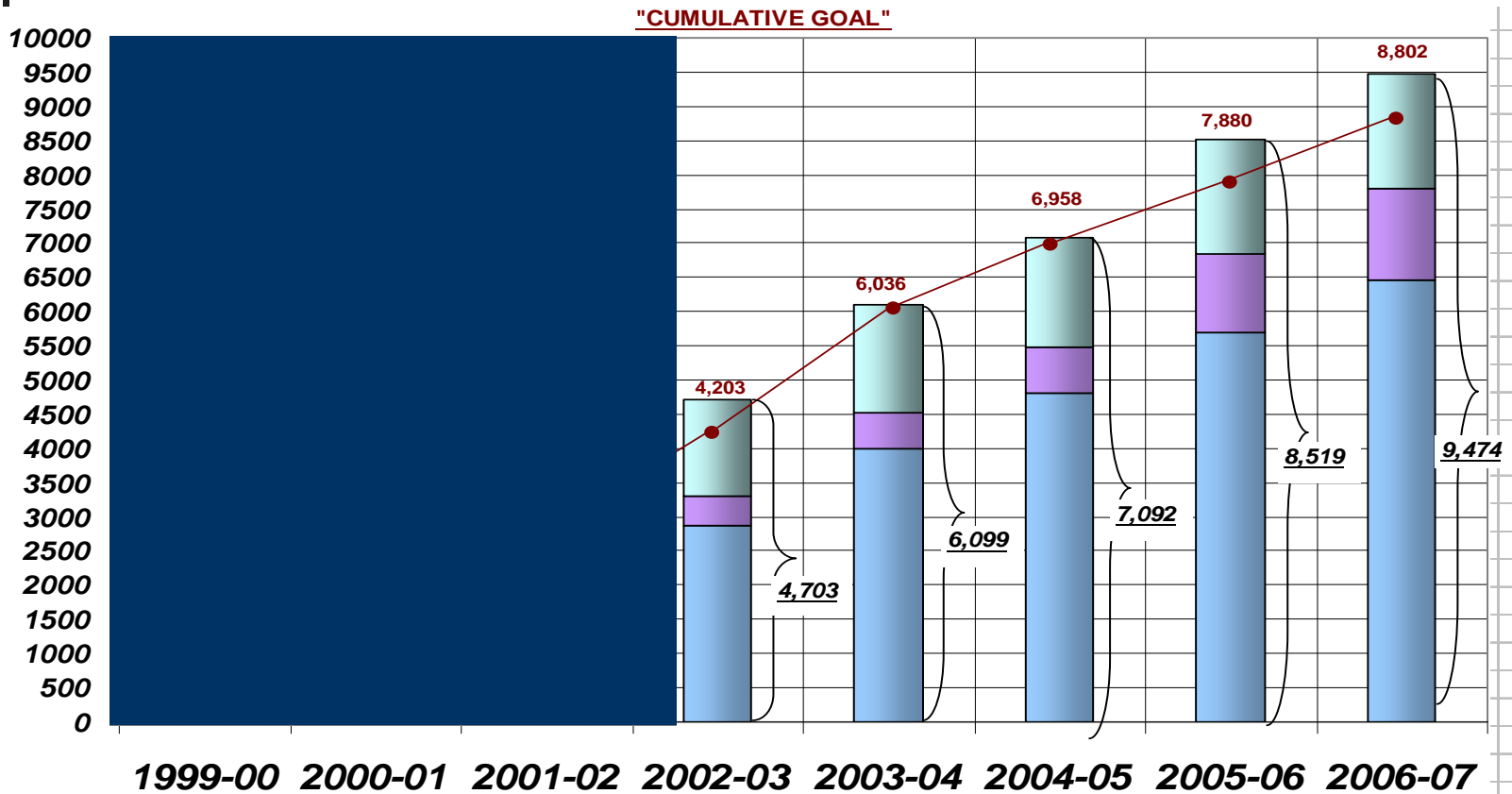
Monthly Housing Production Report



Monthly Housing Production Report



Monthly Housing Production Report





Overall Housing Production Funding Strategy

- February 2004: Council approved a number of revisions to the Department's traditional allocation of funds:
 - Use of HOME Funds for THP & Rehab
 - Limited budget for each program
 - Greater reliance on outside funds (i.e. Prop 46)
 - Reduction in Department staffing

- The actions resulted in an increased bonding capacity of \$60,000,000 for new housing development.

Overall Housing Production Funding Strategy



- Funds to be distributed by competitive Notices of Funding Availability (NOFA). Projects ranked by:
 - Least City Subsidy/Highest Leverage
 - Deepest Affordability
 - Competitiveness for Outside Funding Sources
 - Project Readiness



NOFAs Issued in 2004

Round 1- City Council awarded \$27 million to 3 projects on April 13, 2004

Round 2- City Council to act on award of \$13 million for 2 projects on June 29, 2004

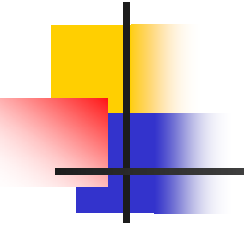
Round 3- NOFA to be published in August with funding recommendations to Council in late September



Summary of Round 1 and Round 2 Projects

<i>Project</i>	<i>Amount</i>	<i>Units</i>	<i>Per Unit</i>
Fairgrounds Family Apts.	\$ 10.9 M	169	\$ 64,241
Fairgrounds Family Housing	\$ 8.4 M	130	\$ 64,480
Art Ark	\$ 7.9 M	146	\$ 54,602
Senter Road Phase I	\$ 7.1 M	115	\$ 62,120
Senter Road Phase II	\$ 5.9 M	99	\$ 59,995
TOTALS	\$ 40.2 M	659	\$ 59,484

Summary of Projects Units and Income



Income Level	Studio	1BR	2BR	3BR	TOTALS	%
<30% AMI	40	9	27	14	90	14%
<50% AMI	93	151	243	53	540	82%
<60% AMI	0	0	0	29	29	4%
TOTAL	133	160	270	96	659	100%



Housing Production: Future

- Increased reliance on outside funding sources
 - Multi-Family Housing Program (Prop 46) + Tax-Exempt Bonds + 4% Low-Income Housing Tax Credits
 - 9% Low Income Housing Tax Credit program
 - California Housing Finance Agency (CalHFA) loan program + 4% Low-Income Housing Tax Credits
 - Affordable Housing Program (AHP) grant program (FHLB member banks)
 - County of Santa Clara – Office of Affordable Housing
 - Housing Trust of Santa Clara County



Housing Production: Future (cont.)

- Proposed Private-Activity Bond “Set-Aside” allocation from CDLAC to increase borrowing capacity
- Production through Inclusionary Housing Program in Strong Neighborhoods and other Redevelopment Areas



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Housing Rehabilitation Program Production Highlights

In FY 2003-04, the program is projected to achieve significant service objectives.

Fiscal Year	Rehab Completions (units)	Paint Completions	Low Income
2002-03	403	579	93%
2003-04	370	530	99%



Housing Rehabilitation Program Production Highlights (Continued)

SNI Demonstration Projects

Multifamily rehabilitation Demonstration Projects are currently underway in the following SNI areas:

- Hoffman/Via Monte (District 10)
- Burbank/Del Monte (District 6)
- Blackford (District 1)
- Winchester (District 1)



3221 Green Tree

After



Before





Housing Rehabilitation Program Production Highlights (Continued)

Airport (ACT) Program/Housing Partnership

In partnership with the Mineta San Jose International Airport, the Housing Department provides for home improvements while the ACT Program provides sound insulation

541 Vine Street



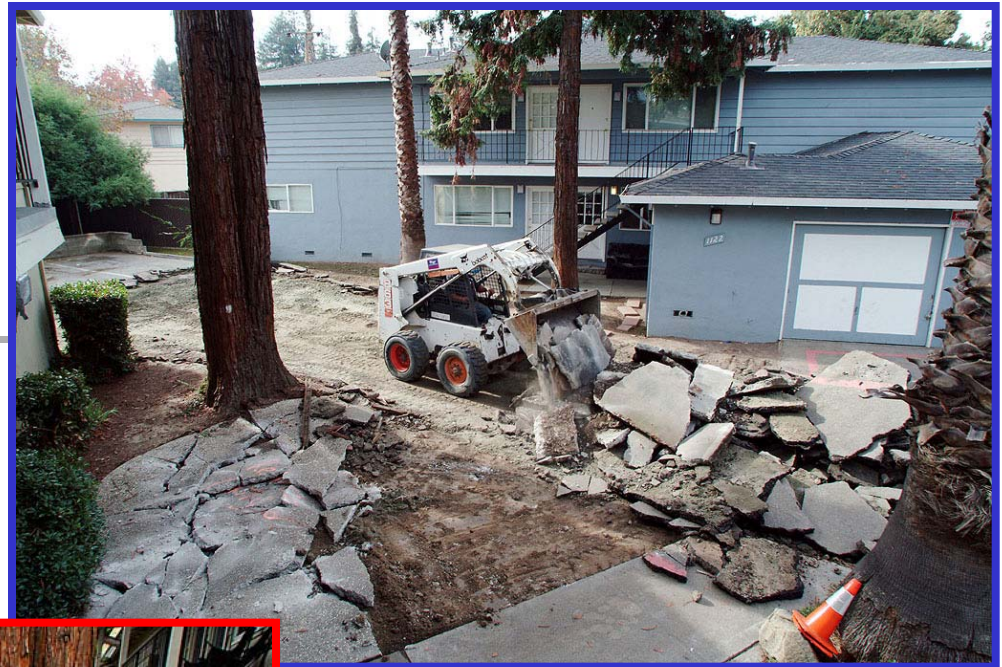
Before

541 Vine Street

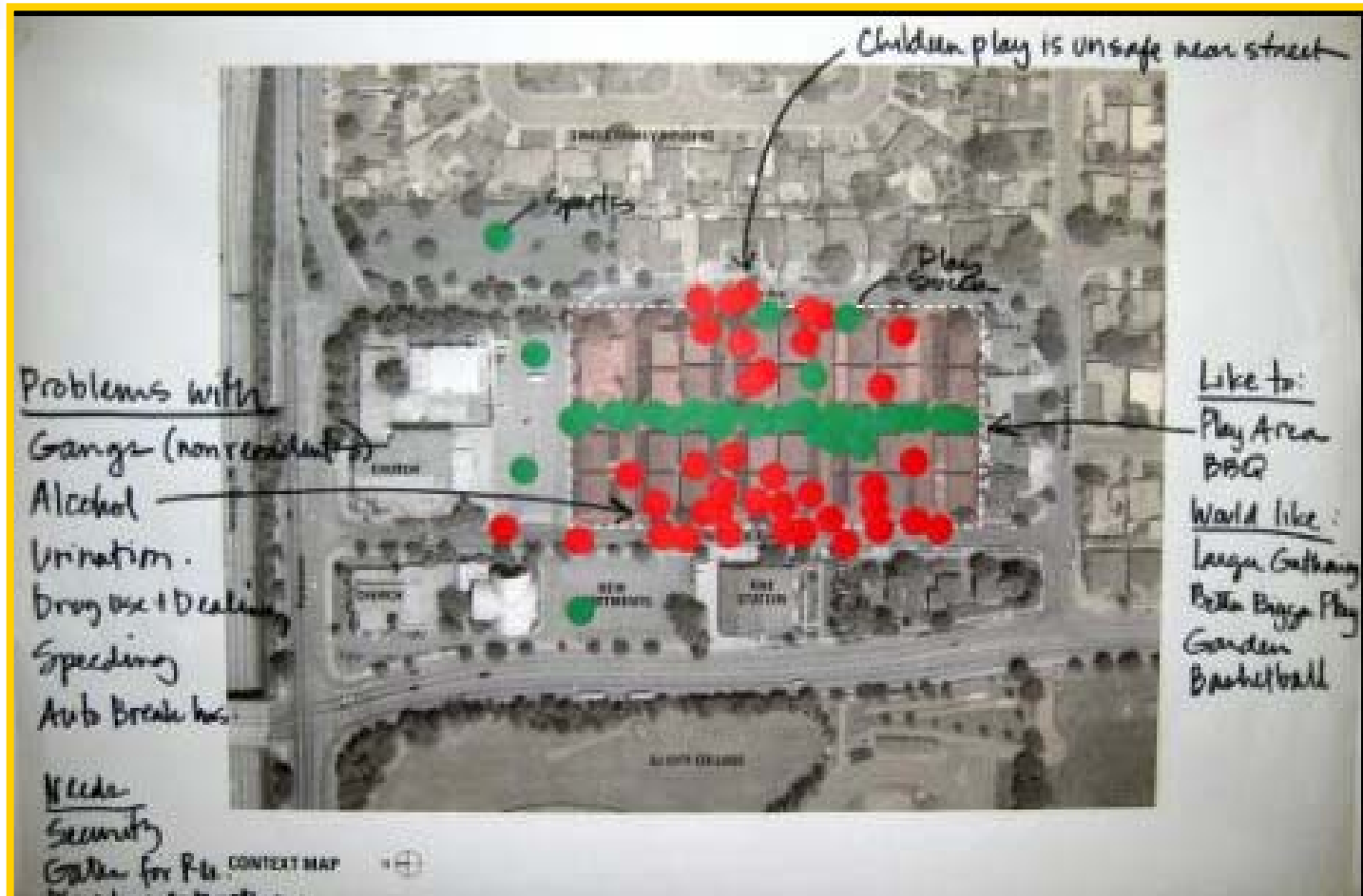


After

Hoffman/Via Monte



Richmond/Menker Owner/Tenant Participation



Richmond/Menker Improvement Plan





Housing Rehabilitation Program Changes

Approved program changes on February 24, 2004:

- Target program funds to low-income households
- Target owner-occupied properties
- Use of SNI Exterior Grant funds for critical health and safety repairs and/or handicap accessibility projects
- Loans to replace substandard mobilehomes, trailers and recreational vehicles for lower-income households



Housing Rehabilitation Program in FY 2004-2005

Source of Funds:

- \$1 million in 20% Funds
- \$3 million in HOME Funds
- \$1.5 million in CDBG Funds
- \$1.5 million in Proposition 46 Funds

TOTAL: \$7 MILLION



Housing Rehabilitation Program in FY 2004-2005 (Continued)

Use of Funds:

- 400 Paint Projects = \$1 million
- 120 Mobilehomes = \$1.2 million
- 250 Single-Family Rehab Projects = \$4.3 million
- Richmond/Menker = \$160,000
- Colonial & Underwood = \$391,000

TOTAL \$7 MILLION



Ongoing Goals & Objectives

- Continue to support and improve our current partnerships
- Work to continue to identify new sources of funding
- Continue our work with NACs and Neighborhood Associations to ensure effective targeting of limited resources

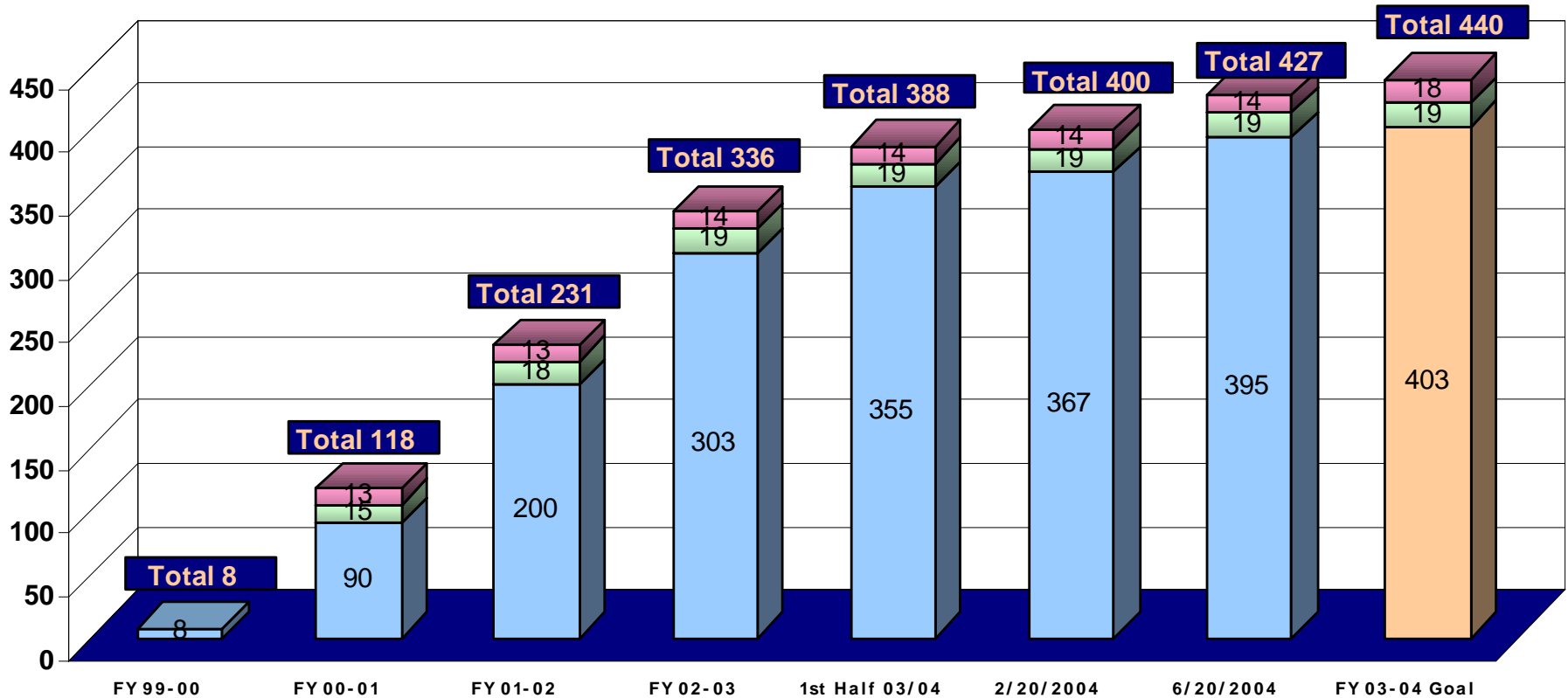


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THP Production

TEACHER HOMEBUYER PROGRAM
June 21, 2004





THP Program Update

- FY 2004-2005 Goal: 100 Teachers
- \$4 Million total budget
 - \$3 million in 20% funds
 - \$1 million HOME Funds



First-Time Homebuyer Program Components

- NHSSV
- City Second Mortgage Program
- Single Family Infill Program



Neighborhood Housing Services Silicon Valley (NHSSV)

- City's partner in supporting and enabling homeownership
- Emphasis on homeownership as a tool for revitalizing low-income neighborhoods
- Affiliated with national Neighborhood Reinvestment Corporation



NHSSV (Continued)

- NHSSV's HomeOwnership Center provides programs and services that promote and support responsible homeownership
 - Partnership Building
 - Homebuyer Education
 - Pre-Purchase Counseling
 - First/Second Mortgage Lending
 - Property Inspection Services
 - Post-Purchase Counseling



NHSSV (Continued)

NHSSV HomeOwnership Center

- Homebuyers assisted

- Homebuyers assisted – 200
- Purchases in SNI areas – 50
- First Mortgages Closed -- \$30 million

- HomeOwnership Center Participation

- Homebuyer Orientation Participants – 2,250
- Workshop Participants – 800



NHSSV (Continued)

- Acquisition Rehab Resale (ARR) Program
 - Revolving loan fund
 - Capitalized by a \$1 million City grant
 - Targeted to all Strong Neighborhoods
 - Resales targeted to qualified low-income buyers

1782 Volmer Way	East Valley/680	Sold
156 S. 34 th Street	Gateway East	Sold
364 N. 18 th Street	13 th Street	Sold
2423 Summer Street	East Valley/680	In progress
424 N. 4 th Street	13 th Street	In progress



City Second Mortgage Program

- City/Redevelopment Funded For-Sale Developments Completed Since 1999
 - The Grail – 34 units
 - Siena Court – 16 units
 - Crescent Parc – 46 units
 - Little Orchard – 3 units
 - Capitol/Wilbur – 1 unit
 - Ryland Mews V – 9 units
 - The Plaza – 11 units
 - Las Mariposas – 66 units



City Second Mortgage Program (Continued)

- Other Developments
 - Tuscany Hills – 6 units
 - Midtown Plaza – 29 units
 - Bonita Court – 12 units

TOTAL: 233 UNITS



Single-Family Infill Program (FY 2003-04)

PROPERTY	# OF UNITS	TRANSFER TO
Murphy Ave./Ringwood (Dist. 4)	3	Habitat
SW Corner Murphy/Ringwood (Dist. 4)	2	Habitat
Murphy Ave./Lundy (Dist. 4)	6	Habitat
Willow St./Locust (Dist. 3)	1	Habitat
Blossom Hill/Croydon (Dist. 9)	8	Youthbuild
Meredith/Lincoln (Dist. 6)	1	Youthbuild (Completed)
Total Units:	21	

Meredith/Lincoln





Single-Family Infill Program (FY 2004-05)

PROPERTY	# OF UNITS
Blossom Hill/Sunny Oaks (Dist. 10)	1
Delmas/Fuller (Dist. 6)	1
NE 12 th and Keyes (Dist. 3)	19
Total Units:	21



THP & First-Time Homebuyer Issues

- Overcome challenging market conditions
- Develop new partnerships



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10-Year Homeless Strategy

- Adopted by the City Council on September 9, 2003
- Includes policies and actions designed to eliminate chronic homelessness in San Jose:
 - Prevention
 - Rapid Re-housing
 - Wraparound Services
 - Proactive Efforts



FY 2004-05 Homeless Action Plan

- Create a System-wide Database
- Award Wraparound Services Contract
- Undertake Countywide Homeless Count and Survey
- Develop Central Intake Process
- Participate in Santa Clara County 10-Year Homeless Plan and other collaborative efforts



City Funding for Homeless Programs FY 04-05

■ Committed Sources:

- \$454,756 - Emergency Shelter Grant (ESG)
- \$1,000,000 - City Housing Trust Fund
- \$100,000 - Housing Opportunities for People with AIDS (HOPWA)

■ Potential Sources:

- \$1,562,244 - HUD



Homeless Program Challenges

- Limited funding
- Fostering regional coordination
- Streamlining service delivery

