

HOUSING DEPARTMENT

The mission of the Housing Department is to strengthen and revitalize our community through housing and neighborhood investment.

HOUSING DEPARTMENT

The Housing Department employs multiple strategies to meet the housing needs of San José residents, who face some of the highest housing costs in the nation. These strategies include:

- Administering a variety of single-family and multi-family lending programs
- Recommending housing-related policies
- Financing new affordable housing construction
- Extending the useful lives of existing housing through rehabilitation, and
- Addressing homelessness through a regional “housing first” model.

Additionally, the Department administers a number of federal and state grant programs, including the Community Development Block Grant (CDBG) program.

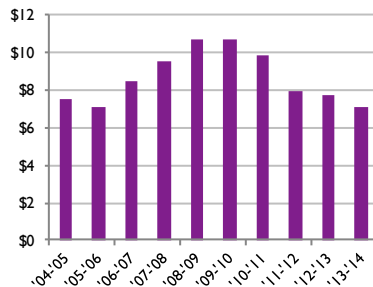
This chapter provides a snapshot of these efforts. The Housing Department’s allocated operating expenditures were \$7.1 million* in 2013-14, slightly less than the previous year. Nearly all its activities were funded with almost \$51 million in federal, state, and local funds as shown in the chart to the right. This funding included revenues (\$22.8 million) from the Department’s \$723 million loan portfolio which will continue to generate program income.

Previously, the former Redevelopment Agency’s tax increment financing made possible most of the multi-family affordable housing that the Department financed. In the last decade this provided roughly \$35 million per year of revenues for affordable housing (in some years reaching over \$40 million). In the absence of the Redevelopment Agency, which State law dissolved in 2012, the City has been advocating for new local and State funding to invest in new affordable housing developments.

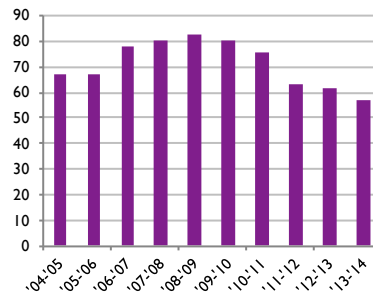
* This represents only operating expenditures and does not include all housing program fund expenditures, including those shown above.

2013-14 Housing Program Funds Received	
Loan Repayments and Interest Earnings	\$22,752,894
Community Development Block Grant	\$8,259,161
Neighborhood Stabilization Program	\$750,625
Capital Grant Program	\$4,758,868
BEGIN	\$424,327
CalHome	\$901,369
Housing Opportunities for People with AIDS (HOPWA)	\$711,372
Hazard Mitigation Grant Program	\$849,405
Emergency Shelter Grant	\$572,641
Tenant Based Rental Assistance	\$636,377
Rental Rights and Referrals Fee Program	\$517,511
Medical Respite Facility	\$125,402
HOPWA Special Projects	\$450,490
In-Lieu Fee Revenue	\$7,764,080
Fees	\$1,243,837
Total	\$50,718,359

Housing Department Operating Expenditures (\$ million)

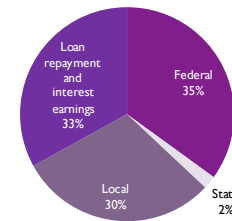


Housing Department Authorized Staffing



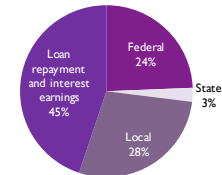
Comparison of Funding Sources

2012-13 Housing Funds (Actuals) by Source



Total: \$68,922,630

2013-14 Housing Funds (Actuals) by Source



Total: \$50,718,359

HOUSING DEVELOPMENT & PRESERVATION

Building New Affordable Housing

Since 1988, in its capacity as a public purpose lender, the Housing Department has been making loans to developers to increase the supply of affordable housing in San José. The availability of affordable housing has continued to be an area of concern for residents for a number of years. In 2014, only 15 percent considered availability to be “excellent” or “good.”

With the loss of Redevelopment funding, the Department has been advocating for new permanent funding sources, both State and local, to address the affordable housing-needs of the City’s neediest residents. The Department also receives developer negotiated payments and federal HOME Investment Partnership Program funds to help finance projects.

In 2013-14, developers completed 397 affordable housing units with City help, around 70 percent of their target. The City’s per-unit subsidy in 2013-14 was about \$52,000. According to the department, unit costs can vary widely depending upon a variety of factors, including tax credit financing and the population served by the facility (developments serving extremely low income households often receive less rental revenue each year and generally require more City assistance).

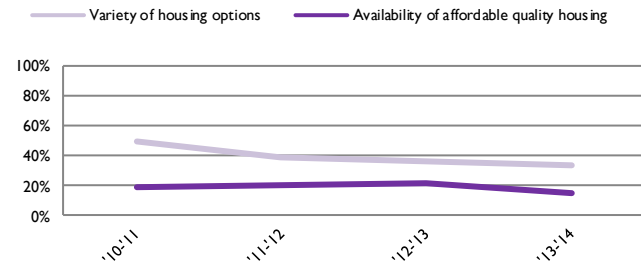
Rehabilitating Existing Housing

Low income homeowners whose homes are in need of repairs can qualify for City financial help to rehabilitate them, although, with the demise of Redevelopment, these programs have been dramatically reduced. The Department used local, state, and federal funds to help rehabilitate 43 single family homes and mobilehomes in 2013-14, and provided minor repairs for another 88 homes in partnership with Rebuilding Together Silicon Valley.

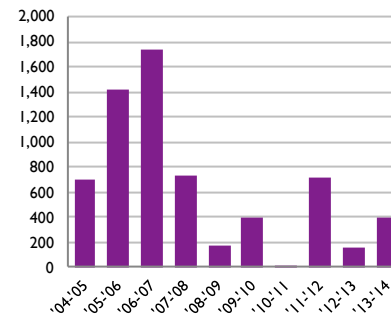
Financing Home Buying

People who want to buy homes in San José can receive financial help, including downpayment assistance, through various City programs, although these programs have also been reduced due to lack of funding. These programs made loans to 12 unduplicated households in 2013-14. The Department wrote off one percent of its homebuyer loan principal due to foreclosures and short sales in 2013-14.

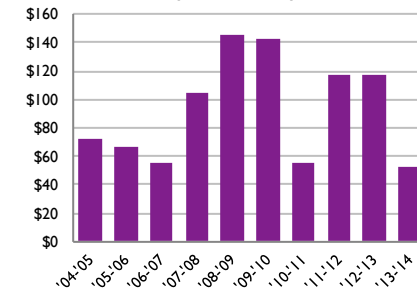
THE NATIONAL CITIZEN SURVEY™
San Jose Residents' Ratings of Housing



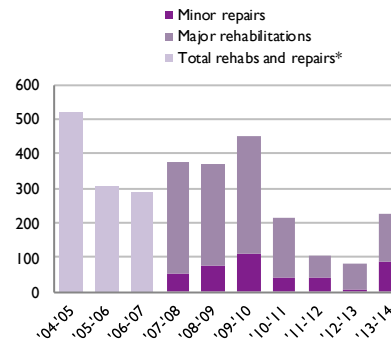
Number of affordable housing units completed in the fiscal year



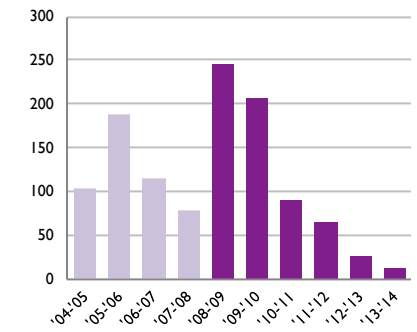
Average Per-Unit Subsidy for New Construction Projects (\$ thousand)



Rehabilitated Units*



Number of Homebuyers Assisted*



*Major and minor repairs and rehabilitations were not tracked separately until 2007-08.

*Methodology change in '08-'09

HOUSING DEPARTMENT

NEIGHBORHOOD DEVELOPMENT & STABILIZATION

The Department received \$8.3 million in new federal Community Development Block Grant (CDBG) program funds in 2013-14. CDBG funds are used for housing rehabilitation, fair housing, code enforcement, senior and homeless services, school readiness, foreclosure prevention, and economic development services. Starting in 2012, the City developed a new place-based program that focuses funds on three neighborhoods. The first neighborhoods chosen were Mayfair, Santee, and Five Wounds/Brookwood Terrace areas.

Since 2009, the City has used two federal stimulus grants to buy, rehabilitate, and sell vacant and foreclosed homes to low and moderate income homebuyers (the Neighborhood Stabilization Program). The City is currently wrapping up projects funded by the second of these grants (NSP2). In 2013-14, the City rehabilitated and sold five single-family homes. Housing anticipates that the NSP2 program will wrap-up in 2014-15 with a total of 41 foreclosed homes purchased, rehabilitated, and sold to low-income families and about 152 affordable multi-family units funded.

The City also continued to fund fair housing, foreclosure assistance, and rental rights and referrals services.

Homeless Services

According to the City's 2013 Homeless Census and Survey (conducted every two years), there were:

- An estimated 12,055 individuals who experienced at least one period of homelessness during the year
- 4,770 homeless individuals identified when the census was conducted, and
- Of the 4,770 homeless individuals identified, 32 percent were chronically homeless* (more than twice the national average), 77 percent were unsheltered (1,230 lived in homeless encampments), and 23 percent had temporary shelter.

The Department assists with permanent supportive housing resources and emergency services grants. The Department also participates in a countywide effort with *Destination: Home* and other local entities who are trying to eliminate chronic homelessness.

*Chronic homelessness is defined as having a disabling condition and being continually homeless for at least one year and/or having experienced four or more episodes of homelessness within the past three years.

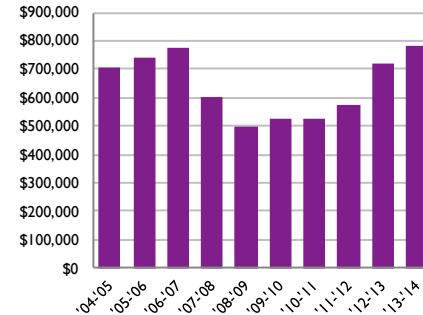
KEY FACTS

Median Household Income in San José** : \$80,977			
Average Monthly Rent in San José* :	\$2,169	Median Home Price in San José (single-family)*:	\$780,000
Percent of Renters whose Gross Rent is 30 percent or more of Household Income** :	53%	Percent of Owners whose Monthly Owner Costs is 30 percent or more of Household Income (with and without a mortgage)** :	36%

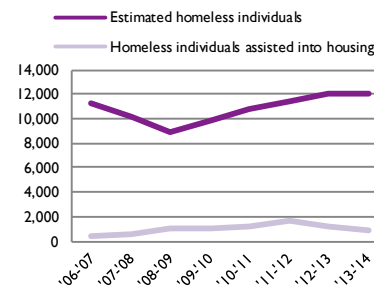
* RealFacts report for Second Quarter 2014 and SCCOAR Second Quarter 2014 report

** Source: U.S. Census - American Community Survey – 2013 one and three year estimates

Median Single Family Home Price

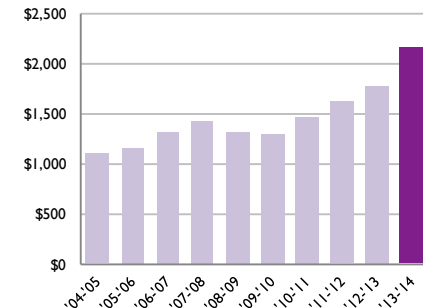


Estimated Number of Homeless Individuals and Those Helped into Housing*



*This reflects an annualized count of homeless individuals derived from a point-in-time survey conducted in San José once every two years. Number of homeless helped into housing according to countywide homeless services database.

Average Monthly Rent in San José



*2013-14 data is for average rent overall. Prior year data represents average rent for a one bedroom/one bath.