

HOUSING DEPARTMENT

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

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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 operating expenditures were \$8.1 million* in 2014-15. Nearly all its activities were funded with \$64.2 million in federal, state, and local funds as shown in the chart to the right. This funding included revenues (\$44.9 million) from the Department’s \$730 million loan portfolio which will continue to generate program income.

Since state law dissolved the Redevelopment Agency in 2012—formerly a major source of financing for multi-family affordable housing—the City has been advocating for new local and state funding to invest in new affordable housing developments.

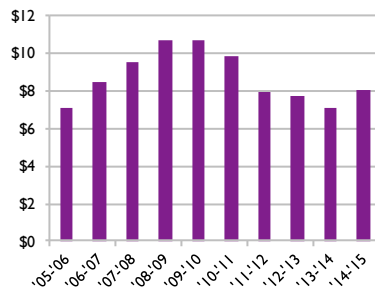
* This represents only operating expenditures and does not include all housing program fund expenditures, including those shown above.

2014-15 Housing Program Funds Received**	
Housing Loans and Grants***	\$ 44,870,970
HOME Investment Partnership	2,373,468
Community Development Block Grant	6,828,487
CalHome	246,000
BEGIN	545,668
Neighborhood Stabilization Program	174,328
Rental Rights and Referrals Fee	799,362
Housing Opportunities for People with AIDS (HOPWA)	648,766
Emergency Shelter Grant (ESG)	634,710
HOPWA Special Projects	392,083
Hazard Mitigation Grant Program	181,896
Medical Respite Facility	345,838
Fees	6,160,352
Total	\$ 64,201,929

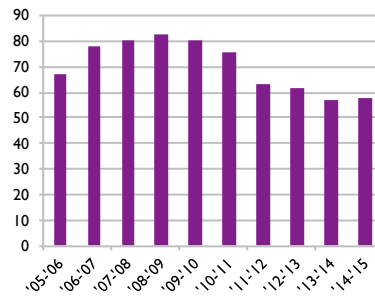
** Total does not include the \$1.7 million in Citywide expenses allocated for the Homeless Response Team in 2014-15.

*** This includes over \$700,000 in CDBG loan repayment revenues.

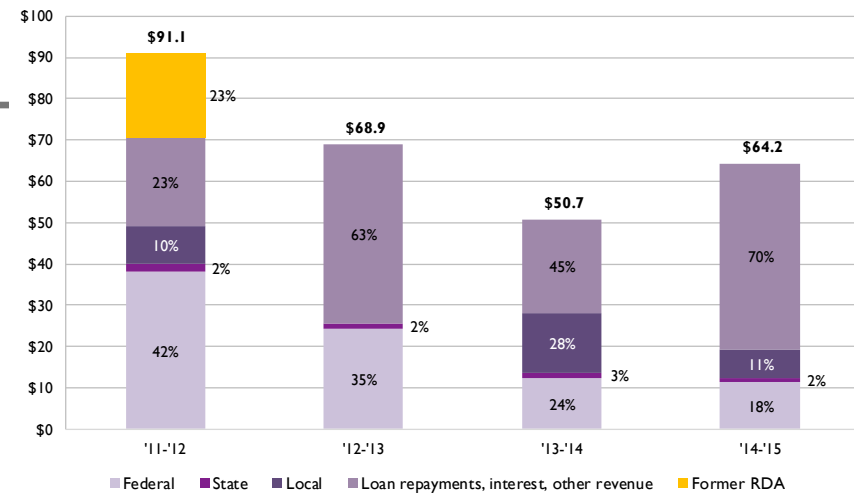
Housing Department Operating Expenditures (\$ million)



Housing Department Authorized Staffing



Comparison of Funding Sources (\$ million)



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 2015, only 10 percent rated the availability of affordable housing as “good” or “excellent,” while 68 percent considered availability to be “poor.”

In 2014-15, developers completed 168 affordable housing units with City help. The City’s per-unit subsidy in 2014-15 was about \$92,000. 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). The Department also receives developer negotiated payments and federal HOME Investment Partnership Program funds to help finance projects.

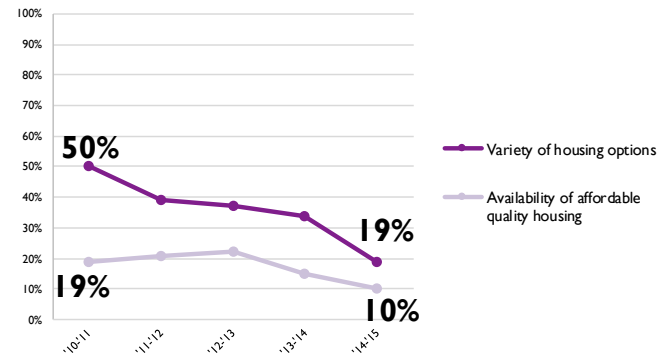
Rehabilitating Existing Housing

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. In 2014-15, the Department used local, state, and federal funds to help rehabilitate 14 single-family homes, and provided minor repairs for another 215 homes in partnership with Rebuilding Together Silicon Valley.

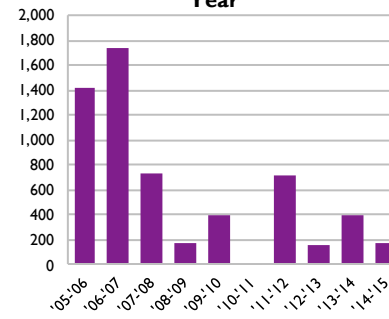
Financing Home Buying

People who want to buy homes in San José can receive financial help, including down payment assistance, through various City programs, although these programs have also been reduced due to lack of funding. These programs made loans to six unduplicated households in 2014-15. The Department wrote off less than 1 percent of its homebuyer loan principal due to foreclosures and short sales in 2014-15.

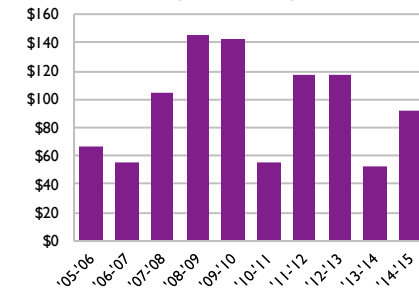
NATIONAL CITIZEN SURVEY™
San José Residents' Ratings of Housing



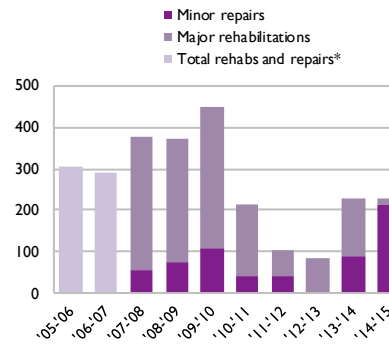
Number of Affordable Housing Units Completed in the Fiscal Year



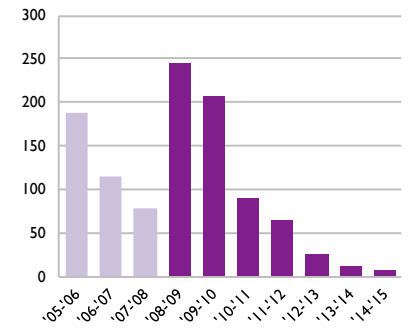
Average Per-Unit Subsidy for New Construction Projects (\$ thousand)



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 \$7.6 million through federal Community Development Block Grant (CDBG) program funds in 2014-15. 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 (Neighborhood Stabilization Program). The City concluded this program after selling the last two properties purchased through this program in 2014-15. The last remaining NSP funds, received from program income, have been committed to a new 102-unit affordable housing development, scheduled to be completed in early 2017. The single-family program concluded after acquiring, rehabilitating, and selling a total of 55 single-family homes.

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

Homeless Services

According to the City's 2015 Homeless Census and Survey (conducted every two years), there were:

- 4,063 homeless individuals identified when the census was conducted, and
- 35 percent were chronically homeless* (more than twice the national average in 2014), 69 percent were unsheltered (778 lived in homeless encampments), and 31 percent had temporary shelter.

The Department assists with permanent supportive housing resources and emergency services grants, and also participates in a countywide effort with *Destination: Home* and other local entities who are trying to eliminate chronic homelessness. Several encampment clean-ups were facilitated through the Department's Homeless Encampment Response Program, as detailed in the Environmental Services Department chapter.

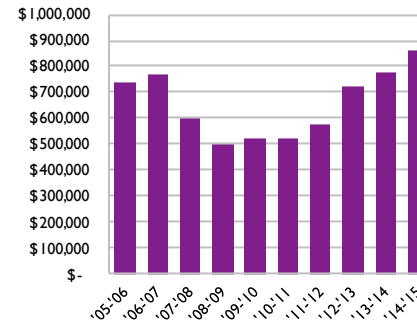
*Chronic homelessness is defined as having a disabling condition and being continually homeless for at least one year and/or having experienced four or more episodes of homelessness within the past three years.

KEY FACTS (2014-15)

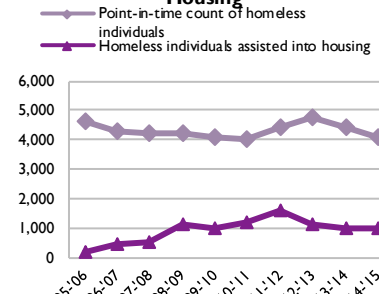
Median Household Income in San José** : \$87,210			
Average Monthly Rent in San José* :	\$2,407	Median Home Price in San José (single-family)*:	\$865,000
Percent of Renters whose Gross Rent is 30 percent or more of Household Income** :	54%	Percent of Owners whose Monthly Owner Costs is 30 percent or more of Household Income (with and without a mortgage)** :	33%

* RealFacts report for Second Quarter 2015 and SCCOAR Second Quarter 2015 report
 ** Source: U.S. Census - American Community Survey – 2014 one-year estimates

Median Single-Family Home Price

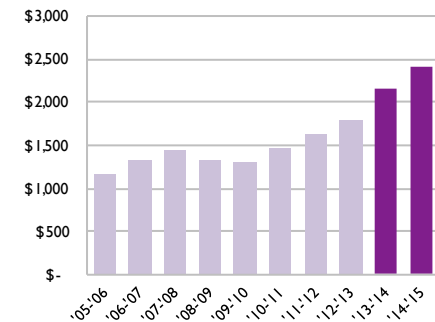


Point-in-Time Count of Homeless Individuals and Those Helped into Housing*



*This reflects a point-in-time count of homeless individuals, and not the total number of individuals experiencing homelessness in a given year. Number of homeless helped into housing according to countywide homeless services database.

Average Monthly Rent in San José



*Data after 2013-14 are for average rent overall. Data prior represents average rent for a one bedroom/one bath.