

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 a number of 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 units 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 \$8 million* in 2011-12, down 19 percent from the previous year. The Department spent \$0 out of the City’s General Fund. Instead, it funded its activities with an estimated \$91.1 million in federal, state, and local funds as shown in the chart to the right. This included revenues from the Department’s \$673.3 million loan portfolio which will continue to generate program income.

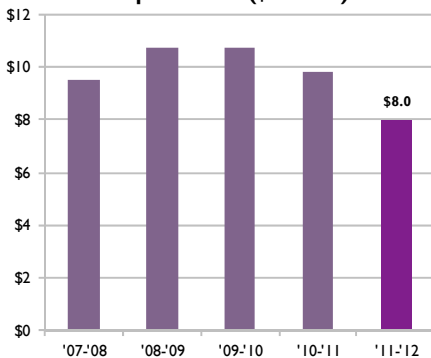
Previously, the former Redevelopment Agency’s tax increment financing made possible about three-quarters of affordable housing that the Department helped develop. In February 2012, State law dissolved Redevelopment Agencies statewide, including San José’s. This means that much of the Department’s revenues will decrease. This action has far-reaching implications for the Housing department and all local affordable housing development.

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

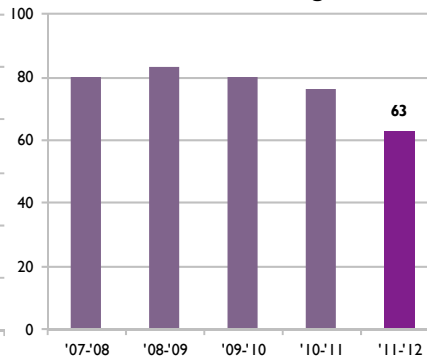
2011-12 Housing Program Funds Received

\$21,297,000	Loan Repayments, Interest, and Other Revenue
\$20,614,000	20% Redevelopment Tax Increment
\$20,452,000	Neighborhood Stabilization Program
\$8,127,000	Community Development Block Grant (CDBG)
\$6,833,000	Miscellaneous
\$4,313,000	HOME Investment Partnership Program Fund
\$3,449,000	Family Shelter Project
\$1,778,000	CallHome
\$922,000	Bond Administration Fee
\$859,000	Housing Opportunities for People With AIDS (HOPWA)
\$630,000	Hazard Mitigation Grant Program
\$473,000	Emergency Shelter Grant
\$424,000	HOPWA Special Projects
\$393,000	Homeless Prevention & Rapid Rehousing Program
\$387,000	Rental Rights and Referrals Program
\$104,000	Skills to Succeed
\$72,000	Job Training Grant Program
\$10,000	Homebuyer Subordination Fee
\$2,600	Multi-Family Project Ownership Transfer Fee
\$91,140,000	Total Funding Sources

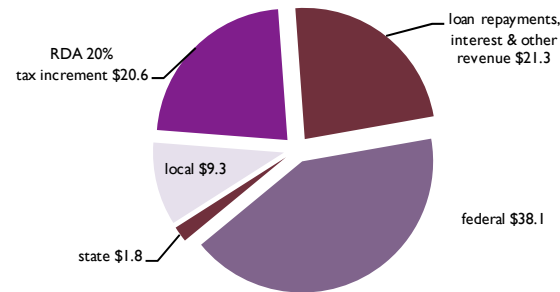
Housing Department Operating Expenditures (\$million)



Housing Department Authorized Staffing



2011-12 Housing Funds (Actuals) By Source (\$millions)



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 dissolution of the Redevelopment Agency transferred Low and Moderate Income Housing Fund assets (primarily, outstanding loans) to the Housing Department. With the loss of RDA tax increment funding, the Department will depend on repayments from these loans, interest income, and miscellaneous revenues to continue its activities - about \$21.3 million in 2011-12. Read more about the dissolution of the RDA in the Successor Agency chapter of this report.

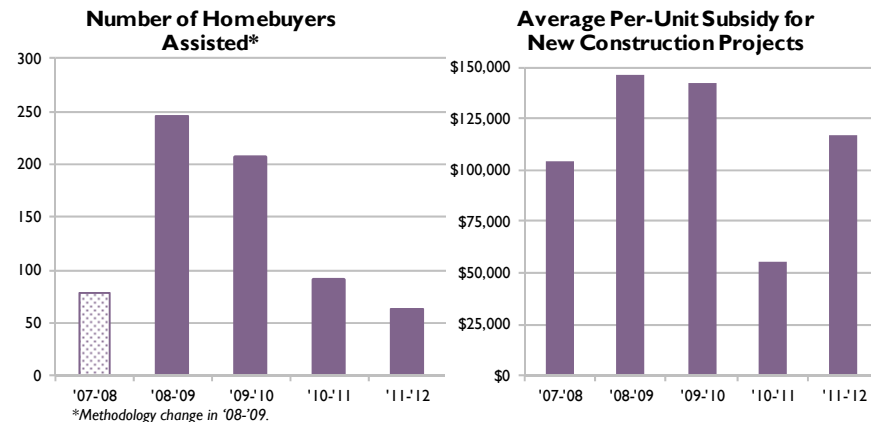
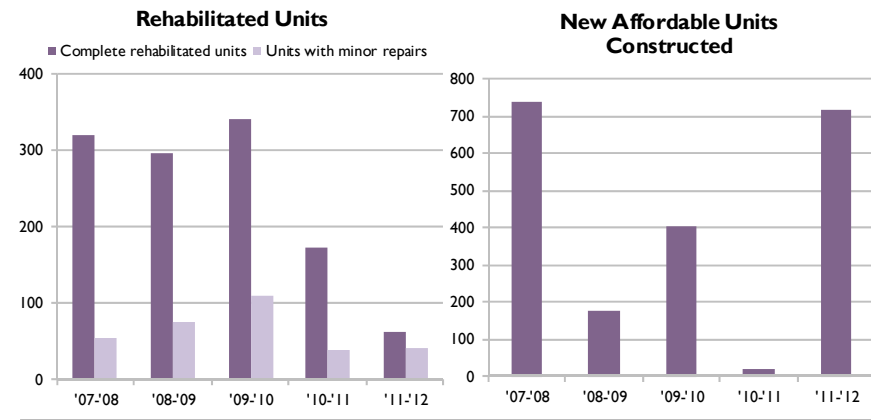
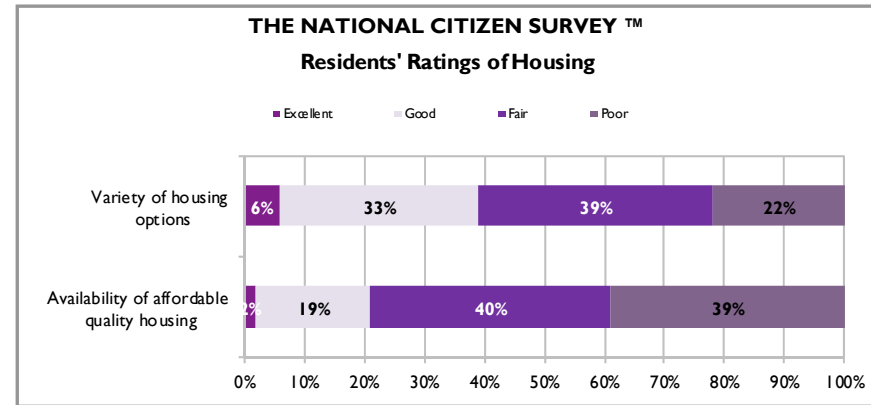
In 2011-12, developers completed 718 affordable housing units with City help (18,877 units since 1988). According to the Department, the City's per-unit subsidy in 2011-12 was \$117,302.

Rehabilitating Existing Housing

Low income homeowners whose homes are in need of repairs can qualify for City financial help to rehabilitate them. The Department used local, state, and federal funds to help rehabilitate 63 single family homes and mobilehomes in 2011-12, and provided minor repairs for another 41 units. Using a FEMA grant, it also supported the seismic retrofitting of 207 mobilehomes.

Financing Home Buying

People who want to buy homes in San José can receive financial help, including downpayment assistance, through various City programs. These programs made loans to 64 unduplicated households in 2011-12. The Department wrote off 5.55 percent of its homebuyer loan principal due to foreclosures and short sales in 2011-12.



*Methodology change in '08-'09.

HOUSING DEPARTMENT

NEIGHBORHOOD DEVELOPMENT & STABILIZATION

The Department administered about \$8.1 million in federal Community Development Block Grant (CDBG) program funds in 2011-12.* CDBG funds are used for housing rehabilitation, fair housing, code enforcement, and economic development services. In 2011-12, they were also used for a wide range of other services through dozens of nonprofit organizations, from preventing homelessness, to investing in at-risk youth, improving parenting skills, and meeting the needs of seniors and survivors of domestic violence. In 2011-12, the City developed a new place-based CDBG strategy that will focus funds on three neighborhoods (Mayfair, Santee, and Five Wounds/Brookwood Terrace).

Since 2009, the City has used two federal stimulus grants totaling \$30.6 million to buy, rehabilitate, and sell vacant and foreclosed homes to low and moderate income homebuyers. Under the first grant, the City bought, rehabilitated and sold 14 single family homes; this grant wound down in 2011-12. Under the second grant, the City worked together with local partners to complete the rehabilitation and sale of 23 homes in 2011-12. It also funded the rehabilitation of a 60-unit apartment complex purchased through foreclosure.

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

*Does not include \$3.2 million in Section 108 debt service, administration and other program costs.

Homeless Services

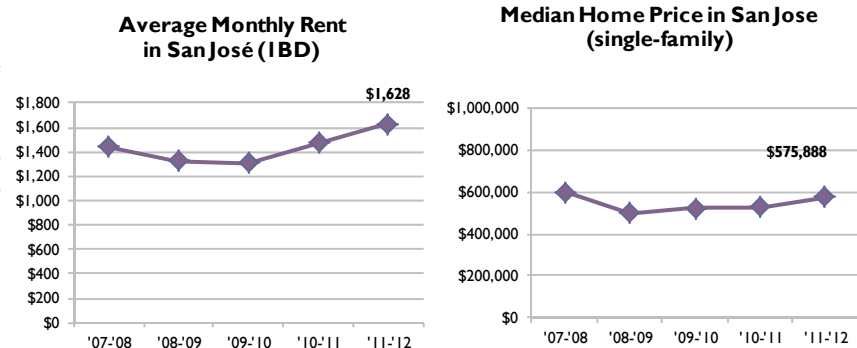
In 2011, there were an estimated 10,844 homeless individuals in San José, 37 percent chronically so. The Department provides an array of homelessness programing including rental assistance, job training, Housing Opportunities for People With AIDS (HOPWA), and emergency shelter grants. The Department also coordinates with the local Housing Authority to ensure that Section 8 vouchers are allocated to homeless residents. In 2011-2012, 60 such vouchers were provided to homeless households, 10 of whom were chronically homeless. The Department participates in a countywide effort with *Destination: Home* and other local entities who are trying to eliminate chronic homelessness.

KEY FACTS

Median Household Income in San José*: \$76,593			
Average Monthly Rent in San José (1 bedroom)** :	\$1,628	Median Home Price in San José (single-family)**:	\$575,888
Percent of Renters whose Gross Rent is 30 percent or more of Household Income* :	49.2%	Percent of Owners whose Monthly Owner Costs is 30 percent or more of Household Income (with and without a mortgage)* :	39.3%

*Source: U.S. Census - American Community Survey – 2011 Estimates

** RealFacts report for July 2012, from Dept.



Estimated Total Number of Homeless Individuals, and Those Helped Into Housing*



*This reflects 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.

HUMAN RESOURCES

The mission of the Human Resources Department is to attract, develop, and retain a quality workforce.