

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.

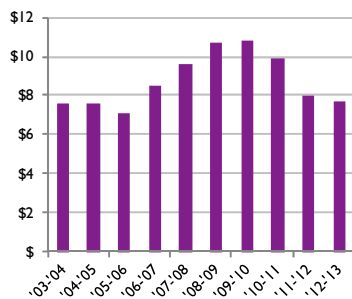
This chapter provides a snapshot of these efforts. The Housing Department’s allocated operating expenditures were \$7.7 million* in 2012-13, slightly less than the previous year. Nearly all its activities are funded with an estimated \$69 million in federal, state, and local funds as shown in the chart to the right. This included revenues from the Department’s \$710 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 helped develop. In the last decade this provided roughly \$35 million per year of revenues for affordable housing (in some years reaching over \$40 million.) In February 2012, State law dissolved Redevelopment Agencies statewide, including San José’s. This action has far-reaching implications for the Housing department and all local affordable housing development.

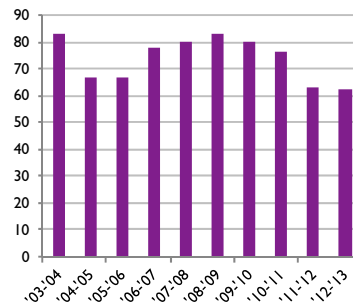
2012-13 Housing Program Funds Received	
Loan Repayments and Interest Earnings	\$22,902,085
Community Development Block Grant (Federal)	9,469,576
Neighborhood Stabilization Program (Federal)	8,863,044
Negotiated Development Agreement Fee Payments	6,885,000
County Childrens Shelter Settlement Agreement	5,126,000
San Carlos Senior Apartments Project Grant Bond Repayment	4,775,000
Miscellaneous Fees, Rent, Bond Revenue, Property Sales, and Revenues	3,031,132
HOME Investment Partnership Program (Federal)	2,736,336
Housing Opportunities for People With AIDS (Federal)	1,254,330
Building Equity and Growth in Neighborhoods Program (State)	1,182,755
Emergency Shelter Grant (Federal)	845,083
Mobilehome Seismic Retrofit Program (Federal)	760,199
Other	575,937
Rental Rights and Referrals Fee Program	516,153
Total	\$68,922,630

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

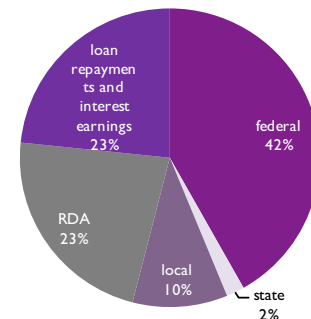
**Housing Department
Operating Expenditures
(\$million)**



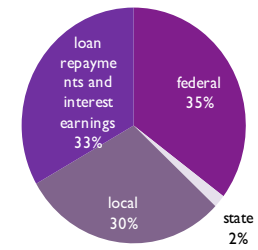
**Housing Department
Authorized Staffing**



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



**2012-13 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.

With the loss of Redevelopment funding and without any new funding stream, the Department will depend on repayments from these loans, interest income, and miscellaneous revenues to continue its activities - about \$23 million in 2012-13.

In 2012-13, developers completed 157 affordable housing units with City help (more than 19,000 units since 1988). The City's per-unit subsidy in 2012-13 was about \$118,000. According to the department, unit costs can vary widely depending upon a variety of factors including project site issues and the population served by the facility— developments serving extremely low income households return less rental revenue each year which generally requires more City assistance.

Rehabilitating Existing Housing

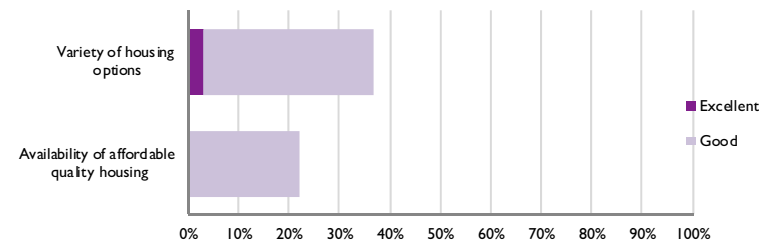
Low income homeowners whose homes are in need of repairs can qualify for City financial help to rehabilitate them, although, with the demise of Redevelopment, these programs have been dramatically reduced. The Department used local, state, and federal funds to help rehabilitate 78 single family homes and mobilehomes in 2012-13, and provided minor repairs for another five homes.

Financing Home Buying

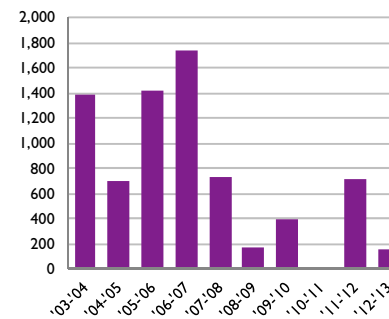
People who want to buy homes in San José can receive financial help, including downpayment assistance, through various City programs, although these programs are being wound down due to lack of funding. These programs made loans to 26 unduplicated households in 2012-13. The Department wrote off 2.5 percent of its homebuyer loan principal due to foreclosures and short sales in 2012-13.

THE NATIONAL CITIZEN SURVEY™

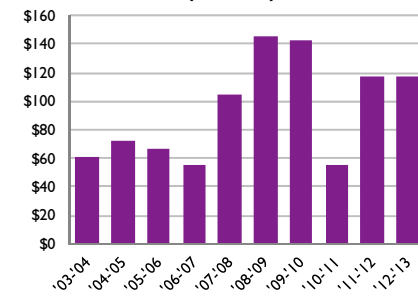
San Jose Residents' Ratings of Housing



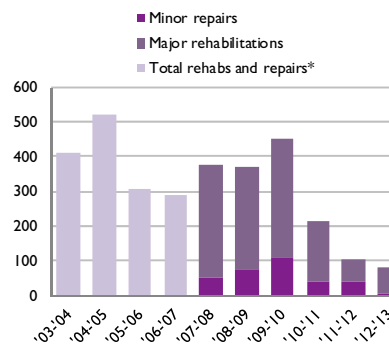
Number of affordable housing units completed in the fiscal year



Average Per-Unit Subsidy for New Construction Projects (\$1,000s)

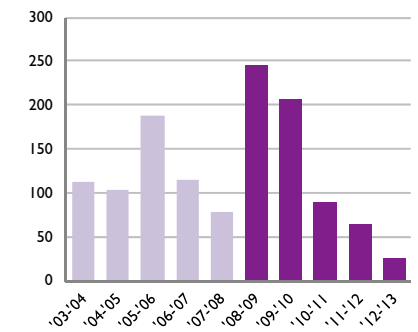


Rehabilitated Units



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

Number of Homebuyers Assisted*



*Methodology change in '08-'09

HOUSING DEPARTMENT

NEIGHBORHOOD DEVELOPMENT & STABILIZATION

The Department received \$7.8 million in new federal Community Development Block Grant (CDBG) program funds in 2012-13. 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 2012-13, the City rehabilitated and sold 11 single-family homes. Housing anticipates that the NSP2 program will wrap-up in 2013-14 with a total of 41 foreclosed homes purchased, rehabilitated and sold to low-income families and about 210 affordable multi-family units funded.

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

Homeless Services

In 2013, there were an estimated 12,055 individuals who experienced at least one period of homelessness during the year in San José. Thirty-two percent of the homeless population in San Jose was chronically homeless*— more than twice the national average. 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.

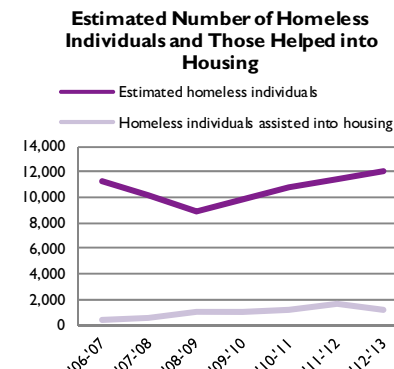
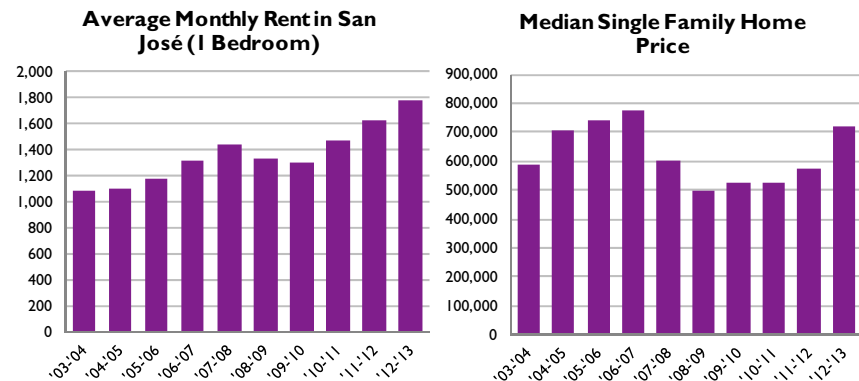
**Chronic homelessness is defined as having a disabling condition and being continually homeless for at least one year and/or having experienced four or more episodes of homelessness within the past three years.*

KEY FACTS

Median Household Income in San José*: \$80,155			
Average Monthly Rent in San José (1 bedroom)** :	\$1,780	Median Home Price in San José (single-family)**:	\$720,000
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)* :	39%

*Source: U.S. Census - American Community Survey – 2012 three year estimates

** RealFact report for Second Quarter 2013 and SCCOAR Second Quarter 2013 report



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.