

CHAPTER 10 – HOUSING

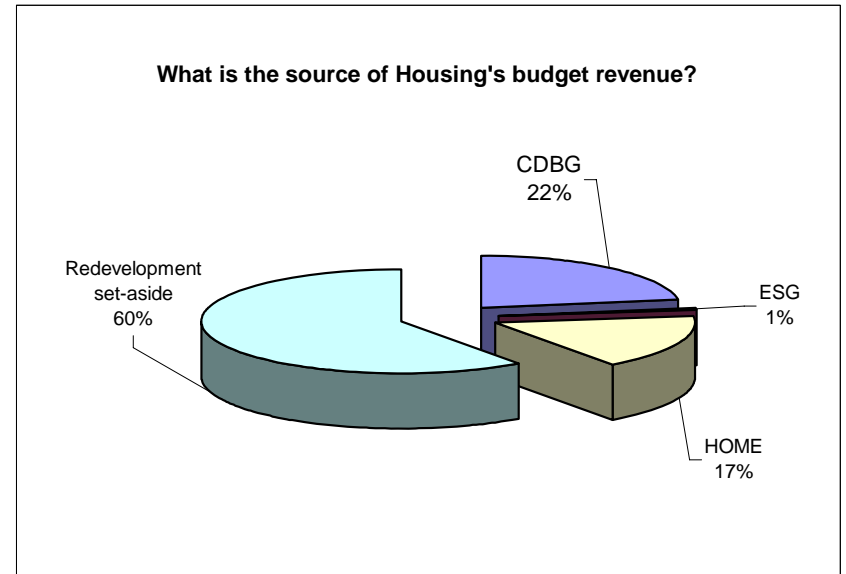
The mission of the Housing Department is to develop city-wide housing policy, facilitate the production and preservation of decent and affordable housing, assist in the development of a suitable living environment, and to expand economic opportunities for low and moderate income persons. Housing strives to help families live in decent, safe, and sanitary homes.

Housing develops programs that create housing opportunities and support an increasing need to keep housing costs affordable through down payment assistance, financial assistance loans, emergency repairs, neighborhood improvements, and rental rehabilitation.

Housing is funded by intergovernmental revenue consisting of federal, state, and local tax increment funds and is responsible for the following programs:

- Community Development Block Grant (CDBG) – The City receives an annual allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD). Funds are to be used to provide benefits to low and moderate income persons, eliminate slums and blight, or meet an urgent community need.
- Emergency Shelter Grant (ESG) – The Stewart B. McKinney Homeless Assistance Act was enacted in 1987 to provide federal assistance for the homeless through several programs.
- HOME Investment Partnership Grant – Funded from the National Affordable Housing Act of 1990 and its provision for the HOME Investment Partnership grant funds, provides for participating jurisdictions to tailor housing strategies to meet local needs.
- Redevelopment Low and Moderate Income Set-Aside – Also referred to as the 20 Percent Set-Aside funds, these monies are a calculated portion of the gross tax increment received annually by the Redevelopment Agency. These funds are used to produce and rehabilitate affordable housing units within the Agency's jurisdiction.

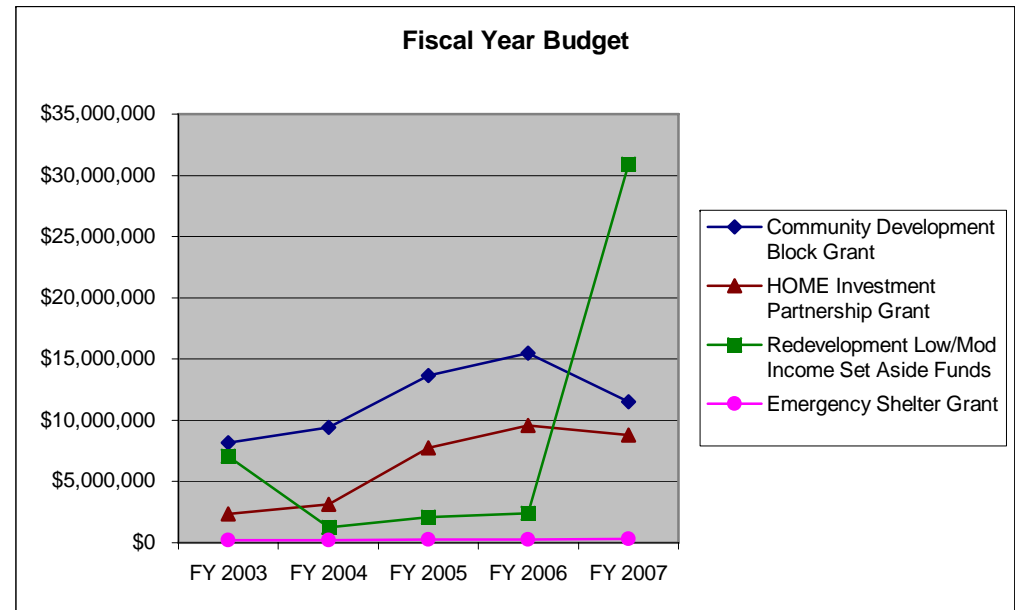
The chart to the right is based on Housing Department's budget for FY 2007. The chart shows 60 percent of Housing's revenue is budgeted from the Redevelopment Low and Moderate Income Set-Aside, 22 percent from CDBG, 17 percent from the HOME Investment Partnership Grant, and one percent from the Emergency Shelter Grant.



Source: FY 2007 budget data

ANNUAL BUDGETS

Overall, available Housing funds have increased by 190 percent compared to five years ago. The increase is attributed to Redevelopment Low and Moderate Income Set-Aside Funds and the sale of \$114 million in Redevelopment Tax Allocation Bonds in 2006, of which \$25 million is dedicated to Low and Moderate Housing activities. The table below and the chart to the right detail the budgeted revenue figures, which include funds from prior fiscal years that are carried forward until they are expended.



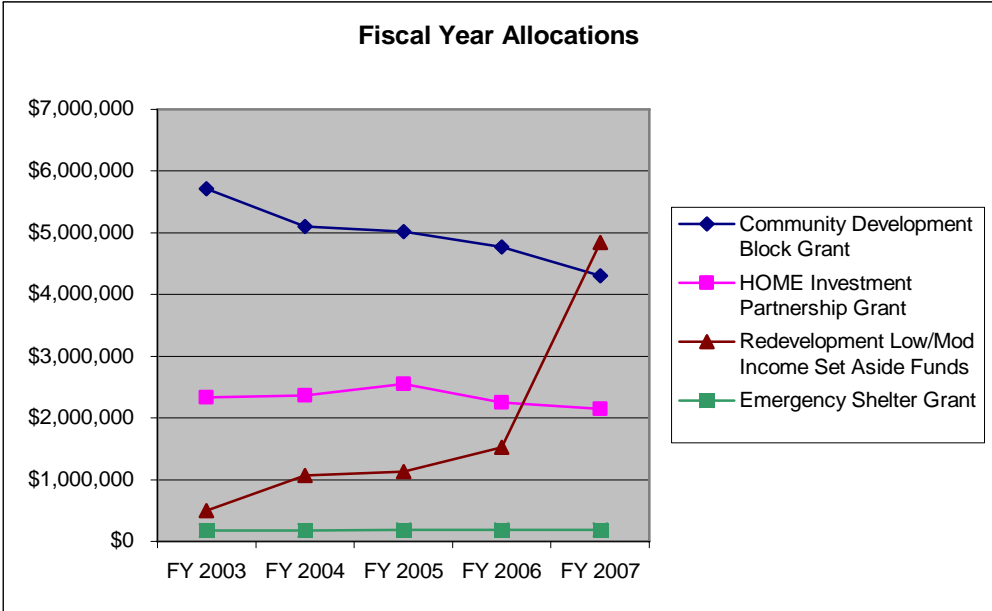
Source: Housing Department

Housing Department Budget					
	Community Development Block Grant	Emergency Shelter Grant	HOME Investment Partnership Grant	Redevelopment Low/Mod Income Set Aside Funds	TOTAL
FY 2003	\$8,177,018	\$229,089	\$2,330,000	\$7,041,600	\$17,777,707
FY 2004	\$9,401,063	\$198,074	\$3,151,133	\$1,252,393	\$14,002,663
FY 2005	\$13,653,582	\$252,026	\$7,743,181	\$2,071,306	\$23,720,095
FY 2006	\$15,493,333	\$237,267	\$9,595,676	\$2,424,253	\$27,750,529
FY 2007	\$11,535,526	\$306,703	\$8,767,361	\$30,930,281	\$51,539,871
Change over last 5 years	41%	34%	276%	339%	190%

ANNUAL ALLOCATIONS

Housing’s annual allocations for each funding source are detailed below and illustrated in the chart to the right. Due to the nature of housing projects, it typically takes a minimum of one year from the time funds are committed to when they are expended. Because of this lengthy time period, Housing has large balances of funds carrying over year to year, but this is not an accurate reflection of funds available to commit to new projects.

In FY 2007, Housing spent 39 percent of CDBG allocated funds which represents a 179 percent increase since FY 2005. For ESG funds, Housing spent 47 percent less compared to three years ago.



Source: Housing Department

	Housing Department Annual Allocations					Percent of allocated funds spent	
	Community Development Block Grant	Emergency Shelter Grant	HOME Investment Partnership Grant	Redevelopment Low/Mod Income Set Aside Funds	TOTAL	Community Development Block Grant	Emergency Shelter Grant
FY 2003	\$5,719,000	\$175,000	\$2,330,000	\$496,600	\$8,720,600		
FY 2004	\$5,101,000	\$172,000	\$2,363,673	\$1,065,629	\$8,702,302		
FY 2005	\$5,022,000	\$186,592	\$2,546,346	\$1,129,452	\$8,884,390	14%	68%
FY 2006	\$4,772,057	\$183,684	\$2,247,644	\$1,524,231	\$8,727,616	15%	45%
FY 2007	\$4,304,884	\$183,550	\$2,143,421	\$4,839,279	\$11,471,134	39%	36%
Change over last 5 years ¹	-25%	5%	-8%	874%	32%	179%	-47%

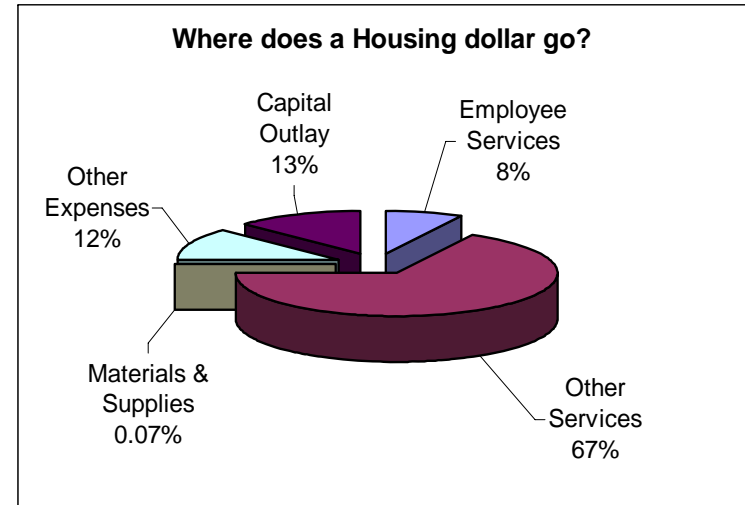
¹ Where five years of data was not available, the change was based on the first available data.

SPENDING AND STAFFING

Compared to five years ago, Housing’s spending increased 173 percent to \$27,448,496 in FY 2007. Significant increases in all categories were the result of spending Redevelopment Agency Low and Moderate Income Housing Funds. As shown to the right and detailed below, Housing expended 67 percent on other services which includes cost of single and multi-family rehabilitation and construction for the various housing loan programs operated by the department. An additional 13 percent was expended on capital outlay costs, such as property acquisition and relocation of households, while 12 percent was spent on other expenses, which represents debt repayment obligations on two Section 108 Loans received from the U.S. Department of Housing and Urban Development as well as debt repayment obligations on two bonds issued against the Redevelopment Agency Low and Moderate Income Housing Funds.

Per capita expenditures increased 146 percent from \$38.46 in FY 2003 to \$94.72 in FY 2007. Per capita comparisons to other cities were difficult to find; thus, none were made.

Housing’s total authorized full time staffing in FY 2007 was 14 positions, which represents a 56 percent increase from the prior year. For several years, Housing and Redevelopment were one department; however, beginning in FY 2007 the two departments separated with the budgeted clerical support positions remaining in Housing. At the end of the fiscal year, actual full time staffing was at 10 positions.



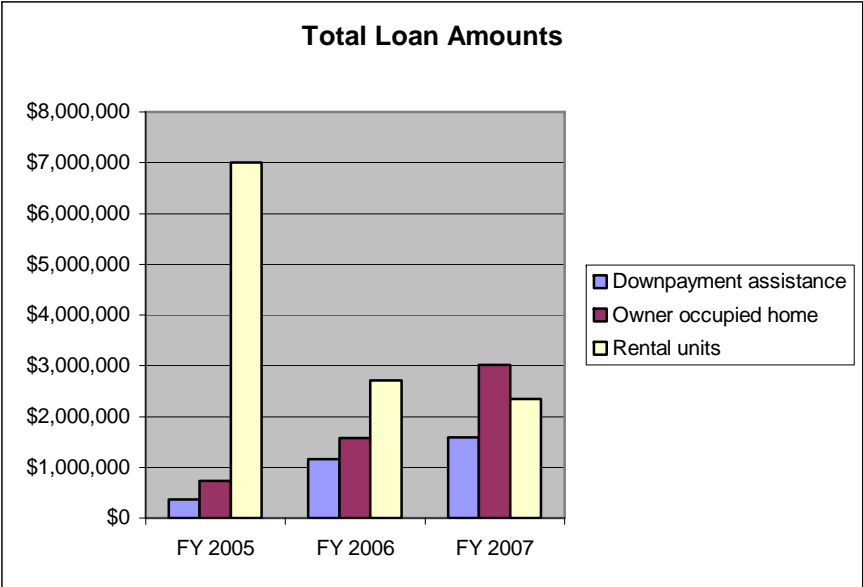
Source: FY 2007 expenditure data
(Percentages do not total to 100 percent due to rounding.)

	Operating Expenditures						Per Capita	Staffing ¹
	Employee Services	Other Services	Materials & Supplies	Other Expenses	Capital Outlay	TOTAL		Authorized full time staffing
FY 2003	\$1,918,814	\$6,938,601	\$14,102	\$1,132,459	\$46,051	\$10,050,027	\$38.46	9
FY 2004	\$2,087,435	\$7,175,151	\$23,427	\$1,328,747	\$73,913	\$10,688,673	\$39.72	9
FY 2005	\$2,151,552	\$9,286,861	\$24,431	\$2,145,767	\$213,962	\$13,822,573	\$49.45	9
FY 2006	\$2,463,742	\$8,842,669	\$27,020	\$2,434,090	\$849,569	\$14,617,090	\$51.10	9
FY 2007	\$2,169,877	\$18,386,775	\$18,991	\$3,381,219	\$3,491,634	\$27,448,496	\$94.72	14
Change over last 5 years	13%	165%	35%	199%	7482%	173%	146%	56%

¹ Authorized full time staffing is based on approved annual fiscal year budgets. For FY 2003 to 2005, staffing for Housing was combined with Redevelopment and Economic Development.

HOUSING OPPORTUNITIES

- Twenty-five percent of survey respondents rated access to affordable quality housing as good or excellent.
- The number of down payment assistance loans increased from seven loans in FY 2005 to 20 in FY 2007. The total amount of down payment assistance loans has increased to \$1,595,558.
- The number of owner occupied rehabilitation loans has remained relatively unchanged between FY 2005 and FY 2007; however the total loan amount has increased 311 percent to \$3,020,857.
- The number of rental units constructed or rehabilitated has decreased 46 percent compared to two years ago. Total investment in this area decreased 66 percent during the same period.
- The significant decrease in the number of individuals provided fair housing assistance was due to a change in tracking methodology implemented in FY 2007.



Source: Housing Department

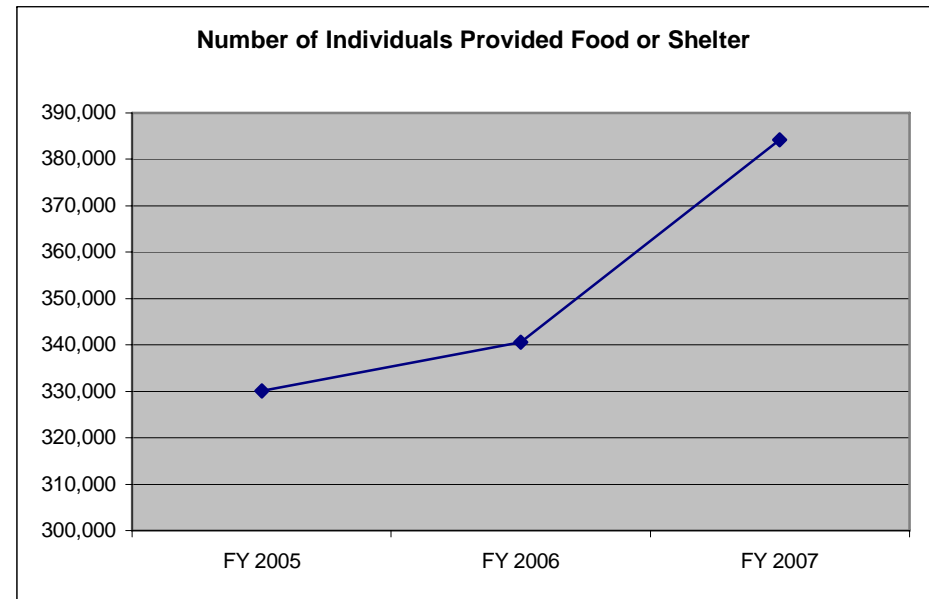
	Provide Affordable Housing Opportunities						Citizen Survey	
	Number of downpayment assistance loans provided	Total amount of downpayment assistance loans provided	Number of loans for owner occupied homes rehabilitated	amount loaned for owner occupied homes rehabilitated	Number of rental units constructed or rehabilitated	Total investment of rental units constructed or rehabilitated	Number of individuals provided fair housing services ¹	Percent rating access to affordable quality housing good or excellent
FY 2003								
FY 2004								
FY 2005	7	\$360,329	42	\$735,447	156	\$7,000,000	17,714	
FY 2006	20	\$1,164,717	72	\$1,575,523	62	\$2,709,400	22,456	
FY 2007	20	\$1,595,558	43	\$3,020,857	85	\$2,350,324	293	25%
Change over last 5 years ²	186%	343%	2%	311%	-46%	-66%	-98%	

¹ A change in tracking methodology was implemented in FY 2007.

² Where five years of data was not available, the change was based on the first available data.

ECONOMIC OPPORTUNITIES AND LOW INCOME HOUSING

- The number of façade loans has remained relatively unchanged over the last three years, totaling ten in FY 2007.
- The number of individuals assisted has decreased 33 percent to 66 individuals in FY 2007. The fluctuation is based on the number of organizations applying for and receiving funding.
- The number of businesses assisted has decreased from 13 in FY 2005 to 10 in FY 2007.
- The number of individuals provided food or shelter increased 16 percent over the last three years as detailed below and in the chart to the right.
- Compared to two years ago, the number of units inspected for code compliance decreased 32 percent.
- Thirty-five percent of survey respondents rated the quality of services to low-income individuals as good or excellent.



Source: Housing Department

	<u>Economic Opportunities</u>			<u>Low-income & Homeless Assistance</u>			<u>Citizen Survey</u>
	Number of façade loans completed	Number of individuals assisted	Number of businesses assisted	Number of individuals provided food or shelter	Number of units inspected for code compliance	Number of public facilities assisted	Percent rating quality of services to low-income individuals as good or excellent
FY 2003							
FY 2004							
FY 2005	9	99	13	330,026	4,586	0	
FY 2006	9	194	8	340,580	3,795	0	
FY 2007	10	66	10	384,262	3,113	3	35%
Change over last 5 years ¹	11%	-33%	-23%	16%	-32%		

¹ Where five years of data was not available, the change was based on the first available data.