

**DEPARTMENT OF COMMUNITY PLANNING, HOUSING AND DEVELOPMENT
HOUSING DIVISION**

HOUSING DEVELOPMENT SECTION

PROGRAM MISSION: To achieve the County's affordable housing goals by developing housing policies and programs and by providing financial and technical assistance to housing developers and community groups.

Principal activities of the Housing Development Section include:

- ❖ **Housing Development:** Staff assists developers, owners and community organizations in the development of affordable housing through the implementation of the County's financial and land-use mechanisms and other programs to achieve the County's Affordable Housing Goals and Consolidated Plan objectives.
- ❖ **Financial Assistance and Analysis:** Staff administers the County's Affordable Housing Investment Fund (AHIF) and Home Investment Partnership (HOME) programs, which are funded separately under the Non-Departmental portion of the budget. Staff review and recommend loan packages using County AHIF funds, and facilitate primary financing through tax-exempt bond and conventional mechanisms.
- ❖ **Site Plan Projects:** Staff coordinates the negotiation of affordable housing units in the context of site plan projects, including replacement units and units provided under the County's bonus density ordinance. Staff also negotiates the developer contributions to the County's Housing Reserve Fund (HRF) for residential and commercial projects.
- ❖ **Monitoring and Compliance:** Staff monitors assisted developments to ensure their compliance with various local and federal program agreements.
- ❖ **Program and Policy Development:** Staff develops and recommends new or enhanced housing program mechanisms, policies and strategies that advance the County's housing goals.

Housing Development Section				
	FY 2004	FY 2005	FY 2006	% Change:
	<u>Actual</u>	<u>Adopted</u>	<u>Proposed</u>	<u>'05 to '06</u>
Personnel	\$529,013	\$484,053	\$499,139	3%
Non-Personnel	16,450	15,000	15,000	-
Total Expenditures	545,463	499,053	514,139	3%
Fees	40,833	51,000	51,000	-
Grants	126,083	126,083	120,103	-5%
Total Revenues	166,916	177,083	171,103	-3%
Net Tax Support	\$378,547	\$321,970	\$343,036	7%
Authorized FTEs	7.0	6.0	6.0	
Funded FTEs	7.0	6.0	6.0	

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SIGNIFICANT BUDGET HIGHLIGHTS:

- ↑ The increase in personnel (\$15,086) reflects normal salary and benefits adjustments.
- ↓ Grant revenue for FY 2006 from the federal HOME program is expected to be lower (\$5,980) than adopted for FY 2005.
- ❖ Revenue from bond transactions financed through the County's Industrial Development Authority (IDA) is expected to be the same for FY 2006 as adopted for FY 2005.

PERFORMANCE MEASURES:

	FY 2002 <u>Actual</u>	FY 2003 <u>Actual</u>	FY 2004 <u>Actual</u>	FY 2005 <u>Estimate</u>	FY 2006 <u>Estimate</u>	FY 2006 <u>Goal</u>
<i><u>Mission Outcome</u></i>						
Annual committed affordable rental units produced/ Cumulative total	113/4,307	723/5,030	108/5,138	300/5,438	400/5,838	400/6,238
<i><u>Customer Measures</u></i>						
Favorable rating by developers/property owners	N/A	N/A	N/A	75%	80%	80%
Favorable rating by project stakeholders	N/A	N/A	N/A	75%	80%	80%
Favorable rating by Housing Commission	N/A	N/A	N/A	75%	80%	80%
Favorable rating by project sponsors	N/A	N/A	N/A	75%	80%	80%
<i><u>Workload Measures</u></i>						
Affordable units reviewed and monitored for program compliance	750	576	1,048	800	800	800
Site plan proposals	16	14	12	14	15	15
Housing studies/Special projects	2	4	4	3	2	2
County loans originated/ Cumulative total	4/42	4/46	2/48	3/51	4/54	4/54
Number of new ownership units produced	0	6	20	25	30	30
Residential pipeline projects in Planning/Units Analysis	14/1,414	10/1,227	17/1,443	20/2,000	20/2,000	20/2,000
<i><u>Efficiency Measures</u></i>						
Annual/Cumulative value of loans originated and closed (\$ Millions)	\$5.5/\$33.3	\$22.6/\$55.9	\$4.8/\$60.7	\$13.0/\$74.2	\$9.0/\$83.2	\$9.0/\$83.2
Annual investment leverage ratio	5.8:1	5:1	4:1	5:1	5:1	5:1
Loan repayments	\$1,038,825	\$4,981,884	\$2,600,000	\$5,000,000	\$7,000,000	\$7,000,000

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- ❖ The County established a goal of adding 360 Committed Affordable Units (CAF) per year in 1991. This measure tracks production of CAF rental units, both annual production and cumulative performance since 1991. In FY 2003 the County produced a record-breaking increase of 723 CAF rental units, including 349 units acquired using an innovative \$10 million credit facility secured by the County's discretionary annual appropriation and 38 units planned for assisted living for person over age 50 with special needs.
- ❖ Customer Measures are new. Data collection began in FY 2005.
- ❖ There are 64 projects that require monitoring to ensure adherence to affordability requirements. The FY 2003 projects monitored had fewer units than those monitored in FY 2002; in FY 2004, staff monitored projects with larger numbers of units.
- ❖ Studies/special projects expected to be completed in FY 2005 include the ICF Study on Affordable Housing Best Practices and the AHIF Credit Facility. Staff will begin the first phase of a housing study related to the Columbia Pike Initiative in FY 2005.
- ❖ In FY 2005 and FY 2006 the home ownership production will increase because of the development of condominiums through the site plan process, a portion of which will be affordable.
- ❖ Annual investment leverage ratio measures the County's efficiency involving its funds by comparing the total dollar amount of outside funding to total County funds allocated to projects in a given year.
- ❖ Loan repayments are a result of AHIF/HOME and CDBG loan repayments. The trend for FY 2005 and beyond will be the result of anticipated loan refinancing.

FUTURE BUDGET CONSIDERATIONS: The following factors may impact the Housing Division in the future:

- ❖ Additional program staffing and support will be necessary in order to meet the targets for the Housing Policy goals.
- ❖ A \$20 million credit facility to enhance the AHIF funds is being considered in FY 2005; application and loan origination fees may be charged to offset a portion of the cost of program implementation.