

**City of Glendale
2000-2005 Affordable Housing Strategy**

Adopted on May 31, 2000 by:

The Housing Authority of the City of Glendale
The Glendale City Council
The Glendale Redevelopment Agency

Prepared by:

City of Glendale
Community Development & Housing Division

ACKNOWLEDGEMENTS

HOUSING AUTHORITY OF THE CITY OF GLENDALE

Rafi Manoukian, Chair
Don Mincey, Vice Chair
Sheldon S. Baker Gus Gomez
Ginger Bremberg Dave Weaver
Satik Markaryan

GLENDALE CITY COUNCIL / REDEVELOPMENT AGENCY

Dave Weaver, Mayor
Gus Gomez, Redevelopment Agency Chair
Sheldon S. Baker, Redevelopment Agency Vice Chair
Ginger Bremberg
Rafi Manoukian

CONSOLIDATED HOUSING ADVISORY COMMITTEE

Nancy G. Burke	Bob W. Lemke
Don Mincey	Ben Beckler
Pierre Chraghchian	Ed Chuchla
Bob Driffill	Steve Finney
Rima Gregorian	Lynn Hansen
Susan Hunt	Carole Jouroyan
Angus MacLeod	Nancy Nichols
Vilma Vera	Sona Zinzalian

CITY ADMINISTRATION

James E. Starbird, City Manager
Robert McFall, Assistant City Manager

DIVISION ADMINISTRATION

Madalyn Blake, Director of Community Development & Housing
Jess Duran, Assistant Director of Community Development & Housing
Beth Stochl, Administrator, Housing Development & Preservation
Ray Vargas, Administrator, Housing Assistance
Sam Engel, Administrator, Neighborhood Services

AFFORDABLE HOUSING STRATEGY TEAM

Community Development & Housing:

Moises Carrillo, Community Development Supervisor
Peter Zovak, Community Development Supervisor
Stacy Rowe, Sr. Administrative Analyst
Doug Swoger, Administrative Analyst
Jordan Karp, Administrative Intern

Development Services: Jeanne Armstrong, Director of Development Services
Phil Lanzafame, Asst. Director of Development Services
Kirk Pelsler, Sr. Project Manager

Planning:

James E. Glaser, Assistant Director of Planning
Jeff Hamilton, Planning Associate
Anne Dove, Planning Associate

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BACKGROUND

The Affordable Housing Strategy (Strategy) is a five-year document used to provide guidance in the use of funding for affordable housing. In the past, affordable housing programs administered by the Housing Authority of the City of Glendale (Housing Authority) consisted only of the federal Department of Housing and Urban Development (HUD) Section 8 funding. As new housing funds have been made available over time, they have been incorporated into Housing Authority administration. Currently, the Housing Authority administers HUD Section 8 Rental Assistance, HOME, Supportive Housing Program, and Shelter Plus Care funding as well as local Redevelopment Housing Set Aside funds.

The Community Development and Housing, Planning, and Development Services Divisions have been working on five separate but related housing plans: the Housing Element; Consolidated Plan; Public Housing Agency Plan; Redevelopment Implementation Plan; and the Affordable Housing Strategy. On September 21, 1999, the Housing Authority appointed a Consolidated Housing Advisory Committee made up of local community members with an interest or special expertise in the area of housing to receive information related to housing and funding sources and make specific recommendations as to their priorities and goals for each plan. This Strategy has been prepared in the context of these other plans, particularly the City's Housing Element.

This Strategy presents (1) the community's housing needs, (2) the housing goals to address those needs within the context of income group, tenure, and population, (3) the financial resources available, and (4) the allocation of funds for recommended programs and administration.

EXHIBIT 1

DESCRIPTION OF HOUSING FUNDS

This section provides a brief description of each of five funding sources for affordable housing, allowed uses, plus legislative intent and restrictions. There are income requirements tied to most of the funding sources. Table 1 below shows income limits adjusted for family size for the current fiscal year in Los Angeles County.

Table 1
FY 2000-1 Income Limits
Los Angeles County

Income Level	Number of Persons in Household							
	1	2	3	4	5	6	7	8
Moderate Income (81-120% AMI*)	\$43,750	\$50,000	\$56,250	\$62,500	\$67,500	\$72,500	\$77,500	\$82,500
Low Income (51-80% AMI*)	\$29,200	\$33,350	\$37,500	\$41,700	\$45,000	\$48,350	\$51,700	\$55,000
Very Low Income (31-50% AMI*)	\$18,250	\$20,850	\$23,450	26,050	\$28,150	\$30,200	\$32,300	\$34,400
Extremely Low Income (<30% AMI*)	\$10,950	\$12,500	\$14,050	\$15,650	\$16,900	\$18,150	\$19,400	\$20,650

*AMI is the Area Median Family Income adjusted for family size

1. HUD Section 8 Rental Assistance

The federal Housing & Community Development Act of 1974 authorized the Section 8 Certificate program. It signaled a federal shift from locally owned public housing to the use of privately owned rental housing as the primary HUD rental assistance program. In 1976, HUD authorized the initial allocation of Section 8 Certificates to the City of Glendale Housing Authority.

In 1987, Congress authorized the Rental Voucher program. Both HUD programs provide tenant-based rental assistance, however, unlike Section 8 Certificates, the Housing Voucher does not have a Fair Market Rent limitation; and the family may choose to pay more than 30% of adjusted income for rent. There is an emphasis on self-sufficiency, which is achieved through the Family Self-Sufficiency Program.

Eligible families must meet the definition of very low and extremely low income and are selected for participation from the Housing Authority's waiting list. The waiting list was last open for applicants in 1989.

2. HOME Funds

The Federal Department of Housing and Community Development (HUD) in 1990 established the HOME Program. The intent of HOME is to expand the supply of decent, safe, sanitary, and

Community Development and Housing

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EXHIBIT 2

**CITY OF GLENDALE
PROJECTED AFFORDABLE HOUSING REVENUES
FISCAL YEARS 2000-2005**

FUNDING SOURCE	FISCAL YEAR					TOTAL 2000-2005
	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	
REDEVELOPMENT SET-ASIDE FUNDS	\$ 3,495,914	\$ 4,173,471	\$ 4,518,157	\$ 4,856,751	\$ 5,343,511	\$ 22,387,804
DOWNTOWN TAX INCREMENT SET ASIDES (1)	\$ 2,460,555	\$ 3,135,000	\$ 3,281,000	\$ 3,388,000	\$ 3,580,000	\$ 15,844,555
SAN FERNANDO TAX INCREMENT SET ASIDES (2)	\$ 597,359	\$ 464,000	\$ 464,000	\$ 464,000	\$ 464,000	\$ 2,453,359
PALMER HOUSE LOAN REPAYMENT AND RENT	\$ 103,000	\$ 103,000	\$ 103,000	\$ 103,000	\$ 103,000	\$ 515,000
MONTE VISTA LOAN REPAYMENT	\$ 19,534	\$ 19,534	\$ 19,534	\$ 19,534	\$ 19,534	\$ 97,670
FIRST TIME HOME BUYER INTEREST PAYMENTS	\$ 79,622	\$ 216,937	\$ 415,623	\$ 647,217	\$ 941,977	\$ 2,301,376
OTHER MISCELLANEOUS REVENUE	\$ 50,844	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,844
INTEREST ON SET ASIDE BALANCE	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 185,000	\$ 925,000
HOME FUNDS	\$ 1,740,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 7,740,000
SECTION 8 RENTAL ASSISTANCE	\$ 6,237,392	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 34,237,392
CONTINUUM OF CARE	\$ 1,236,968	\$ 1,102,065	\$ 1,142,792	\$ 1,391,237	\$ 1,926,500	\$ 6,799,562
SUPPORTIVE HOUSING PROGRAM/SHELTER PLUS CARE (3)	\$ 981,968	\$ 847,065	\$ 887,792	\$ 1,136,237	\$ 1,671,500	\$ 5,524,562
EMERGENCY SHELTER GRANT	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 700,000
COMMUNITY DEVELOPMENT BLOCK GRANT	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000
GENERAL FUND	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000
TOTAL AFFORDABLE HOUSING REVENUES	\$ 12,710,274	\$ 13,775,536	\$ 14,160,949	\$ 14,747,988	\$ 15,770,011	\$ 71,164,758

(1) Year 2000-2001 based on Finance estimates; Years 2001-2005 projections from Keyser Marston Associates and assuming modest development.

(2) Year 2000-2001 based on Finance estimates; Years 2001-2005 projections from Keyser Marston Associates and assuming no development.

(3) Awarded on competitive basis. Amount needed to fund existing programs at current levels.

affordable housing. Through HOME, HUD provides funding to states and local governments to provide affordable housing opportunities within their jurisdictions. HUD requires that HOME funds be expended on assisting very low and low income households, as defined above.

The City of Glendale is considered a participating jurisdiction under the HOME program, which means that the City receives HOME funds annually to be used for affordable housing. Eligible activities for use of HOME funds include rehabilitation, new construction, acquisition, relocation, and tenant based rental assistance.

In general, the use of HOME funds is more restrictive than redevelopment set-aside funds because HOME funds can only be used to assist lower income households. In addition, affordable housing costs as defined by the HOME program are less than those defined for redevelopment set-aside funds. Other HOME fund requirements include:

- Matching 25% of HOME funds with non-federal funds;
- An amount of 15% of the HOME funds must be reserved for use by Community Housing Development Organizations (CHDOs) - private, nonprofit organizations with lower income board members; and
- An allowance of a period of 24 months to commit funds to projects and a period of 5 years to expend funds.

3. **Redevelopment Housing Set-Aside Funds**

California redevelopment law requires that 20% of all property tax-increment generated by community redevelopment agencies be set-aside and expended on “increasing, improving, and preserving” the community’s supply of affordable housing for very low, low, and moderate income households.

Redevelopment set-aside funds may be used for affordable housing activities within or outside of redevelopment project areas. Affordable housing activities that are eligible for funding using redevelopment set-aside funds include the following:

- Acquisition of real property or building sites;
- New construction or rehabilitation of buildings or structures;
- Provision of subsidies to, or for the benefit of , income eligible households to obtain housing at affordable costs in the private marketplace (i.e. rental subsidies or first time homebuyer loans); and
- Satisfaction of replacement requirements for housing displaced by redevelopment activity.

In addition to the maximum income limits, the law requires that housing units assisted with redevelopment set-aside funds be affordable to very low, low, and moderate income households as defined above. Generally, affordable housing costs, including utility costs, are defined as not exceeding 30% of a household’s income.

4. Community Development Block Grant (CDBG)

The Community Development Block Grant (CDBG) was established under the 1974 Housing Act and began operations in 1975. The City of Glendale receives funds from HUD as an entitlement city under the CDBG program. The purpose of the CDBG program is to provide a significant resource to help cities cope with the problems of urban blight, economic decline, and the shortfall of services to lower income persons, the homeless and persons with special needs. The national objectives of the CDBG program are to fund activities which: (1) aid in the prevention or elimination of slum and blight conditions, and (2) principally benefit lower income persons, the homeless, the elderly and the handicapped.

CDBG funds can be used in any lower income census tract (with more than 50% lower income residents) or to directly benefit lower income persons.

5. Supportive Housing Program (SHP)

One of the funding sources for homeless programs authorized by the Stewart B. McKinney Act and administered by the U.S. Department of Housing and Urban Development is the Supportive Housing Program (SHP). SHP funding are awarded annually on a competitive basis, with priority given to new programs or expansions which fill a gap in a local jurisdiction's continuum of care; or to the renewal of previously funded projects that have demonstrated effectiveness.

There are a number of eligible activities: acquisition and rehabilitation, real property leasing, transitional housing, permanent supportive housing and supportive services not attached to housing. Supportive services not attached to housing must, however, work to link homeless persons to housing. Agencies receiving funds must provide a dollar for dollar match for funding for acquisition and rehabilitation, and a partial match for funds earmarked for the operation of housing. Funding for new programs is awarded for an initial period of three years, with the possibility of renewal.

AFFORDABLE HOUSING NEEDS ASSESSMENT

This needs assessment summarizes Glendale's primary housing needs for lower and moderate-income households and homeless and special needs populations. Listed in the following table are the definitions of these income groups, all of which represent a percentage of the area median income, adjusted by household size, for the County of Los Angeles. The specific incomes are determined annually.

Definitions of Lower and Moderate Income Households

Extremely low income	0-30% of area median income
Very low income	31-50% of area median income
Low income	51-80% of area median income
Moderate income	81-120% of area median income

According to the State Department of Finance, as of January 1, 2000 the population of the City of Glendale was 203,700 in an area of 30.6 square miles. The City's population reflects an ethnic diversity common throughout Southern California with high concentrations of Armenian, Hispanic, and Korean residents. Since 1970, the City's composition of single and multi-family units have reversed so that multifamily units have become the predominant housing type, representing approximately 60% (44,119) of the City's 1998 housing stock in comparison to 40% (29,493) for single family units.

The cost of housing in Glendale is prohibitively high. Both owners and renters face housing costs that constitute a disproportionate financial burden. This burden, in turn, leads to other problems, such as deferred maintenance and overcrowding. High housing cost also contributes to the risk of homelessness, particularly for lower-income households. Households with special needs, such as large families, senior citizens, and persons with disabilities, must choose from a limited supply of housing units equipped to meet their needs. In addition, as an older community, a relatively large proportion of Glendale's housing stock is more than 30 years old. Continued maintenance of the housing stock is necessary to prevent significant housing deterioration in the City.

Ownership Housing Cost

The availability of affordable ownership housing is extremely limited in Glendale. Even condominium prices are unaffordable to a significant portion of the population. The following table compares Glendale's 1997 household income distribution with affordable monthly housing costs and affordable housing prices for each income category. The table consists of income distribution data obtained from HUD's Community 2020 Consolidated Planning software. Housing affordability is based upon the federal HUD standard that housing costs not exceeding 30 percent of household income are considered affordable. The table shows that in 1997, nearly 30 percent of Glendale's residents could not afford a home priced over \$108,601, well below the median price of 2-bedroom

condominiums sold in Glendale between January and May 1998 (\$120,000). Over 56 percent of Glendale residents could not afford the average price of a 2-bedroom single family home sold in Glendale between January and May 1998 (\$235,000). Nearly 76 percent of residents could not afford the median price of a 3-bedroom single family home sold in Glendale between January and May 1998 (\$289,000).

**CITY OF GLENDALE
HOUSING AFFORDABILITY: 1997**

Income Group	No. of Households	% of Total	Affordable Monthly Housing Cost (a)	Affordable Housing Price (b)
< \$5,000	3,085	4.4%	< \$ 125	< \$ 21,720
\$ 5,000 - \$9,999	3,636	5.2%	\$ 125 - \$ 250	\$ 21,720 - \$ 43,440
\$10,000 - \$14,999	4,841	6.9%	\$ 250 - \$ 375	\$ 43,440 - \$ 65,161
\$15,000 - \$24,999	8,333	11.9%	\$ 375 - \$ 625	\$ 65,161 - \$108,601
\$25,000 - \$34,999	7,638	10.9%	\$ 625 - \$ 875	\$108,601 - \$152,041
\$35,000 - \$49,999	12,173	17.3%	\$ 875 - \$1,250	\$152,041 - \$217,202
\$50,000 - \$74,000	13,600	19.4%	\$1,250 - \$1,850	\$217,202 - \$321,459
\$75,000 - \$99,000	6,956	9.9%	\$1,850 - \$2,500	\$321,459 - \$434,404
\$ 100,000 +	10,012	14.2%	\$2,500 +	\$434,404 +

Source: HUD Community 2020 Consolidated Planning Software.

Notes: (a) Affordability based upon HUD, 30% of income standard.

(b) Affordable housing price based upon 20% down payment, 8.0% interest rate, 30-year fixed mortgage, and a 2 point fee (2% of the mortgage loan) to be paid up front.

Since 1998, housing prices have continued to rise in Glendale. Recent sales data obtained from the Glendale Multiple Listing Service (MLS) shows that the median sales price of the 32 condominiums/townhouses sold between January 1, 2000 and March 31, 2000 was \$160,000. The median sales price of the 51 single-family residences sold during the same period was \$348,000.

To achieve homeownership, many lower income households overextend themselves financially for housing costs. According to HUD's Consolidated Housing Affordability Strategy (CHAS) Data Book, approximately 31 percent of the City's total homeowners, and 45% of the City's lower and moderate-income homeowners paid more than 30 percent of their gross income on housing in 1990.

Rental Housing Cost

The cost of rental housing in Glendale is also increasing. The Community Development and Housing Division has compiled rental information on approximately 870 apartments advertised for rent in the Glendale News Press and on the Internet. The table below shows advertised rents for singles and 1-3 bedroom units for the years of 1994, 1999 and 2000. The majority of advertised apartments for rent were one- and two-bedroom units. The average rents ranged from \$451-\$595 for studio units, \$553-\$642 for one bedroom units, \$725-\$925 for two-bedroom units and \$961-\$1,366 for three bedroom units. More significantly, the table shows that rents increased more during the one-year period from

1999-2000 than in the prior five years (1994-1999) combined. For example, between 1994-2000, the average rent for two bedroom units increased by \$200. Fifty-five percent (\$109) of the increase occurred between 1999-2000 and only 45 percent (\$91) occurred between 1994-1999. **For all unit sizes, average advertised rents increased more during the past year, than in the previous five years combined.**

**City of Glendale
Average Advertised Rents**

Unit Size	Average Rent			Increase in Average Rent		
	1994	1999	2000	1994-1999	1999-2000	1994-2000
Single	\$451	\$469	\$595	\$18	\$126	\$144
1-Bedroom	\$553	\$597	\$642	\$44	\$45	\$89
2-Bedroom	\$725	\$816	\$925	\$91	\$109	\$200
3-Bedroom	\$961	\$1,114	\$1,366	\$153	\$252	\$405

Sources: Glendale News Press, ApartmentWorld.com, Rent.net, Apartments.com and SpringStreet.com

According to HUD, rents affordable to very low-income (31-50% of median family income) households are significantly lower than current average advertised rents. Larger lower-income households that require two- and three-bedroom apartments are especially impacted by rents in Glendale. The table below shows that the average advertised rent is 58 percent higher (\$339/mo.) for a two-bedroom apartment and 102 percent (\$689/mo.) higher for a three-bedroom apartment than rents affordable to very low-income households (see table below).

**Current Average Advertised Rents Vs.
Rents Affordable to Very Low Income Households**

Number of Bedrooms	Average Advertised Rent - 2000	Rent Affordable to Very Low-Income Households	Difference
Studio	\$595	\$456	\$139
1	\$642	\$488	\$154
2	\$925	\$586	\$339
3	\$1,366	\$677	\$689

Sources: Average Market Rents: Glendale News Press, ApartmentWorld.com, Rent.net, Apartments.com and SpringStreet.com.

Rent Affordable to Very Low Income Households: HUD

According to Glendale's Housing Element, 48 percent of all renter households in Glendale are rent burdened with regards to housing. Rent burdened is defined as when a household pays more than 30 percent of their income towards costs for housing. Rent burden is a more acute problem among extremely low and very low-income renter households. The number of rental units affordable to extremely low and low-income households are limited compared to the number of units affordable to other income

levels. Furthermore, non-low income households likely occupy a portion of these units and very few large units are affordable to the City's lower income renter-households. As a result, according to HUD's CHAS Data Book, in 1990 more than 83 percent of the City's extremely low and very low-income renter-households paid more than 30 percent of their income towards costs for housing.

Overcrowding

Glendale is experiencing an increase in residential overcrowding. Overcrowding reflects the inability of households to buy or rent housing that provides reasonable privacy for the residents and is an important indicator of quality of life in a community. An overcrowded household is defined by the Census as having more than 1.01 persons per room, excluding bathrooms, hallways and porches. According to the Census, the incidence of overcrowding has increased dramatically in Glendale from approximately 7 percent in 1980 to 18 percent in 1990. In addition, most of the overcrowded housing units in Glendale are concentrated in the southern and southwestern portions of the City. At least 25 percent of households in southern Glendale and 17-24 percent of households in southwestern Glendale were considered overcrowded in 1990.

Current demographic and housing data indicate that the incidence of overcrowding may be continuing to rise in Glendale. Between 1990 and 2000, Glendale's population increased 13.1 percent (23,662 persons) from 180,038 to 203,700 persons. During the same period, the number of housing units in Glendale increased by only 2 percent (1,495 units) from 72,114 to 73,609 units. This small increase in the number of housing units is due, in part, to the limited availability of vacant land for residential development. As a result of the population growing at a faster rate than the number of housing units, average household size has increased. According to the 1990 Census, average household size in Glendale was 2.59 persons per unit in 1990 and according to the State Department of Finance, had increased to 2.78 persons per unit in 1998. This trend towards larger households may reflect a continuing influx of larger families into the community. In addition, the high cost of rent and home ownership may also encourage people to pool economic resources by sharing housing units. Whatever the cause, larger household size is a potential indicator of a continued increasing incidence of overcrowding in Glendale.

Age and Condition of Housing Stock

The following table shows the period in which housing units were built in Glendale. The table illustrates that 61 percent of housing units were built prior to 1970 and thus are more than 30 years old. An additional 12 percent of housing units were built prior to 1980 and are more than 20 years old.

**City of Glendale
Age of Housing Stock**

YEAR BUILT	NUMBER OF UNITS	PERCENT OF TOTAL
1939 or earlier	13,053	17.7%
1940-1949	9,203	12.5%
1950-1959	11,592	15.8%
1960-1969	11,041	15.0%
1970-1979	9,157	12.4%
1980- March 1990	18,068	24.6%
April 1990-January 2000	1,497	2.0%
Total	73,611	100.0%

Source: U.S. Department of Commerce, Bureau of the Census, 1990 Census,
Glendale Housing Element, 2000-2005

Housing units that are more than 30 years old are generally considered to be in need of some type of upgrade, repair or maintenance. With 61 percent of housing units falling into this classification, Glendale faces the potential of significant deterioration of the housing stock. The necessary maintenance is cost prohibitive for many homeowners, particularly those having a low or fixed income.

In addition, there is a potential for lead-based paint hazards to exist in homes built prior to 1978, which include nearly 73 percent of Glendale's housing stock. HUD requires that potential lead-based paint hazards be identified and controlled or eliminated in any housing unit that receives assistance with federal funds including CDBG, HOME, Section 8, and Shelter Plus Care.

The City's Code Enforcement staff cites approximately 600 units annually for non-compliance with the Housing Code. At any given time, there are approximately 900 active code enforcement cases throughout the City. Types of violations include leaking roofs, inadequate landscaping, peeling paint and general interior deterioration. The level of code violations is fairly consistent year to year, and demonstrates the need for ongoing maintenance to the City's housing stock.

Neighborhood Targeting

In 1999, the Housing Authority appointed a Home Ownership Committee to develop recommendations and strategies to increase home ownership in the City. The committee found that there are more affordable home prices in the southern portion of the City. However, potential homebuyers that were surveyed by the committee expressed concern about the quality of life offered in these neighborhoods. The committee's research indicated that the quality of life in the southern portion of Glendale has suffered from school overcrowding, lack of open space, increased density, and neighborhood deterioration. Among the committee's recommendations, was a proposal to create

neighborhood “Target Areas” within specific areas of the City to implement comprehensive neighborhood revitalization programs to improve the quality of life for residents. The committee further recommended that a portion of housing funds should be established for use in these neighborhood target areas. The Consolidated Housing Advisory Committee agreed with the recommendation that targeting resources to specific neighborhoods would have a major impact in those areas.

Homeless and Other Special Needs Populations

In 2000, the Glendale Homeless Coalition estimates that on any given night, there are 447 homeless persons in Glendale. This reflects a 6.5 percent increase over 1999 estimates of 418. Approximately 72 percent of Glendale’s homeless population are single individuals and 28 percent are persons in families. The homeless families include approximately 71 children. Approximately 29 percent of homeless persons in Glendale have substance abuse problems and nearly half (44%) of homeless women and children are victims of domestic violence.

In addition to the homeless population, there are populations of persons “at-risk” of becoming homeless. Populations at-risk of becoming homeless include persons whose income is below the poverty level and persons who pay more than 30 percent of their income on housing. In 1994, agencies serving the homeless reported that they receive request for services from at least 10,000 persons annually who are at-risk of homelessness and who live in the Glendale area. Another indicator of households at-risk of homelessness are low vacancy rates in rental housing units. Vacancy rates in Glendale generally fell during the 1995-1998 period, ranging from a high of 4.4 percent down to a low of 2.8 percent. The tightness of the rental market contributes to rising rents, which makes units less affordable for low-income households and puts many at-risk for homelessness.

Other segments of the population that may have difficulty finding decent, affordable housing include the elderly, handicapped persons, large families, victims of domestic violence, persons with HIV/AIDS, and persons with substance abuse problems and/or mental illness. These “special needs” households often require housing with accessibility features and/or supportive services in conjunction with housing assistance. In recent years, the City of Glendale has made considerable progress in addressing the supportive service and housing needs of the homeless, elderly, handicapped persons and victims of domestic violence. However, the number of housing units designated to meet the special needs of persons with HIV/AIDS and persons with substance abuse problems and/or mental illness is less than the apparent need of these groups.

Large households are identified as having special housing needs because of the limited availability of adequately sized, affordable housing units. Large households may consist of large extended families or multiple families sharing a residence out of economic necessity. Large households that are unable to secure adequately sized housing to meet their needs often resort to living in overcrowded conditions in smaller dwelling units. Overcrowding of smaller dwelling units accelerates unit deterioration. As a result,

according to HUD, 99 percent of low-income, large-related households either spent more than 30 percent of their income on housing or lived in overcrowded and/or substandard housing conditions.

Regional Housing Needs Assessment

The goals and policies of Glendale's Housing Element must be consistent with the Regional Housing Needs Assessment (RHNA), produced by the Southern California Association of Governments (SCAG). The RHNA establishes specific numeric targets of housing for very low, low, moderate and above moderate-income households for each jurisdiction in the State. These targets are not mandates for Glendale to construct a specific number of housing units. Rather, the RHNA mandates that the City ensure that plans and policies will allow the production of a specific number of housing units in each affordability category.

Though the RHNA also targets above moderate-income households, the affordable housing strategy is concerned with very low through moderate-income households only. The table below shows the RHNA housing targets as related to very low, low and moderate-income households.

**1998-2005
RHNA Affordable Housing Targets**

Income Group	Number of Housing Units	Percent of Housing Need
Very Low Income (0-50% Area Median Income)	1,425	39%
Low Income (51-80% Area Median Income)	1,004	27%
Moderate Income (81-120% Area Median Income)	1,231	34%
Total	3,660	100%

HOUSING GOALS

The Housing Element of the City's General Plan sets the overall housing policies and goals for the City of Glendale for the next five years. State law requires that all affordable housing funds be used within the context of these goals and policies. The six goals of the Housing Element are listed below:

Goal 1: A city with a wide range of housing types to meet the needs of current and future residents.

Goal 2: A city with high quality residential neighborhoods.

Goal 3: A city with increased opportunities for home ownership.

Goal 4: A city with housing services to address groups with special housing needs.

Goal 5: A city with equal housing opportunities for all persons.

Goal 6: A city with housing that is sensitive to environmental and social needs.

The goals, as presented in the Housing Element, address the housing needs of all economic levels of households in the City. To achieve the stated goals, the Housing Element recommends policies that set forth specific administrative actions such as review and amendment of zoning standards and streamlining of entitlement processes. In addition, the Housing Element recommends specific programs to improve neighborhoods, maintain the housing stock and increase affordable homeowner and renter opportunities for lower and moderate-income households.

To achieve the goals stated above with respect to the provision of affordable housing and neighborhood revitalization, this Affordable Housing Strategy establishes the programs and activities described in the following pages.

AVAILABLE FUNDS

Affordable housing funds are the primary means for the City to implement the Housing Element goals and policies related to below moderate-income households. The Affordable Housing Strategy for 2000-2005 allocates affordable housing funds to various programs to strategically address the needs of the Glendale community.

The Housing Authority administers the majority of the affordable housing funds used in the City of Glendale on behalf of the City of Glendale and Glendale Redevelopment Agency. The funds administered by the Housing Authority include Redevelopment funds set-aside for housing, federal HOME funds, federal Supportive Housing Program (SHP) funds, federal Shelter Plus Care funds, and federal Section 8 Rental Assistance funds. The City Council administers the federal Emergency Shelter Grant (ESG) and Community Development Block Grant (CDBG) funds, as well as some general revenue funds used for affordable housing. Exhibit 1, attached, provides a more detailed description of funds.

Though there is always an uncertainty about the continuation of grant funds, most of the federal funds have been relatively stable over the past five years. Even the Supportive Housing Program and Shelter Plus Care funds, though awarded on a competitive basis, have been a steady funding source. Therefore, the revenue projections for affordable housing are based on revenues received over the past five years. The exception is the Redevelopment set-aside funds, which are anticipated to grow significantly as assessed property values increase within the two redevelopment project areas. Redevelopment set-aside funds include the following sources and are further defined in the attached Exhibit 2: Projected Affordable Housing Revenues By Fiscal Year:

1. Estimated revenues from Finance for 2000-2001;
2. Projections from Keyser Marston Associates of 2001-2005 future tax increment for both the Central and the San Fernando Road Corridor project areas – assuming moderate growth for the Central project area and no growth for the San Fernando project area;
3. Various loan payments for affordable housing development projects;
4. Miscellaneous loan payoffs – rehab and first time home buyer loans;
5. First Time Home Buyer interest payments, which add up significantly over the five years; and
6. Annual bank interest.

Over the next five years, the anticipated revenue is approximately \$71,200,000. The table below shows the source and amount of funds. Of the total funds, approximately \$48,682,000 or 68% is anticipated from HUD; \$22,388,000 or 31% from the City's Redevelopment tax increment fund; and \$75,000 or less than 1% from the City's General Revenue fund. Funds from HUD are targeted to lower income and/or homeless persons. The federal funds often require additional targeting to extremely low income at 30% of area median income (Section 8 funds) and very low income at 50% of area median

income (HOME funds) persons or households. In addition to the income targeting, the use of federal funds is often prescribed for specific purposes, such as rental assistance. In contrast, Redevelopment set-aside funds may be used for a wider variety of programs and can be used to assist up to moderate-income (120% of area median income households).

**City of Glendale
Summary of Anticipated Revenues
FY 2000-2005**

Fund	Estimated Revenue	Funding Source	Funds Administrator
Redevelopment Set-Aside	\$ 22,387,804	GRA	Housing Authority
HOME	\$ 7,740,000	HUD	Housing Authority
Section 8	\$ 34,237,392	HUD	Housing Authority
Supportive Housing Program	\$ 4,235,174	HUD	Housing Authority
Shelter Plus Care	\$ 1,289,388	HUD	Housing Authority
Emergency Shelter Grant	\$ 700,000	HUD	City Council
CDBG	\$ 500,000	HUD	City Council
General Revenue	\$ 75,000	City	City Council
Total	\$ 71,164,758		

Allocation of Funds for Administration

The estimated cost of administration of affordable housing programs and funds, is approximately \$10,600,000 or about 15% of total funds over the next five years. This total administrative cost can be further broken down into both funds compliance and specific local program administration. The compliance administrative tasks include the following: contract compliance, monitoring, budget administration, project management, project negotiations, working with various community committees, coordination with other City divisions, and reporting to funding agencies. Compliance administration is approximately \$4,142,000 or 6% of total revenues. Program administration includes costs associated with specific programs operated by the Housing Authority, at approximately \$6,458,000 or 9% of total funds. These include the operation of the Section 8 rental assistance program, the housing rehabilitation programs, the first time home buyer program, a portion of code enforcement staff, and a portion of the Continuum of Care for the homeless. The specific program administration costs are incorporated into the allocation of funds for each affected program for purposes of the Affordable Housing Strategy.

Allocation of Funds for Programs

There is approximately \$67,200,000 available for affordable housing programs in the City of Glendale. The proposed allocation of funds to specific programs was reviewed by the Consolidated Housing Advisory Committee. The committee was concerned about

the balance of funds between owners, renters and the homeless; between seniors, families and special needs; and between various income groups. The committee also considered previous city reports and efforts, including the Home Ownership Committee report, the Recreation Element, the Homeless Coalition, the Neighborhood Task Force, and the City's Strategic Plan. These considerations lead to the following proposed allocation of affordable housing program funds.

Of the approximately \$67,200,000 for housing programs, the proposed funding allocation is approximately \$16,000,000 (24%) for owner housing; \$43,600,000 (65%) for rental housing; and \$7,400,000 (11%) for the homeless continuum of care (see table below). Each of these categories is discussed below, with funding sources, a summary of the programs, and anticipated outcomes enumerated.

**City of Glendale
Allocation of Funds
FY 2000-2005**

Total Revenues	Amount	Percent of Program Funds
Total Revenues	\$ 71,164,758	
Administration (Funds Compliance)	\$ 3,977,700	
Program Funds	\$ 67,187,058	
Owner Housing Programs	\$ 15,985,000	24%
Renter Housing Programs	\$ 43,603,392	65%
Continuum of Care Programs	\$ 7,399,562	11%
Unallocated	\$ 199,104	

AFFORDABLE HOUSING PROGRAM OPTIONS

Programs outlined in this Affordable Housing Strategy are based upon the affordable housing needs assessment detailed in this Strategy, and reflect data from the Housing Element, the federally mandated Consolidated Plan, and the U.S. Census. Proposed programs have been developed in accordance with the Housing Element and to meet the housing needs of various income, population, and tenure groups.

The programs have been divided into three categories: Owner, Renter, and Continuum of Care. Within each of these sections, programs are described in terms of the goal, the population to be targeted, the financing structure, and agreement parameters. The strategy is based on an assumption that in order to achieve affordability, assistance must come in the form of direct and indirect assistance, that is, financial assistance as well as regulatory relief. Additionally, for all the programs proposed, conditions of the assistance and/or development will be specified in a recorded agreement between the property owners and the Housing Authority.

Of the approximately \$67,200,000 for housing programs, the proposed funding allocation is approximately \$16,000,000 (24%) for owner housing; \$43,600,000 (65%) for rental housing; and \$7,400,000 (11%) for the homeless Continuum of Care. Each of these categories is discussed in the following section, with funding sources, a summary of programs, and anticipated outcomes enumerated.

OWNER PROGRAMS

The Housing Authority has been concerned with increasing home ownership in the City of Glendale. This strategy reflects that concern with a large percentage of the owner program funds allocated to new construction of ownership units. The Community Development and Housing Division also anticipates participating in a variety of homebuyer programs now available through various lending institutions. In addition, the Home Ownership Committee recommended that the City's role expand to include partnering with lending institutions and the real estate community to provide new programs, education, and marketing to the Glendale community. These programs would focus on households least likely to pursue home ownership on their own. The following sections delineate the sources of funds for homeowner programs, descriptions of homeowner programs, and anticipated service levels.

Approximately \$16,000,000 or 24% of total program funds is allocated to homeowner programs. Redevelopment Set-Aside is the primary funding source for ownership programs at approximately \$13,000,000 (82%). An additional \$2,600,000 (16%) is from federal HOME funds; and approximately \$350,000 (2%) is allocated from Section 8 funds.

The table below indicates the uses of these funds for four owner programs. The majority of funds, \$9,635,000 (60%), will assist in new construction of ownership units, with assistance for rehabilitation and purchase of existing housing at \$6,350,000 (40%).

**City of Glendale
Owner Programs
FY 2000-2005**

Programs	Program Totals	Anticipated Service Levels
Ownership Housing Rehabilitation	\$ 3,000,000	200
First Time Home Buyer	\$ 3,000,000	86
Section 8 Ownership Assistance	\$ 350,000	10
New Construction	\$ 9,635,000	128
Total	\$ 15,985,000	424

The Home Ownership and Housing Advisory Committees recommended that the City focus on the quality of specific neighborhoods, particularly in the southern portion of the City of Glendale. Therefore, approximately half of the funds will be used in neighborhood target areas for the following programs.

A. Ownership Housing Rehabilitation

Program Goal

The goal of this program is to rehabilitate owner occupied homes, using low interest loans and grants, to insure that all dwellings in the City meet minimum health and safety standards. By facilitating preservation and rehabilitation, efforts can be made to protect the existing quality and value of housing. This program is currently in operation, and is closely tied to the City's code enforcement program, assisting eligible households to make the necessary health and safety repairs.

Target Population: Low and very low income Glendale homeowners (80% and below area median income). The homeowners can include seniors, small, or large family households.

Total Funds Allocated: \$3,000,000

Average Cost Per Unit: \$15,000

Anticipated Service Level: 200 units

Funding Sources: HOME, Redevelopment Set-Aside

Financing Structure

There are two types of loan and grant programs available to meet this goal. The programs vary depending on the income of the household, the age of the household, and the cost of the rehabilitation work needed to bring the house into compliance with health and safety codes. Rehabilitation grants of up to \$7,500 are available to low-income seniors (62 years or older) and persons with disabilities for handicapped related modifications. Low-interest loans of up to \$25,000 are available to all other qualifying households. The loans have an interest rate of zero percent (0%) for low-income senior households and two percent (2%) for low-income (non-senior) households. Agreements are required for both the loan and grant programs.

Agreement Parameters

1. The owner must provide income documentation for determination of eligibility.
2. The project owner must provide appropriate documentation that 100% of the loan or grant funds will be expended on eligible improvements.
3. All loans will be offered via a promissory note secured by a deed of trust.
4. All interest-bearing loans accrue interest for the first ten years only.
5. Repayment of loans is deferred until title of the property changes or the property is no longer owner occupied.

Targeted Neighborhoods

The terms of the agreement between the Housing Authority and the homeowner are the same as the citywide program with the exception of the following:

1. Moderate-income homeowners (120% and below area median income), with homes in neighborhood target areas, will be eligible for rehabilitation assistance. Interest rates for moderate-income households will be four percent (4%).

B. First Time Home Buyer

Program Goal

The goal of this program is to expand and provide home ownership opportunities to eligible households to purchase homes throughout Glendale. This program provides direct financial assistance through the provision of a down payment

assistance loan. This program will also include a second component that will provide incentives for homebuyers purchasing in targeted neighborhoods.

Target Population: Moderate-income first time homebuyers (120% and below area median income). Homebuyers who live and/or work in Glendale have a priority for assistance.

Total Funds Allocated: \$3,000,000

Maximum Cost Per Unit: \$35,000

Anticipated Service Level: 86 units

Funding Sources: HOME, Redevelopment Set-Aside

Financing Structure:

The Housing Authority's direct financial assistance to the project will be in the form of a second trust deed loan to the homebuyer. The loan will be non-interest bearing for the first five years; and will bear a simple interest of five percent beginning in year six. Repayment of the 30-year loan will be required upon resale of the property, failure to occupy the home as a principal place of residence, and/or unauthorized refinancing of the first trust deed. The Housing Authority will also receive an equity share; the Housing Authority's equity share is higher in years 1 – 5 than in years 6 – 30. If the household remains in the unit for the entire 30-year term, the loan will be forgiven. Down payment assistance loans of up to \$35,000 are available for the purchase of a single-family home while loans of up to \$25,000 are available for the purchase of a condominium.

Agreement Parameters

The terms of the agreement between the Housing Authority and the homebuyers include the following provisions:

1. A five-percent (5%) down payment from the homebuyer will be required.
2. The Housing Authority's assistance to the home buyer will be calculated based on the home's sales price, a 5% down payment, and the potential first mortgage available to a income eligible first time home buyer. The actual amount to the buyer will vary depending on the market price of the unit, the down payment of the purchaser and the amount of the first mortgage loan the purchaser obtains.

3. An annual payment of 5% of the Housing Authority loan principal will be required beginning in year six of the loan and will continue for the entire thirty-year period.
4. In addition to payment of the second mortgage, the Housing Authority will also receive a share of equity if the unit is resold within the thirty-year affordability period or the loan becomes otherwise due and payable. The Housing Authority's share is calculated on the basis of how long the borrower has owned the unit and on the relative amounts of the Housing Authority's loan and the owner's equity.
5. Future equity contributions made by the home owner such as principal reductions to the first trust deed, plus any capital improvements contribution will be added to the home owners' equity share. This will cause a reallocation of the relative equity positions of the Housing Authority and the homeowner over time.
6. To discourage sales during the first five years, if the unit is sold within that time, the Housing Authority's share of equity is based on the proportion of the total equity contribution made by each party. If the unit is sold after the first five years, the Housing Authority's share of equity is based upon the Housing Authority's equity in proportion to the original sales price of the unit.
7. Homebuyers will be prohibited from renting the unit and will be responsible for its upkeep and maintenance.

Targeted Neighborhoods

The terms of the agreement between the Housing Authority and the homebuyers are the same as the citywide program with the exception of the following:

1. To encourage the purchase of single family homes in targeted neighborhoods, the Housing Authority will also offer a deferred loan, up to a maximum amount of \$25,000, for rehabilitation in conjunction with the purchase up of a home. Both the down payment assistance and rehabilitation loan cannot exceed a maximum amount of \$50,000.

C. Section 8 Ownership Assistance

Program Goal

The goal of this program is to assist Section 8 households to purchase homes in Glendale through direct financial assistance. This is a new proposed use of

Section 8 funds and is still under development at HUD. Participants will be selected from the Family Self Sufficiency Program.

Target Population: Very low-income Glendale renters enrolled in the Section 8 program (50% and below area median income). Approximately ten households will be assisted through this program.

Total Funds Allocated \$350,000

Average Cost Per Unit: \$35,000 (over a five-year period)

Anticipated Service Level: 10 households

Funding Sources: Section 8

Financing Structure:

The Housing Authority will provide monthly home ownership assistance payments in lieu of monthly rental housing payments to a mortgage lender on behalf of a qualifying family. This is a new proposed use of Section 8 funds and is still under development at HUD, therefore the agreement parameters are also under development.

D. New Construction of Condominiums

Program Goal

The goal of this program is to enable eligible families to purchase a new condominium/townhouse in Glendale by encouraging the development of affordable units in conjunction with market rate condominium projects. Moderate size (two or three lots) scattered site projects would be encouraged throughout the City. The program involves indirect and direct assistance from the Housing Authority to the developer as well as direct assistance to the homebuyer to achieve affordable home ownership. Additionally the Housing Authority is able to leverage funding by realizing a return on its investment, which can then be used for future affordable housing.

Target Population: Moderate-income first time homebuyers (120% or below area median income).

Total Funds Allocated: \$9,635,000

Maximum Cost Per Unit: \$75,000 (including land acquisition and/or relocation costs)

Anticipated Service Level: 128 units

Funding Sources: HOME, Redevelopment Set-Aside

Financing Structure

The incentives presented below are proposed as part of the program design for affordable home ownership.

A. Indirect Assistance

The indirect assistance described below provides a mechanism to reduce overall development costs through regulatory relief and more expeditious processing of development plans.

1. Density Bonus

Although home ownership does not fall under the purview of the State's Density Bonus Program, it is proposed that the City offer a density bonus of 25% for projects of five or more condominium or townhouse units if the developer provides at least 25% of the project's units as affordable home ownership units.

If the project meets the required zoning code standards, no variance would be required for additional density. If the project does not meet the zoning standards, a variance hearing would be required. Some flexibility in zoning standards would be considered. However, the project will need to be compatible with the surrounding neighborhood and shall meet the general zoning standards, especially the overall height and bulk of the building.

2. Flexibility of Parking Design

The goal for all housing, market or affordable, is that all on-site parking requirements would be met. The City will consider some flexibility in parking design, such as compact or well-designed tandem parking spaces, if it is necessary for the economic feasibility of the project and the project meets the required number of spaces.

3. Pre-Application Submittal Process

A pre-application process, in which projects are reviewed by a staff committee brought together by the Permit Services Administrator, exists for all developers. The purpose of this review is to alert the developer to requirements for the project prior to plan check. Although formal

approval cannot be given, the developer will receive direction, based on established guidelines.

4. Fast-Track Processing

Affordable home ownership projects may receive priority processing through Public Works Building and Safety plan check. In this manner, applicants for new single family dwellings would be allowed to pay an additional Express Plan Check surcharge (currently calculated at 1.5 times over and above the regular plan check fee) and receive initial plan check corrections within approximately one third of the current time. The surcharge covers the additional expense involved in reviewing the plans on an overtime basis.

B. Direct Assistance - Program Financing

The provision of "for sale" units that are affordable to moderate-income households creates a financial detriment to the developer. To encourage the private development community to construct very low, low and moderate-income units, the Housing Authority will provide direct financial incentives to qualifying projects. The financing of new construction of condominiums is to be implemented through the use of both financial and non-financial resources.

The direct Housing Authority financial contribution will be leveraged with non-cash incentives and contributions by private developers to maximize the efficiency of the Housing Authority funds expended. A summary of the cash and non-cash incentives that will be provided to selected projects includes:

Direct Housing Authority Contribution to Homebuyers - The Housing Authority may provide a second trust deed loan to qualifying first time homebuyers. If the property owner maintains compliance with the terms of the loan, this loan will not become due until the unit is sold at a market rate.

Direct Housing Authority Contribution to Developers - The Housing Authority may offer payment of land, relocation, and other fees and/or off-site improvements as warranted to make a project affordable to the target population.

Developer Contribution

1. Variance Value Sharing - The developer must provide the City with 50% of the economic value associated with any increases in the allowable density provided by the City.

2. Cost Savings Contribution - The developer must contribute the cost savings (associated with the restricted units) achieved by virtue of the fact that income restricted units will in all likelihood be sold in a shorter period than units in a market rate project. This shortened sales period will result in lower financing costs for the project.
3. Profit Reduction Contributions - The marketing risk associated with an income-restricted project is typically lower than the risk inherent in a market rate project. Therefore, the developer must accept a lower threshold return on restricted units for projects participating in the home ownership program.

Given the recommended structure, the Housing Authority cash contribution is equal to approximately 70% of the total subsidy. The sharing of benefits that accrue to the private developer as a result of the implementation of an affordable housing program provides the City with 30% of the warranted subsidy, with no direct cash expense. In this manner, the Housing Authority contribution is leveraged with the developer's contribution.

Agreement Parameters

There will be agreements with both the developer and the homebuyer. The components of these agreements are listed below.

A. Developer

The terms of the agreement between the Housing Authority and private developers must be agreed upon during the predevelopment process. The agreement must include the following components:

1. The anticipated sales price for the income-restricted units must be defined.
2. The value of the density bonus, any streamlining of the City processes and any developer cost savings, must be established.
3. The allowable developer profit threshold on the restricted units, in net present value terms, must be defined.
4. The number of units that must be sold to income-restricted households and the maximum period of time that they must be on the market must be agreed upon.
5. Marketing will be done by the developer with the Housing Authority confirming eligibility of the homebuyer.

B. Home Buyer

The Housing Authority’s direct financial assistance to the project will be in the form of a second trust deed loan to the homebuyer. The loan will be non-interest bearing for the first five years; and will bear a simple interest of five percent beginning in year six. Repayment of the 30-year loan will be required upon resale of the property, failure to occupy the home as a principal place of residence, and/or unauthorized refinancing of the first trust deed. The Housing Authority will also receive an equity share; the Housing Authority’s equity share is higher in years 1 – 5 than in years 6 – 30. If the household remains in the unit for the entire 30-year term, the loan will be forgiven.

1. The terms of the agreement between the Housing Authority and the home buyers is the same as with the citywide first time home buyer program.

RENTER PROGRAMS

The majority of households (61%) in the City of Glendale are renter households. Many of these households do not have sufficient income to purchase a home. Some of these households have special needs – such as fixed incomes for seniors, overcrowded conditions for larger families, or handicapped accessibility. In addition, there are rental units needing rehabilitation to meet code standards. Therefore, in addition to on-going rental assistance, the Consolidated Housing Advisory Committee recommended funds for both rehabilitation and new construction of rental units. The sections below delineate the sources of funds for affordable rental housing, descriptions of rental housing programs, and anticipated service levels.

Of the \$67,200,000 for affordable housing programs, approximately \$43,600,000 is allocated for rental housing. The primary source of funds for rental housing is Section 8 Rental Assistance – with \$33,500,000 or 77%. Redevelopment set-aside funds, at \$5,700,000 (13%) and federal HOME funds, at \$4,366,000 (10%) are the other sources.

As seen in the table below, Section 8 Rental Assistance is anticipated to provide a service level of 1,265 households using approximately \$33,500,000. The remaining service levels include 88 households for Acquisition/Rehabilitation (10%) with approximately \$4,400,000 and 56 households for New Construction (13%) with approximately \$5,600,000.

**City of Glendale
Renter Programs
FY 2000-2005**

Programs	Program Totals	Anticipated Service Levels
Rental Assistance	\$ 33,537,392	1,265
Acquisition/Rehabilitation	\$ 4,416,000	88
New Construction	\$ 5,650,000	56
Total	\$ 43,603,392	1,409

The Home Ownership and Consolidated Housing Advisory Committees recommended that the City focus on the quality of specific neighborhoods, particularly in southern Glendale. Therefore, half of the funds allocated to Acquisition/Rehabilitation and New Construction, or approximately \$5,033,000 is committed for projects in specific neighborhoods to help improve the quality of life.

A. Rental Assistance

Program Goal

The purpose of this program is to provide rental vouchers for issuance to households on the Housing Authority's Section 8 waiting list to enable these households to rent decent, safe and affordable housing of their choice on the private rental market.

Target Population: Very low and extremely low-income households (50% and below area median income).

Total Funds Allocated: \$33,537,392

Average Cost Per Household: \$25,000 (over a five year period)

Anticipated Service Level: 1,265 households annually

Funding Sources: Section 8

Financing Structure:

The financing structure for the Section 8 Voucher program will provide affordable rents to Glendale's income eligible tenants in the form of housing assistance payments to property owners. The rent subsidy represents the difference between 30% of the monthly household income and federally mandated rent limits.

Family Self Sufficiency – Family Self Sufficiency is a service that will also be offered to individuals and families participating in the Section 8 Rental Assistance program to pursue activities toward economic self-sufficiency. The program links households with educational, job training, childcare and transportation resources. As participant household's income increases over the five-year program period, the amount of reduction in rent subsidy is deposited into an interest-bearing escrow account that is granted to the household upon completion of the program.

Agreement Parameters

The agreement parameters of the rental assistance program include:

1. A written lease agreement between the owner and tenant is required for the initial twelve months of occupancy.
2. Units must be maintained in a decent, safe and sanitary condition and will undergo annual Housing Quality Standards inspections.
3. Monthly subsidy payments are made directly to the participating owner.
4. Annual incomes of tenants must be re-certified on an annual basis.

B. Multi-Family Acquisition/Rehabilitation

Program Goal

Multi-Family Acquisition/Rehabilitation can be separated into two basic programs: Rehabilitation and Acquisition/Rehabilitation. The goal of these programs is to encourage the preservation and renovation of existing multi-family housing, while providing affordable rental housing to lower income households. Health and safety standards will be met by ensuring that units comply with minimum housing code, resulting in the improvement of living conditions and the reduction of overcrowded conditions. These goals will be achieved through low interest loans to owners of multi-family property who can document that low-income persons are living in the occupied units and by agreeing to provide affordable rental housing in exchange for financial assistance.

Target Population: Lower income rental households (80% and below area median income).

Total Funds Allocated: \$4,416,000

Average Cost Per Unit: \$7,500 (Rehabilitation only)
\$75,000 (Acquisition and Rehabilitation)

Anticipated Service Level: 88 units

Funding Sources: HOME, Redevelopment Set-Aside

Financing Structure

Rehabilitation

The financing structure for this program is composed of low interest forgivable loans to rental property owners in exchange for affordable rental housing to tenants in those buildings. Financial assistance will be made available to property owners who can document that the units assisted with Housing Authority funds are occupied by low or very low-income tenants. Half of the Housing Authority assisted rehabilitated units must be rented to very low-income tenants and the other half to lower income tenants. The loan, at four percent (4%) interest, is amortized over a predetermined affordability term and an annual amount is forgiven each year the owner maintains compliance with the agreement. The deferred loan allows for a maximum of \$10,000 per unit, up to a maximum of \$100,000 per project, for health and safety improvements to properties with 3 or more renter assisted units. In addition, rehabilitation grants of up to \$7,500 are available to low-income disabled or handicap tenants in multi-family dwellings for handicap related modifications.

Acquisition/Rehabilitation

Financial assistance will be made available to housing developers who can demonstrate the ability to own and manage rental housing for lower income residents on a long-term basis. In most cases, financial assistance will consist of low interest loans. Such loans are typically residual receipt loans in which the payment is proportional to the Housing Authority's assistance in the project. Such loans are typically 30 – 55 year loans in which the principal is due and payable upon completion of the term.

Agreement Parameters

Rehabilitation

The agreement parameters between the property owner and the Housing Authority will contain the following elements:

1. Property owners are required to contribute a minimum of 10% towards the cost of the project.
2. The property must comply with the published HOME or Redevelopment Set-Aside rents, depending on the source of funding used for the project
3. The project owner must provide appropriate documentation that 100% of the loan funds are to be expended on eligible improvements.

4. The loan must be secured by the property to be rehabilitated.
5. The loan is made at a simple annual interest rate of 4% and may be forgiven on an annual basis until the period of affordability expires.
6. The period of affordability is determined by the per unit loan cost and is listed below:

<u>Authority Cost/Unit</u>	<u>Period of Affordability</u>
\$1,000 - \$3,500	5 years
\$3,501 - \$7,500	7 years
\$7,501 - \$10,000	10 years

After 5 years, property owners will be able to buy out the terms of affordability by paying off the balance of the loan amount with interest.

In addition to the citywide program, the following additional incentives will be provided to projects located within targeted neighborhoods:

1. The deferred loan allows for a maximum of \$14,500 per unit up to a maximum of \$100,000 per project for health and safety improvements to properties with 3 or more renter assisted units.
2. Affordability terms for \$10,001 - \$14,500 of investment is 15 years.

C. New Construction of Affordable Rental Housing

Program Goal

The purpose of this program is to facilitate the development of affordable rental housing by providing developers with direct and indirect incentives to minimize the financial detriment associated with developing income restricted units. These incentives can be provided indirectly through a variety of planning related tools and/or directly through various financial assistance mechanisms. The indirect and direct methods that will be incorporated into the Affordable Housing Strategy are described below. Additionally, this program facilitates the use of the State's density bonus program by identifying City incentives, which may be used to facilitate such projects.

Target Population: Low and very low-income households (80% and below area median income).

Total Funds Allocated: \$5,650,000

Average Cost Per Unit: \$100,000 (including land acquisition and relocation)

Anticipated Service Level: 55 units

Funding Sources: HOME, Redevelopment Set- Aside

Financing Structure

The new construction program will provide indirect as well as direct assistance to developers to achieve affordability. Indirect assistance will be made available for all multifamily housing in compliance with State Density Bonus law. Direct financial assistance may also be available, based on the economics of the project. Financial assistance for multifamily housing will be focussed on low-income large family and senior households.

A. **Indirect Assistance**

Indirect assistance will be made available primarily through a Density Bonus Program, in compliance with the State regulations, as described below.

State Regulations

The State of California has established requirements for all local governments to provide incentives for the production of lower income housing. The incentives apply when a developer with a project having five or more units agrees to provide one of the following:

1. 20 percent of the total units for lower income households; or
2. 10 percent of the total units for very low income households; or
3. A senior citizen project.

The units reserved for either very low or low-income households must be affordable at approximately 30% of the household income.

The State also requires that the City provide either:

1. A 25 percent density bonus with an additional incentive or concession; or
2. Other incentives of equal financial value based upon the land cost per dwelling unit.

City of Glendale Density Bonus Program

A plan for complying with the State Density Bonus Program has been developed in consultation with the Planning, Legal, Public Works and Fire Departments.

This plan proposes that the City provide a 25 percent density bonus to eligible projects with certain additional incentives, in compliance with State regulations. The incentives offered by the City may include the following:

1. Zoning Modifications - Since zoning design standards were recently adopted by the City, the density bonus projects should comply with these standards to the greatest extent feasible, especially regarding the bulk and height of the building. However, staff recognizes that some deviations from the code may be necessary when density increases. Therefore, the City will allow certain modifications to the code without a variance. These modifications will apply only to the designated affordable units and shall be required to meet minimum standards, the details of which will be outlined in a density bonus ordinance. Examples of modifications may include:

- * Parking for density bonus units at a ratio of two spaces for each unit, with no guest parking requirements;
- * Flexibility in parking design such as increased compact or well designed tandem spaces;
- * Slight reduction in required landscaping; or
- * Slight increase in lot coverage.

2. Processing Concessions - The City will also consider certain concessions in processing density bonus projects:

- * Pre-Application Submittal Process

The City has established a pre-application process in which projects are reviewed by a staff committee brought together by the Permit Services Administrator. The purpose of this review is to alert the developer to requirements for the project prior to plan check. Although formal approval cannot be given, the developer will receive direction, based on established guidelines.

- * Priority Processing

Density bonus projects will receive priority processing through plan check.

- * Fire Requirement Options

The City will allow various fire safety options, which do not compromise the high standard of safety Glendale desires.

3. Financial Incentives -

- * Use affordable housing funds to reduce school or city fees based on the density bonus units

- * Use affordable housing funds for off site improvements
4. Senior Citizen Projects - The City may continue to provide additional incentives for senior housing including:
- * Parking at a one to one ratio for the senior units
 - * Unit sizes may be a minimum of 500 rather than 600 square feet

The developer will need to provide some additional amenities including:

- * At least one gurney-sized elevator
 - * A recreation room designed for seniors
5. Additional Density Bonus - Developers who request a density bonus greater than 25 percent will negotiate with Community Development and Housing staff for the increased percentage of affordability required. It is unlikely that a project with a density greater than 25 percent would be able to meet the modified zoning standards mentioned above. Therefore, a public hearing for a variance from the zoning code would be required.

The City will enter into an agreement with the developer, which outlines the above information. More regarding the agreement may be found below.

B. Direct Assistance

In addition to the indirect assistance described above, direct financial assistance may be provided to developers in order to achieve affordable rental housing using the following mechanisms.

1. Land Writedown - The Housing Authority has the ability to dispose of land at a price less than the fair market value determined at the highest and best use. The discounted sales price is based on the reuse value of the property, which is the fair market value of the property given the impacts associated with use and/or development standards restrictions imposed by the Authority.

Land writedowns may be provided to selected developments using one of the following structures:

- a. The Housing Authority purchases the land at the fair market value at the highest and best use, and transfers it to the developer at a discounted price, i.e., the fair reuse value.
- b. The Housing Authority purchases the land at the fair market value and then ground leases it to the developer over a 55-year term, based on the underlying reuse value. At the end of the term, the property reverts to the Housing Authority. In instances where the

reuse value of the property is nominal, it will typically be more advantageous to ground lease the property than to sell it.

- c. The developer purchases the property at the highest and best use value. Over time, the Housing Authority repays the developer for the costs incurred in excess of the property's fair reuse value. The repayment source is tax increment funds generated either by the development itself or other developments, as agreed to in the agreement with the developer.
2. Rental Subsidy - The Housing Authority may provide targeted projects with ongoing rental assistance payments to fill the gap between the income generated by a market rate project and the rent levels affordable to income restricted households. The amount of the rental subsidy provided will be determined, taking into consideration the financial benefits created by the use of tax exempt financing and/or income tax credits.
 3. Below Market Rate Interest Loans - To reduce the impacts related to restricting the allowable rent levels, the Housing Authority may provide selected projects with long-term financing (+30 years) at below market interest rates. These loans will be made using accumulated tax increment set-aside revenues, and the revenues generated by the repayment of loans made under this program over time.
 4. Grants - Based on the demonstrated need of proposed projects the Housing Authority may provide grants to developers for the following items:
 - a. Off site improvements such as street improvements, sidewalks, curbs, gutters and street trees.
 - b. City fees such as plan check building permits and sewer fees.
 - c. Extraordinary project amenities that cannot be supported economically by the private development and would not otherwise be provided for by another governmental entity. Amenities that will be considered for receipt of this type of grant are those that are compatible with the City of Glendale design standards, such as private balconies, additional elevators, facade upgrades, extraordinary landscape/hardscape, etc.

It is assumed that the Housing Authority will evaluate each proposed project independently, and will develop an assistance package that satisfies the needs of the private development, while fulfilling the established Housing Authority financial and policy objectives. The key is to determine the level of assistance that is required to attract the desired type of development and to allow it to be financially feasible. Based on this information, it is then necessary to identify the

mix of indirect and direct programs that will provide the established level of assistance.

Agreement Parameters

The agreement parameters include:

1. The number of units to be set-aside and the income restrictions to be applied must be defined.
2. The period during which the units will be restricted must be agreed upon. Except in extraordinary circumstances, the restrictions should be imposed in perpetuity.
3. The allocation of units to the various income groups that will be served must be defined.
4. Parameters for the ongoing operation of the project must be established. This should include provisions related to the maintenance of a reserve fund for future capital repairs.
5. The economic detriment created by the imposition of Housing Authority restrictions must be quantified. The value of the various indirect and direct incentives must be determined.

For those projects requesting only a density bonus with no financial assistance, a separate agreement will be developed containing the following elements.

1. The density request, the number of units to be set-aside and the income restrictions to be applied, must be defined.
2. The warranted zoning modifications must be defined including justification for such adjustments.
3. The period during which the units will be restricted must be agreed upon. If only a density bonus has been granted, the units will be restricted for at least ten (10) years. If an additional incentive has been granted, the units will be restricted for at least thirty (30) years.

CONTINUUM OF CARE PROGRAM

In May 1994, the Glendale Homeless Coalition (GHC) presented a strategy for the development and implementation of Glendale's Continuum of Care. The strategy specified housing programs and social service needs for Glendale's homeless. The GHC

continually assesses the these programs and needs and currently wants to continue the existing housing services outlined in this section.

Of the \$67,000,000 for affordable housing programs, approximately \$7,400,000 is allocated to Continuum of Care programs for the homeless. The primary source of funds for Continuum of Care programs are the federal Supportive Housing Program (SHP) at approximately \$4,235,000 and Shelter Plus Care (S+C) at approximately \$1,289,000 for a total of about \$5,524,000 (75%) for the next five years. These funds are competitively awarded by the federal government. The anticipated amount of SHP and S+C funds is enough to maintain the existing programs at the current levels. The City also receives Emergency Shelter Grant funds, anticipated to be \$700,000 (10%) over the next five years. Of the total Community Development Block Grant funds received by the City of Glendale over the next five years, it is anticipated that approximately \$500,000 (7%) will be allocated to Continuum of Care programs. Section 8 Rental Assistance is allocated at \$350,000 (5%), Redevelopment set-aside funds are allocated in the amount of \$250,000 (3%) and General Revenue funds in the amount of \$75,000 (less than 1%).

The table below indicates the use of these funds for six Continuum of Care programs. The majority of funds, approximately \$2,400,000 (32%), will assist in supporting Transitional Housing programs. The remaining funding will provide assistance to Outreach, Intake and Assessment (approximately \$1,080,000), Emergency Shelter (approximately \$900,000), Supportive Housing Assistance (approximately \$1,700,000), Homeless Prevention (approximately \$300,000), and Supportive Services (approximately \$1,100,000).

**City of Glendale
Continuum of Care
FY 2000-2005**

Programs	Program Totals	Anticipated Service Levels
Outreach, Intake & Assessment	\$ 1,073,273	980
Emergency Shelter	\$ 906,830	375
Transistional Housing	\$ 2,391,769	170
Supportive Housing Assistance	\$ 1,639,388	85
Homeless Prevention	\$ 302,325	250
Supportive Services	\$ 1,085,977	1000
Total	\$ 7,399,562	2860

The continuum begins with outreach, intake and assessment which links homeless persons to supportive services and residential components of the continuum. The first residential component is emergency shelter, providing housing for up to two months, which is combined with intensive case management and linkages to supportive services. The next step in the continuum is transitional housing, providing housing for six months to two years. Case management and supportive services are also essential in this stage. Households at this stage begin to find work, pay rent, and take increasing responsibility for their lives. The final step for many is permanent affordable housing. This step is for

households who are self-sufficient and do not need on-going case management. Some households, however, particularly those with a disability, will require on-going assistance to maintain a stable housing tenure. Supportive housing assistance provides rental subsidy and case management for these households. In addition, homeless prevention--the provision of case management and supportive services, and at times direct financial assistance, *before* a family becomes homeless--is one of the most humane and cost-effective means of addressing homelessness.

A. Outreach, Intake and Assessment

Program Goal

The goal of this program is to provide intervention on the street and at the Glendale Services Center and to conduct an intensive intake and needs assessments designed to link homeless persons with specialized support and residential services available within the Continuum of Care.

A team of outreach workers target areas that have attracted clusters of homeless persons, as well as secluded areas where homeless persons may reside. The goal of outreach is to link persons with the Glendale Services Center (GSC), a homeless access center that currently serves as the primary entry point into Glendale's continuum of care. There, an assessment will be conducted to identify the special needs of the individual/family and to provide linkages to needed services. Special needs will be addressed by on-site professionals that specialize in mental health, substance abuse, medical care, employment, veterans and housing issues. These case managers will work with clients to address the underlying causes of their homeless situation and place them into the appropriate residential components of the continuum.

Target Population: People who are currently homeless with very low or no income, especially the chronic, street population.

Total Funds Allocated: \$1,073,000

Funding Sources: Outreach: Supportive Housing Program (SHP); Intake and Assessment: Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG).

Anticipated Service Level: Approximately 980 unduplicated people annually

Financing Structure

The Housing Authority's assistance is in the form of a grant to the non-profit sponsor of the programs. These grants are administered through a Sub-recipient Agreement. The term of the grant varies from one year (SHP, CDBG and ESG) to

three years (some SHP projects) depending on the City's grant agreement with HUD.

Agreement Parameters

The Sub-recipient Agreement between the Housing Authority and project sponsor specifically outlines the quantitative and qualitative program goals. Staff and program hours are specified as are the scope of services and program budget. Reporting requirements including levels of service, outcomes and financial documentation are explained. The Agreement also details City and Federal administrative and regulatory requirements.

B. Emergency Shelters

Program Goal

The goal of these programs is to provide emergency shelter for homeless persons in Glendale. There are two emergency shelters in Glendale--Project ACHIEVE for the general homeless population and Sunrise Village for women and children in flight from domestic violence. Both shelters work in conjunction with Glendale Access Center as the entry point for homeless persons who enter the continuum of care. Sunrise Village also operates a domestic violence hotline and coordinates with other domestic violence programs in the area. All shelter residents receive aggressive case management to address the issues which precipitated homelessness and to assist in development of tools necessary for long-term self-sufficiency.

Target Population: Persons who are currently homeless with very low to no income. Women and children in flight from domestic violence.

Total Funds Allocated: \$906,000

Anticipated Service Level: Approximately 325 unduplicated people annually

Funding Sources: Project ACHIEVE: ESG, CDBG, Redevelopment Set-Aside; Sunrise Village: ESG.

Financing Structure

The City's CDBG and ESG assistance is in the form of a grant to the non-profit sponsor of the programs. These grants are administered through a Sub-recipient Agreement. The term of the CDBG grant is one year and the term of the ESG grant is two years.

For Project ACHIEVE additional Housing Authority assistance will be in the form of a subsidy to the non-profit sponsor of the shelter. The subsidy will provide up

to 25% of the operating costs or \$50,000 per year, whichever is less, for a five-year period, provided the sponsor can document a funding shortfall (i.e., that no other funds were available to pay these expenses).

Agreement Parameters

The ESG and CDBG Sub-recipient Agreement between the City and a project sponsor specifically outlines the quantitative and qualitative program goals. Staff and program hours are specified as are the scope of services and program budget. Reporting requirements including levels of service, outcomes and financial documentation are explained. The Agreement also details City and Federal administrative and regulatory requirements.

The Subsidy Agreement between the project sponsor and the City or Housing Authority will contain the following elements:

1. An agreement regarding the number of shelter beds per night.
2. An estimate of the cost of the operation on an annual basis.
3. Terms for reimbursement, documentation of shortfall.

C. Transitional Housing

Program Goal

The goal of these programs is to provide housing and supportive services that will offer a maximum stay of 6 months to 2 years for residents coming out of emergency shelter housing.

Transitional housing programs provide support services, both on-site and off-site, to residents including substance abuse and mental health care interventions, employment services, child care, transportation, individual and group counseling, and life skills training designed to prepare clients for service-enriched, permanent affordable housing or independent, affordable housing. There are currently four transitional housing projects in operation in Glendale: Nancy Painter Home; Hamilton Court; Step Ahead; and IURD Family Transitional Housing. In addition, ten beds in Project ACHIEVE have been designated from longer-term, transitional stays for single adults. (The Euclid Villa project in Pasadena is funded through Union Station Foundation's SHP grants from HUD, however 7 units in this project are reserved for families from Glendale's Continuum of Care.)

Target Population: Very low to lower income homeless households including families and singles. Priority will be given to referrals from emergency shelters in Glendale's continuum of care. Two projects focus on domestic violence survivors

Total Funds Allocated: \$2,392,000

Funding Sources: Supportive Housing Program (SHP)

Anticipated Service Level: Approximately 170 people annually

Financing Structure

The City's assistance is in the form of a grant to the non-profit sponsor of the program. These grants are administered through a Sub-recipient Agreement. The term of the grant varies from one year to three years depending on the City's grant agreement with HUD.

Agreement Parameters

The Sub-recipient Agreement between the City or Housing Authority and a project sponsor specifically outlines the quantitative and qualitative program goals. Staff and program hours are specified as are the scope of services and program budget. Reporting requirements including levels of service, outcomes and financial documentation are explained. The Agreement also details City and Federal administrative and regulatory requirements.

D. Supportive Housing Assistance

Program Goal

The goal of this program is to provide direct rental subsidies and case management to allow households, particularly those with a disability, to live in their own home or apartment on an indefinite basis.

This program subsidizes tenant rent to a level equaling 30% of their adjusted gross income. Supportive services are provided by community non-profit agencies as a match.

Target Population: Very low to lower income formerly-homeless households including families and singles with disabilities. Priority will be given to referrals from emergency shelters and transitional housing programs within Glendale's continuum of care.

Total Funds Allocated: \$1,639,000

Funding Sources: Shelter Plus Care, Section 8

Anticipated Service Level: Approximately 85 people annually

Financing Structure

Shelter Plus Care and Section 8 are both administered by the Housing Authority under grant agreements with HUD. Program participants and landlords sign occupancy and lease agreements, respectively, with the Housing Authority outlining their responsibilities and obligations under the program.

E. Homeless Prevention

Program Goal

The goal of this program is to provide case management to households who are at risk for homelessness. One-time, direct financial assistance with rent and utilities can be provided to prevent eviction.

Services are provided to families to help with money management and access to needed resources to preserve their housing tenure. Activities include case management, budgeting, peer support groups, assistance with SSI applications, and immigration issues. The program also helps families set up payment plans or payment extensions when appropriate. Direct financial assistance is available for households who have received eviction notices or shut-off utility notices. All direct financial assistance is combined with intensive case management to provide a long-term solution to barriers to stable housing tenure.

Target Population: Families with children who are currently homeless with very low or no income, who are at-risk for homelessness and willing to participate in a case management plan.

Total Funds Allocated: \$302,000

Funding Sources: Case management: CDBG; Eviction prevention: ESG.

Anticipated Service Level: Case management: 250 households; Eviction prevention: 60 households annually

Financing Structure

The City's assistance is in the form of a grant to the non-profit sponsor of the programs. These grants are administered through a Sub-recipient Agreement. The term of the CDBG grant is one year and the term of the ESG grant is two years.

Agreement Parameters

The Sub-recipient Agreement between the City and project sponsor specifically outline the quantitative and qualitative program goals. Staff and program hours are specified as are the scope of services and program budget. Reporting requirements including levels of service, outcomes and financial documentation are explained. The Agreement also details City and Federal administrative and regulatory requirements.

F. Supportive Services

Program Goal

The goal of this program is to provide supportive services in the areas of mental health, employment, veteran's issues, substance abuse, life skills, and housing placement.

Supportive services are provided at the Glendale Services Center. These specialized services begin during the intake and assessment process, and continue throughout an individual's progress through the residential continuum of care. The array of supportive services needed for each individual or family varies depending on their unique circumstances, and may change to meet their ongoing needs. For example, addressing a health, mental health or substance abuse need might be the focus early on, with employment, life skills and housing placement becoming the focus as the household gains stability and becomes ready to take increasing responsibility for self-sufficiency.

Target Population: Very low, low, and no income homeless individuals and families.

Total Funds Allocated: \$1,086,000

Funding Sources: Supportive Housing Program (SHP)

Anticipated Serve Level: Approximately 1,000 annually

Financing Structure

The City's assistance is in the form of a grant to the non-profit sponsor of the programs. These grants are administered through a Sub-recipient Agreement. The term of the grant varies from one year to three years depending on the City's grant agreement with HUD.

Agreement Parameters

The Sub-recipient Agreement between the City and project sponsor specifically outlines the quantitative and qualitative program goals. Staff and program hours are specified as are the scope of services and program budget. Reporting requirements including levels of service, outcomes and financial documentation are explained. The Agreement also detail's City and Federal administrative and regulatory requirements.

Lead Based Paint

In addition to the programs described in this section, the City will also offer a lead-based paint hazard reduction grant. Because much of Glendale's housing stock was constructed before 1978 and 75% of all residential properties built before that date contain lead-based paint, lead contamination is a potential environmental hazard for a substantial number of residents, regardless of income group. However, lower-income households have fewer financial resources to mitigate against this potential threat to their health.

In response to this concern, the Department of Housing and Urban Development (HUD) has instituted new requirements with regards to lead-based paint hazards. This new effort involves a more concentrated approach to lead-based paint notification, evaluation, and reduction measures. These new measures take effect September 15, 2000 and are applicable to all housing related activities utilizing HUD funding. Staff is currently in the process of drafting new policies and procedures in accordance with CPD lead-based paint regulations.

To implement this plan of lead-based paint hazard reduction, Glendale will include lead-based paint hazard reduction as an eligible activity for funding within its housing rehabilitation loan programs. The City will provide grants up to \$10,000 to property owners for lead hazard reduction. The grant will be in addition to other assistance provided by the City and will be mandatory with all HOME related activity and available as an elective for redevelopment set-aside funded projects.

ALLOCATION BY HOUSEHOLD POPULATION AND INCOME

The information presented above provides an analysis of the allocation of funds according to affordable housing programs (i.e. Ownership, Renter, and Continuum of Care Programs). The following describes the allocation of funds according to the income group and population (i.e. Families, Seniors, and Special Needs) of households assisted.

Chart 1 shows the allocation of funds according to income group of households assisted. Eighty-four percent of affordable housing funds are allocated to assist lower income households and 16 percent of funds to assist moderate-income households. The high proportion of funds allocated to lower income households is related to the amount of HUD funds, particularly Section 8 funds, received by the City, and the fact that these funds target extremely low and very low income households. Redevelopment Set-Aside funds provide the \$10,584,000 allocated to moderate-income households. The moderate-income category reflects the City's emphasis on home ownership.

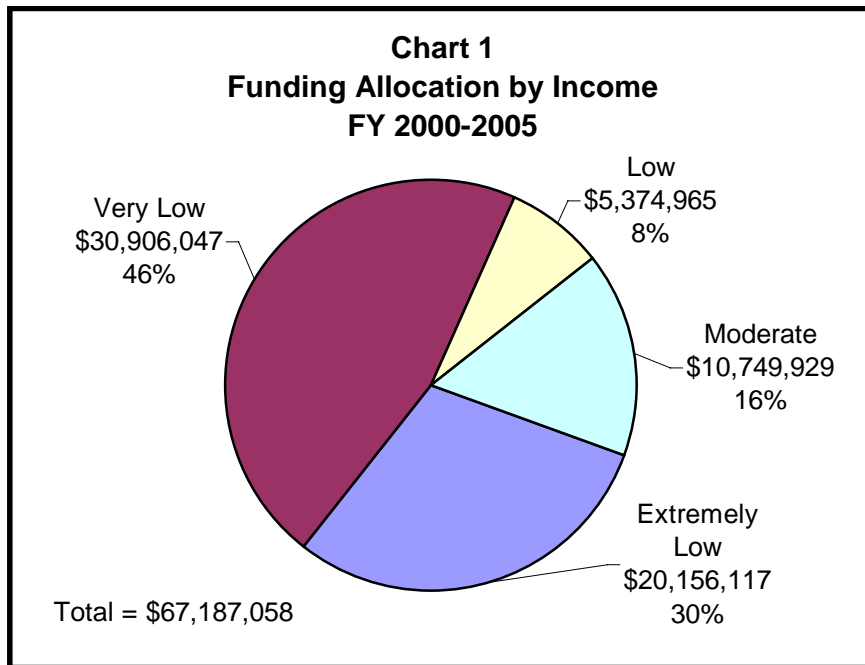
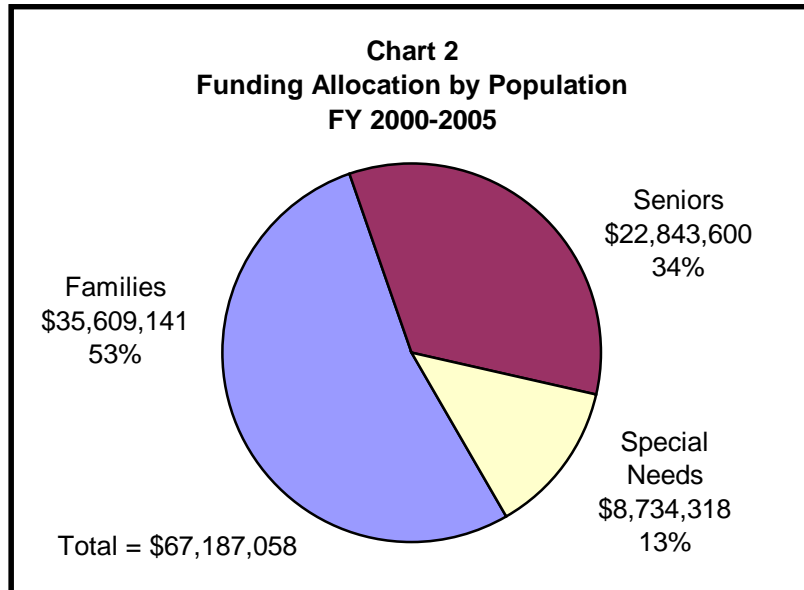


Chart 2 shows the allocation of funds according to the type (population) of households assisted. Fifty-three percent (\$35,609,141) of funds are allocated to assist families. Programs that will most likely assist families include First Time Home Buyer, New Construction of Ownership Housing, Rental Assistance, Acquisition/Rehabilitation of Rental Units, and New Construction of Rental Housing. Thirty-four percent (\$22,843,600) of funds are allocated to assist senior citizens. Programs that will most likely assist senior citizens include Single Family Rehabilitation, Rental Assistance, and New Construction of Rental Housing. Finally, 13 percent (\$8,734,318) of funds are

allocated to assist Special Needs Households, including homeless. Continuum of Care programs will provide most of the assistance to Special Needs Households.



CONCLUSION

For fiscal years 2000-2005, the City of Glendale expects to receive approximately \$71,200,000 of affordable housing funds over the five-year period. Allocations of these funds are consistent with the needs, policies and goals presented in the Housing Element and incorporate recommendations by the Home Ownership Committee. In addition, the Consolidated Housing Advisory Committee has reviewed the allocation of affordable housing funds.

The majority of the City's affordable housing funds come from the federal Department of Housing and Urban Development and total approximately 68 percent (\$48,682,000) of the funds. The remaining 32 percent consists of Redevelopment Set-Aside funds (\$22,388,000) and City General funds (\$75,000). HUD funds must be used to assist lower income households. In addition, 57 percent (\$40,462,000) of the HUD funds, or over half of total revenues, must be used either to provide Section 8 Rental Assistance or to assist homeless persons. In contrast, the Redevelopment Set-Aside funds are less restrictive than the HUD funds and can be used to assist moderate-income households.

Six percent (\$4,142,000) of the affordable housing funds will be used for administration. The remaining 94 percent (\$67,200,000) will be used to fund affordable housing programs. Of the \$67,200,000 allocated for affordable housing programs, approximately 24 percent (\$16,000,000) will fund homeowner programs, 65 percent (\$43,600,000) will fund rental programs, and 11 percent (\$7,400,000) will fund Continuum of Care programs.

The anticipated service levels or outcomes of Affordable Housing Programs are summarized below:

Home Owner Programs

- Rehabilitate 200 home owner housing units;
- Provide down payment assistance to 86 first time home buyers; and
- Construct 128 new affordable homeowner-housing units.

Rental Programs

- Provide Section 8 Rental Assistance to 1,265 households annually;
- Rehabilitate 88 affordable rental housing units; and
- Construct 56 new affordable rental housing units.

Continuum of Care Programs

- Provide assistance to 2,860 homeless persons.