

I.

Regional Overview

Jurisdiction



Region IX consists of four states: Arizona, California, Nevada, and Hawaii plus Guam, American Samoa, and the Northern Mariana Islands. HUD's operations in the region are conducted out of the San Francisco Regional Office and 10 field offices: Phoenix, Tucson, Fresno, Los Angeles, Sacramento, San Diego, Santa Ana, Honolulu, Las Vegas and Reno.

Region IX is the fastest growing and most demographically and economically diverse area served by HUD.

The demographic, economic, and housing trends pose many challenges for the men and women at HUD. Finding new ways to reach growing underserved populations, undertaking new initiatives to improve the economic condition in impoverished communities, and developing new strategies to increase the effectiveness of our programs is an on-going challenge

Demographics

The population of Region IX was estimated to be 45.8 million as of July 2005, according to the Census Bureau. From early 2000 to 2005, regional population rose an average of 675,000, or 1.5 percent, annually. During that time, population in Arizona and Nevada led the region with average annual growth rates of nearly 4 percent because of continued high levels of in-migration. The population of California grew by 1.2 percent a year between 2000 and 2005, but accounted for nearly half of the regional increase.

Population Gains		
State	Population Change 2000 - 2005	Percentage Change 2000 - 2005
Arizona	808,660	15.8%
California	2,260,499	6.7%
Hawaii	63,657	5.3%
Nevada	416,550	20.8%
Combined	3,549,366	8.4%
Source: U.S. Bureau of the Census www.census.gov Population Estimates		

Region IX has three (3) of the fastest growing states. Arizona and Nevada led the country in terms of the percentage of growth over the previous decade. California and Arizona ranked 1st and 5th respectively in terms of total numeric increase.

Growing Ethnic Diversity - Perhaps the most significant change over the last decade was in the race and ethnic profile of the region. The table below shows the Hispanic growth within Region IX.

Hispanic Population Growth		
State	Population Change 1990 - 2000	Percentage Change 1990 - 2000
Arizona	607,279	88.22%
California	3,278,618	42.65%
Hawaii	6,309	7.75%
Nevada	269,551	216.65%
Totals	4,161,757	88.82%
Source: US Census Bureau State & County QuickFacts		

No other HUD region experienced a higher rate of growth in terms of total population change or percentage of change for this population segment. Between 1990 and 2000, the Hispanic population in Region IX grew by over 88 percent. Nearly 40% of the Hispanic population resides in Region IX compared to 11% nation-wide. The greater Los Angeles area is home to one-fifth of the nation's Hispanics.

An Aging Population

The table to the right shows the changes in elderly population growth between 1990 and 2000. Nevada and Arizona are among the seven states with significant gains in senior growth. Within Region IX, Las Vegas, Yuma, Phoenix, Flagstaff, and Reno are among the nation's metropolitan areas that had the greatest elderly growth in the last decade.

Elderly Population Growth		
State	Population Change 1990 - 2000	Percentage Change 1990 - 2000
Arizona	189,065	39.49%
California	460,106	14.67%
Hawaii	35,596	28.48%
Nevada	91,298	71.53%
Totals	776,065	38.54%
Source: US Census Bureau State & County QuickFacts		

Housing Conditions

Home Sales/Construction – Home sales remained strong in the region in 2005. According to the California Association of REALTORS® (CAR), existing home sales in California totaled 623,000 for the year. Single-family building permit activity in the Pacific region reflected the strong demand for new homes with 270,000 permits issued in 2005. Approximately half of all the new home activity in the region occurred in the Phoenix, Riverside-San Bernardino, and Las Vegas housing market areas. Activity in Arizona rose 2 percent to a record 78,000 homes. California builders obtained 147,300 single-family permits in 2005, off 2 percent from 2004, and the second highest level since 1989. The Riverside-San Bernardino, Los Angeles, and Sacramento areas registered the largest volumes of single-family permit activity in the state. In Nevada, 37,800 single-family permits were issued during 2005, slightly below the record volume of 2004. Single-family permit activity in Hawaii rose 20 percent to a record 6,900 homes.

High Single Family Production Markets		
Rank	Metropolitan Market	Single-Family Permits 2005
2	Phoenix- Mesa, AZ	51,165
5	Riverside/ San Bernardino	44,676
7	Las Vegas, Nevada	30,442
20	Los Angeles-Long Beach-Santa Ana, CA	16,294
21	Sacramento, CA	15,694
32	Tucson	11,117
42	San Francisco-Oakland-Fremont, CA	8,102
46	San Diego-Carlsbad-San Marcos, CA	7,364
Source: HUDUSER.org State of the Cities Data Systems, March, 2005 prelim data		

Median Home Prices – Home prices throughout Region IX have significantly increased. During 2005, the median sales price for an existing home increased 16 percent to \$525,650. According to DQ News, the median sales price for all homes in Southern California and in the Bay Area rose 16 and 18 percent, respectively, compared with 2004. In the Phoenix area, the median sales price of existing homes rose to \$240,000 because of rapid increases in demand from households moving to the area, many with substantial assets from homes sales in higher priced areas, as well as demand from investors. The median sales price for existing homes in Tucson increased to \$209,200 in 2005. Existing sales in Honolulu were essentially unchanged from the record-level pace of 2004.

A National Association of Realtors report showed that four of the top 5 highest median home prices markets in the country are in Region IX: San Francisco (\$718,700), Orange County (\$699,800), Honolulu (\$620,000), and San Diego (\$607,400). Additionally, 7 metropolitan areas in Region IX are among the metropolitan areas that had the greatest increases in median home prices. The table below shows median home price changes for selected areas in Region IX between 2001 and 2005.

Median Home Price Changes 2001- 4th Qtr 2005 for Selected Metropolitan Areas						
Metropolitan Areas	Median Home Price - 2001	Median Home Price - 4th Qtr 2005	% Chg 2002 - 2003	% Chg 2003 - 2004	% Chg 2004 - 2005	Most Recent 12 Months
Arizona						
Phoenix, AZ	\$139,400	\$268,400	6.1%	11.1%	46.0%	48.9%
Tucson, AZ	\$128,800	\$245,200	6.8%	13.4%	30.3%	32.3%
California						
Los Angeles Area, CA	\$241,400	\$568,400	22.3%	25.9%	18.5%	20.7%
Orange County, CA	\$355,600	\$699,800	18.0%	28.8%	10.3%	11.5%
Riverside/San Bernardino, CA	\$156,700	\$392,300	25.2%	34.1%	28.2%	21.7%
Sacramento, CA	\$173,200	\$380,900	17.8%	28.0%	18.6%	10.8%
San Diego, CA	\$298,600	\$607,400	16.7%	29.8%	9.6%	6.6%
San Francisco-Oakland, CA	\$475,900	\$718,700	7.9%	15.0%	11.5%	9.4%
Hawaii						
Honolulu, HI	\$299,900	\$620,000	13.4%	21.1%	28.3%	26.5%
Nevada						
Las Vegas, NV	\$149,100	\$315,900	12.1%	48.7%	14.4%	12.3%
Reno, NV	\$165,100	\$353,000*	11.8%	38.8%	23.1%	NA
National Association of Realtors http://www.realtor.org/rocms.nsf/pages/researchctr *2nd qtr 2005						

Rental Markets - Rental market conditions in the major metropolitan areas of Region IX were tighter in 2005, as reflected by the lower vacancy rates. The current conditions are the result of increased renter demand because of the strong employment and population growth, together with a lower volume of apartment production during 2005.

California: In the San Francisco area, the apartment vacancy rate declined to 4.7% from 5% a year earlier, according to Reis, Inc. The apartment vacancy rate in the San Jose was 4.3 %, significantly below the 5.4-percent vacancy rate recorded a year earlier. Conditions in the Oakland-East Bay rental market remain balanced with a reported apartment vacancy rate of approximately 5%, not significantly different from a year ago. Reflecting tighter conditions, apartment rents in the San Francisco Bay Area rose moderately in 2005, up 1.5% in Oakland and 3.5% in San Francisco.

In Southern California, conditions remained somewhat tight in most of the rental markets in the area. The rental vacancy rate declined in both Los Angeles and Orange Counties to approximately 4% because renter household growth exceeded the supply of new apartments. Conditions in San Diego County remained balanced where the overall rental vacancy rate is reported to be approximately 5%.

Arizona: Conditions in the rental markets in Arizona tightened significantly during 2005 because the moderate levels of new apartment construction were not enough to meet the increased renter demand due to rapid population growth. The Arizona Real Estate Center reported that the apartment vacancy rate for 2005 had declined to 5%, down 3% points from a year earlier. Concessions were much reduced and rents rose nearly 4% during the year. In Tucson, the apartment rental vacancy rate is estimated currently to be 6.2%, compared with 7.7 percent in the previous year, according to Reis, Inc. The average rent increased approximately 2% in 2005, compared with growth of less than 1 percent in 2004.

Honolulu: The Honolulu rental market remained tight, with a rental vacancy of 4 percent.

New rental units - Stronger rental markets and increased condominium sales supported regional multifamily building permit activity of 74,200 units in 2005, a decline of less than 1 percent from 2004. California builders took out permits for 50,200 multifamily units during the year, the second highest level since 1990. In Arizona, permits were issued for 11,600 multifamily units, a 3% increase over 2004 volume. Multifamily permit activity in Nevada for 2005 totaled 9,950 units, compared with 5,640 units authorized in 2004. The increase is due primarily to new planned condominiums in the Las Vegas area.

Cross Cutting Issues

(1) Decreasing Homeownership – The homeownership rates in Region IX are among the lowest in the country. The disparity between housing production and need has resulted in double-digit year-to-year percentage increases in the median price over recent years.¹

California's homeownership rate is the second lowest in the nation (59.7%) and 9 percent lower than the national homeownership rate (68.9%).²

Nevada made slight increases in its homeownership between 2000 and 2004, but this was offset by the rapid increase in median home price in 2005. The 2005 Nevada homeownership rate was 63.4 percent, fifth lowest in the nation.

A California Association of Realtors report finds that in 2005 only 14% of the state's households can afford a median priced home, a 5% decrease from last year,³ while nationwide, affordability was 49 percent.

(2) Addressing Homelessness - One of the most vexing problems facing State and local governments in Region IX is eliminating homelessness. The attractive climate, rapidly changing housing markets and declining real income for low-income households have contributed to a growth in the number of homeless persons and families. Despite the economic boom of the 1990s and the investment of millions of dollars to provide shelter and treatment programs to solve the problem of homelessness, homelessness has increased.

(3) Ending Homelessness – HUD's programs providing specialized housing and supportive services are fundamental to State and local efforts to end chronic homelessness. Several cities in Region IX have undertaken efforts to develop a plan to eliminate homelessness within 10 years.

¹ California Association of Realtors, Press Release, February 9, 2005. <http://www.car.org/index.php?id=MzQzMzM=>

² US Census Bureau, Housing Vacancies and Homeownership Annual Statistics, 2005.

³ Ibid

STAFFING IN REGION IX



There are 767 employees in Region IX. The office sizes range from 7 employees in the Reno Office to 227 in the Los Angeles Office. Though young in spirit, we are an aging workforce; 53.6% of the employees are eligible for retirement. The accomplishments of these 767 employees are reflected in the successful oversight of program funds and the accomplishment of Management Plan activities by the various program offices.

Staff Duty Stationed in Region IX By Field Office

Field Office	Total Employees
Fresno	11
Honolulu	29
Las Vegas	21
Los Angeles	227
Phoenix	92
Reno	7
Sacramento	22
San Diego	8
San Francisco	213
Santa Ana	129
Tucson	8
Totals	767

Staff Duty Stationed in Region IX By Program Office

Program Office	Total Employees
Administration	34
Community Planning & Development	72
Fair Housing and Equal Opportunity	49
Field Policy and Management	53
General Counsel	51
Housing (Multi-Family and Single Family)	321
Inspector General (Audit and Investigations)	75
Labor Relations	6
Public Housing	72
Southwest Office of Native Programs	30
Policy Development and Research	4
TOTAL	767



► **Field Policy and Management (FPM):** Regional Directors (RDs) and Field Office Directors (FODs) establish management priorities for front office field operations, maintain effective working relationships with community and industry groups and with state and local elected officials, and ensures effective use of operational resources for maximum positive impact. The RDs and FODs ensure that the component parts of each field office (including out-stationed staff) effectively function as a common enterprise in achieving Departmental goals.

► **Community Planning and Development (CPD):** Program Directors seek to develop viable communities by promoting integrated approaches that provide decent housing and a suitable living environment, and expand economic opportunities for low- and moderate-income persons. The primary means towards this end is the development of partnerships among all levels of government and the private sector, including for-profit and non-profit organizations.

► **Fair Housing and Equal Opportunity (FHEO):** The Office of Fair Housing and Equal Opportunity (FHEO) administers federal laws and policies that contribute toward the achievement of the Department's overall mission of increasing homeownership, supporting community development, and increasing access to affordable housing free from discrimination. FHEO investigates, resolves, and prosecutes housing discrimination complaints submitted by private citizens and interest groups. To ensure that everyone is aware of their rights and responsibilities under the Fair Housing Act, FHEO provides educational and training opportunities to housing industry groups and citizens. Throughout the entire investigative process, FHEO works closely with the Office of General Counsel (OGC) to ensure that each fair housing complaint is given its due diligence.

► **Housing, Multi-Family (MFH):** HUD is a primary partner in the development and preservation of affordable rental housing through its numerous Multifamily Housing programs. FHA multifamily programs have been principally aimed at providing housing for households of modest incomes.

► **Housing, Single Family (SFH):** The Federal Housing Authority (FHA) has been the major provider of low down payment loans for households with moderate and low income. FHA provides a unique mortgage product for borrowers who have found obtaining mortgage financing in the private conventional market difficult.

► **Native American Housing):** The Office of Native American Programs (ONAP) ensures that safe, decent and affordable housing is available to Native American families, creates economic opportunities for Tribes and Indian housing residents, assists Tribes in the formulation of plans and strategies for community development, and assures fiscal integrity in the operation of the programs.

► **Public Housing (PH):** PH programs provide housing for households with the greatest need through fixed public housing projects and rental assistance vouchers. PIH programs comprise the majority of HUD's budget and serve the greatest number of low-income beneficiaries serviced.

Support Programs

► **Office of Administration (Admin):** Admin is responsible for carrying out all administrative support functions that enable our workforce to execute HUD's mission. This includes responsibility for all activities related to human capital management, employee training and development, space management, records management, protection/security of HUD personnel and property, and grants management. Regional and field administrative staff provides daily administrative and human capital support services to HUD's program staff throughout Region (IX)

► **Office of Departmental Operations and Coordination (ODOC):** ODOC performs a broad range of cross-program functions. The Office of Labor Relations and the Regional Web Manager carry out two of ODOC's functions.

Office of Labor Relations - OLR staff perform statutory labor standards compliance activities to ensure that construction undertaken through HUD programs complies with Davis-Bacon requirements. LR provides policy advice and guidance to Program Offices on matters pertaining to organized labor particularly the building and construction trades unions, labor statutes and regulations, and related matters.

OLR administers Federal prevailing wage requirements applicable to maintenance employees of public housing agencies and Tribally Designated Housing Entities. The OLR works with organized labor, contractors, housing and community development industry groups, and other agencies to support and enhance HUD's employment and community empowerment objectives for low-income people.

Regional Web Manager - The Web Manager enhances Departmental productivity with a wide variety of web-based services (Internet websites in both English and Spanish, Intranet, HUD Answer Machines, kiosks, and HUD Web Clinics. The Regional Web Manager works with Web Coordinators, Program Area Directors, and Field Office Directors in all offices within the region to provide local information for the public, HUD staff and HUD's business partners. The web products are a critical link between HUD and its entire customer base.

There are Web Coordinators in each Field Office. They are the official points of contact for web activities. The Web Coordinators assist the Regional Web Manager respond to public email inquiries and handle a wide range of activities associated with managing the HUD's websites hud.gov, espanol.hud.gov, and hud@work. The Web Coordinators support activities of the HUD's web-based Government Information Kiosks, and HUD's Public Computers, staff training, quarterly certification, and marketing and outreach efforts to promote HUD web products and HUD/FHA.

► **Office Of The Chief Information Officer (OCIO):** OCIO staff is responsible for carrying out all activities related to the strategic use of information technology (IT) resources.

► **Office of Public Affairs (OPA):** OPA staff is HUD's primary point of contact with the media and oversees all national and regional media-related matters. The Program Affairs Officer advises the regional public affairs officers (PAOs) to ensure the accurate and timely flow of information to the public and continuity of message in the following types of media: print, electronic (television, radio, Internet, and intranet) and visual.

► **Office of Policy Development and Research (PD&R):** PD&R staff perform policy analyses, research, surveys, studies, and evaluations, both short- and long-term, to assist the Secretary and other Principal Staff to make informed decisions on HUD policies, programs, and budget and legislative proposals.

► **Office of General Counsel (OGC):** OGC provides legal opinions, advice and services with respect to all departmental programs and activities. OGC represents the agency in litigation and enforcement actions; provides legal services in connection with the development, preparation and presentation of the Department's legislative initiatives; has primary responsibility for the development of HUD program regulations; and assists in the development of HUD programs and policies.

► **Departmental Enforcement**

Center (DEC): The DEC, as part of the Office of General Counsel, consolidates the Department's enforcement efforts for serious noncompliance of the Department's program requirements. The DEC works with HUD program staff to reinforce the federal government's commitment to both uncover and aggressively pursue program violations by property owners, landlords, management agents, HUD grantees and participants, FHA lenders, and other business partners who do not comply with the law and HUD agreements. The DEC refers to the US Department of Justice (DOJ) or local US Attorney's Offices cases of civil violations of laws governing HUD programs. Criminal referrals are made to HUD's Office of the Inspector General.

► **Office of Inspector General (OIG):** OIG's is to provide independent and objective reporting to the Secretary and the Congress for the purpose of bringing about positive change in the integrity, efficiency, and effectiveness of HUD operations. These goals are carried out through two division of the OIG that are represented in Region IX: OIG for Audit OIG for Investigations.

Office of Audit - The primary focus of the Office of Audit is to determine program compliance with applicable HUD laws and regulations, evaluating systemic, programmatic, and fiscal issues with the object of improving the efficiency of the administration of HUD programs. The OIG for Audit works closely with other agencies and divisions, and will often refer apparent criminal matters to the OIG for Investigations.

Office of Investigations - The Office of Investigations is responsible for the investigation and prosecution of criminal matters involving fraud against the Department and its programs. The Office of Investigations also conducts investigations into administrative matters, such as employee misconduct.