

REGION IX ANNUAL REPORT



FISCAL YEAR 2007
October 1, 2006 to September 30, 2007

**Region IX encompasses the States of
Arizona, California, Hawaii and Nevada
and the Pacific Trust Territories**

*(including American Samoa, Guam and the
Northern Marianas)*

The HUD Regional Office is located in
San Francisco, California

Field Offices are located in

Fresno, California
Honolulu, Hawaii
Las Vegas, Nevada
Los Angeles, California
Phoenix, Arizona
Reno, Nevada
Sacramento, California
Dan Diego, California
Santa Ana, California
Tucson, Arizona

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MESSAGE FROM REGIONAL DIRECTOR RICHARD K. RAINEY

Dear Friends,

I am please to present for your consideration the HUD Region IX Annual Report for 2007.

Fiscal Year 2007 marked a very challenging period for many of us in the housing industry. During the first quarter of 2007 the percentage of home mortgages entering foreclosure reached its highest point in 28 years, affecting roughly one in every 172 home loans. By the end of the year these conditions worsened as the rates of foreclosure risk jumped 22 percent from January 2007.

Region IX was particularly hard hit by the precipitous rise in foreclosures and decline in housing prices and housing starts. Of the top five housing markets with the highest per capita foreclosure filings, four are in Region IX. Several national housing studies indicate that the foreclosure crisis is also expected to have a significant economic affect on homeowners, government, and neighborhood property values. Among these, the report published by ACORN, "*Foreclosure Exposure 2: The Costs To Our Cities and Neighborhood, (October 2007)*" indicates that the economic impact to local governments in Region IX could well exceed a billion dollars, cost homeowners \$350 million, and reduce property values by over \$3 billion.

HUD has responded by implementing the *FHA Secure program* and has also increased lending limits to enable homeowners that are delinquent or have adjustable rate mortgages that have reset to secure a more stable mortgage. These actions will have positive impact on communities and homeowners as delinquent loans are restructured and the volume of FHA insured mortgages increases in 2008.

HUD has remained steadfast in its commitment to deliver financial assistance and support to local governments, community based organizations, housing providers and low-income households. The nearly \$7 billion in direct assistance HUD provides to communities in Region IX is vital to maintaining and building our affordable housing stock and continues to be an important catalyst to local economic growth and job creation.

HUD people and HUD programs are leaving a legacy of hope with the people and places they touch. This report reflects work that all 11 Field Offices in Region IX have performed in support of our mission and the diverse communities and stakeholders we serve through our programs.

Of behalf of Region IX workforce, thank you for the opportunity to serve you.

Richard Rainey,
Regional Director

HUD MISSION STATEMENT

HUD's mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination.

To fulfill this mission, HUD will embrace high standards of ethics, management and accountability and forge new partnerships that leverage resources and improve HUD's ability to be effective on the community level.



Region IX Annual Report

Contributions to Communities

The mission of the U.S. Department of Housing and Urban Development is to provide safe, decent, and affordable housing to all Americans. HUD's staff in the Region IX supports this mission through the delivery of essential housing and community development programs and services.

In FY 2007 Region IX provided nearly \$7 billion in direct assistance to local governmental entities, community-based organizations, and housing providers, leveraged over \$3.4 billion in single family and multifamily housing financing, provided over half million affordable housing units to low income households, assisted in developing new permanent housing and supportive services to homeless, elderly and other populations with special housing needs, and provided stakeholders and clients with training necessary to expand homeownership, eliminate predatory lending practices, and promote Fair Housing.

The Federal monies spent on housing and community development positively benefits both low-income households and the local communities. According to the Bay Area Local Initiatives Support Organization (LISC), investments in affordable housing improves family self-sufficiency, fosters social inclusion by reducing displacement of low paid workers from the communities in which they work; and cultivates safe communities with an improved quality of life for residents.¹

In addition to these and other social benefits, investments made with HUD's program make significant contributions to local economies, personal income, and job creation. We estimated that the funding provided through HUD's programs in FY 2007 would generate an additional \$2.3 billion in local economic outputs, provide over \$2.7 billion in direct and indirect wages, create over 10,000 new jobs and support and maintain over 90,000 existing jobs created by HUD housing programs.

This section of the annual report provides and detailed summaries of the financial assistance and housing supported by HUD's program and the economic contributions generated from HUD's programs in communities in Region IX.

¹ Housing Silicon Valley: A 20 Year Plan to End the Affordable Housing Crisis. LISC. February 2007. www.lisc.org/bay_area/assets/asset_upload_file498_8397.pdf



2007 Assessment of Community Benefits

Impact of Community Development Block Grant Programs - The impact CDBG spending can be measured in three ways: (i) its contribution to gross domestic output or addition to total output; (ii) the increased personal earnings from the direct and indirect employment generated by this spending; and (iii) the full-time equivalent jobs that CDBG spending supports either directly or indirectly. These impacts were documented in the National Association of Housing and Redevelopment Officials report for the period 1975 to 1999.² Based on this analysis and the historic trends documented in the NAHRO report, we estimated that CDBG funding in Region IX impacts local economies as follows:

- Local economic output is increased by **\$1.44** for each dollar in CDGB funding
- Personal earnings from the direct and indirect employment generated by this spending are increased by **\$0.63** for each dollar in CDBG funding
- One job is created for **\$47,237** is CDBG spending.

In addition, an article published by the United States Conference of Mayors also stated that for every one dollar of CDBG funding, approximately **\$2.79** in private funding was leveraged for economic development projects like shopping centers and grocery stores.³

The following table shows the estimated economic outputs that CDBG funding generates to communities in Region IX using the economic assumptions listed above.⁴

² NAHRO "Economic Impact of CDBG Spending By State, 1975-1999"
www.nhc.org/pdf/policy_hot_issues/BF_CSCDAstates.pdf

³ United States Conference of Mayors. "US cities say elimination of block grant will threaten economies in many communities" Article by Josh J Fecht. February 11, 2005.
www.citymayors.com/economics/cdbg_cut.html

⁴ The calculation of the economic impacts of the CDBG program involved developing out-put, income and employment multipliers for each broad CDBG program category. The basis for developing these multipliers is provided by the U. S. Department of Commerce, Bureau of Economic Analysis publication Regional Multiplier, A Use Handbook for the Regional Input-Output Modeling System (RIMS II), May1992. From the RIMS model either single or composite multipliers can be formulated that closely describe the nature of the CDBG program spending categories. These multipliers are applied to the CDBG spending totals to calculate their income and job effects. The CDBG spending data used in the NAHRO study was adjusted for inflation and for other requirements of the model.

Estimated Economic Impacts of CDBG Funding in Region IX				
FY 2007 CDBG Allocations	Added Economic Output	Wages (Direct, Indirect and Induced)	Jobs Created	Private Financing Leveraged
\$568,771,995	\$250,305,433	\$355,774,545	12,041	\$1,586,873,866

Impact of Public Housing Capital and Operating Programs - Federal monies spent on the operation and maintenance of public housing impact both public housing residents and local communities surrounding public housing sites. In 2007, the Council of Large Public Housing Authorities (CLPHA) commissioned a study by Econsult Corporation to develop a framework for making quantitative estimates of the economic benefit of public housing investments.⁵ The study found that:

- **Public housing sustains low-wage workers and supports local industry**

Average wages in some high-growth industries, such as accommodation and food service, are too low for workers to afford market rate housing costs. Public housing provides an annual effective rent subsidy of \$5,964 (relative to the bottom quartile market rents) to each of more than 1.2 million households. Since wages comprise the main source of income for almost half of the non-elderly, non-disabled households in public housing, this rent subsidy provides indirect support to high-growth industries.

- **Public housing expenditures contribute to local economies⁶**

Housing authorities directly purchase products from local or regional suppliers and pay wages and salaries to their employees. This direct spending generates various secondary impacts, as PHA suppliers and employees spend money with other businesses that in turn employ workers, pay salaries, and purchase from suppliers. In short, the initial PHA expenditure has a ripple effect in the local economy. The initial round of economic activity attributable to the PHA (facility construction, ongoing operations, etc.) is referred to as the direct effect. These direct impacts spark a series of "spin-off" or "ripple" effects in the region's economy: indirect effects (spending by vendors and suppliers) and induced effects (spending of salaries and wages by direct and indirect employees).

Similarly, PHA spending generates employment effects. PHAs employ individuals at

⁵ Assessing the Economic Benefits of Public Housing. Final Report. January 2007. The Council of Large Public Housing Authorities. Econsult Corporation.
www.phada.org/pdf/Econsult_Report.pdf

⁶ To calculate the impact on local economies, the analysis used the U.S. Department of Commerce RIMS (Regional Input-Output Multipliers) II model for Metropolitan Statistical Areas. The model takes basic input data (estimated PHA direct capital and operating expenditures) and calculates estimates of the total regional indirect and induced spending resulting from the initial expenditures. The size of the outputs depends on the size of the MSA multiplier.

their headquarters and at various properties throughout their cities (direct jobs). Building material suppliers and other providers of PHA goods and services generate employment (indirect jobs). The income earned by all of these employees leads to subsequent rounds of job creation (induced jobs). When the employees purchase goods and services in the local economy, the increase in aggregate demand creates additional jobs in both the local and state economies. The total employment effect is the sum of these three components.

Direct spending by public housing authorities in Region IX on capital improvements, maintenance and operations is approximately \$277.5 million a year. Based on the conclusions of CLPHA’s study, public housing spending in Region IX generates another \$291 million in indirect and induced economic activity in the PHAs’ regional economies.

▪ **Public housing constitutes an economic and social asset that cannot be created or sustained by the private market**

The national average for replacing a typical public housing unit would cost \$120,833 not including land costs. Based on this replacement cost estimates, which is conservative for the housing markets served by Region IX, it would take over \$7 billion to replace the existing 58,419 existing public housing units in Region IX. Moreover, the national study showed that the value of the existing public housing stock—maintained as affordable housing—to a private investor is considerably less than the aggregate replacement cost of the units. This difference indicates that the private market could not provide such housing services without significant subsidy.

The chart below summaries the economic benefits of public housing programs provide to communities in Region IX.

Estimated Economic Impacts of Public Housing Funding in Region IX			
FY 2007 Public Housing Allocations	Added Economic Output	Wages (Direct, Indirect and Induced)	Jobs Created
\$277,496,546	\$291,853,422	\$569,349,968	10,673

Impact of New Construction, Rehabilitation, Homeownership Down Payment, and Rental Assistance Programs - Several studies outside of Region IX have been performed by States to estimate the economic impact of statewide affordable housing new construction and rehabilitation programs, rental assistance subsidies and vouchers, and down payment assistance programs.⁷ Most

⁷ Selected studies reviewed include:

(i) Economic Impact of Affordable Housing: New Construction, Rehabilitation, and Assistance Programs. Utah Housing Coalition. September 2004. www.utahhousing.org/documents/Econ_impact_study05.pdf
(ii) Economic Impact of Affordable Housing Development. The Association of Oregon Community Development Organizations. April 2003. www.aocdo.org/docs/EcoDevoStudyFinal.pdf

of the economic models used in these studies estimate the total business revenues, personal income, and total employment generated by spending on affordable housing by analyzing the direct, indirect, and induced impacts for each of these categories. These studies demonstrate that the economic impact of the affordable housing programs goes well beyond the sectors in which program money is spent. Significant economic impacts include the following:

- **Economic Output/Business Revenue:** For every dollar spent through affordable housing construction and rehabilitation programs, an additional **\$0.70 to \$0.85** in indirect and induced business revenue is generated throughout the economy.
- **Personal Income/Wages and Salaries:** The study undertaken for the Utah Housing Coalition found for every dollar spent through affordable housing construction and rehabilitation programs **\$0.76** was spent on direct and indirect salaries and wages. Additionally, the Utah Housing Coalition study reported that direct and indirect wages generated by spending on rental assistance and down payment assistance programs was respectively **\$0.28** and **\$0.39** for each dollar expended under these programs. The distribution between direct and indirect/induced wages also varies by program type. For each program dollar expended on direct personal income attributable to new construction and rehabilitation activities, an additional **\$1.00 to \$1.20** in indirect personal income is generated throughout the economy. For rental assistance programs, every dollar of direct personal income generates an estimated **\$1.70 to \$1.80** in indirect and induced personal income.
- **Employment:** For every one million dollars expended through affordable housing construction and rehabilitation programs, **20 to 35 direct and indirect jobs** are created, of which, for every one hundred direct jobs created an additional **110 to 120 jobs** are created through the ripple effect. The study undertaken for the Utah Housing Coalition also found that **17 direct and indirect jobs** are created per million dollars expended through rental assistance programs and **15 direct and indirect jobs** are created per million dollars expended through down payment assistance programs.

A formal evaluation of the economic impacts of housing programs for the states in Region IX's jurisdiction has not been conducted. To develop an estimate of the

(iii) Investing in Affordable Housing in Michigan. Community Economic Development Association of Michigan. May 2001. www.pscinc.com/documents/cedam/

(iv) Economic Impact of Tennessee HOUSE Grants. Tennessee Housing Development Agency. www.thda.org/Research/houseimpact.pdf

(v) Housing Silicon Valley: A 20 Year Plan to End the Affordable Housing Crisis. LISC. February 2007. www.lisc.org/bay_area/assets/asset_upload_file498_8397.pdf

economic contributions provided by HUD’s new construction, rehabilitation, down payment, and rental assistance programs in Region IX, the methodology and conclusions referenced above from similar studies performed in other States are used as a surrogate. These economic impacts are shown in the following tables.⁸

Estimated Economic Impact of New Construction, Rehabilitation, Down Payment, and Rental Assistance Funding in Region IX			
Program Area	FY 2007 Program Allocation	Added Economic Output (Low Estimate)^(a)	Added Economic Output (High Estimate)^(b)
HOME	\$289,563,191	\$202,694,234	\$246,128,712
Section 202	\$82,841,900	\$57,989,330	\$70,415,615
Section 811	\$15,193,400	\$10,635,380	\$12,914,390
MF New Construction	\$44,350,300	\$31,045,210	\$37,697,755
Assisted Living Conversions	\$9,610,963	\$6,727,674	\$8,169,319
HOPWA	\$4,422,764	\$3,095,935	\$3,759,349
HOPWA (formula)	\$34,233,000	\$23,963,100	\$29,098,050
HOPE VI	\$8,900,000	\$6,230,000	\$7,565,000
Down Payment Initiative ^(c)	\$3,923,930	\$1,540,927	\$1,540,927
Section 8 – Vouchers ^(d)	\$2,578,995,076	\$724,439,717	\$724,439,717
Section 8 - Project based ^(d)	\$2,696,199,221	\$757,362,361	\$757,362,361
TOTALS	\$5,768,233,745	\$1,825,723,868	\$1,899,091,196

(a) Assumes that for every program dollar spent on new construction and rehabilitation an additional \$.070 is generated through the economy.

(b) Assumes that for every program dollar spent on new construction and rehabilitation an additional \$.085 is generated through the economy.

(c) Down Payment assistance is treated as a transfer payment from a government program to a household. By reducing household down payment obligations, the assistance “frees up” income for consumption. Therefore, for the impact analysis the total amount of down payment assistance from affordable housing programs is treated as household income. The economic output shown assume that \$0.39 of additional household income is generated per program dollar expended.

(d) Affordable housing programs provide an important source of revenue to private and public owners of affordable housing. Rental assistance and operating and capital funds were all treated as payments to the real estate sector. The economic output shown for rental assistance programs assumes that \$0.28 in salaries and wages is generated for each per program dollar expended. The amounts shown in table include direct, indirect and induced wages.

⁸ The Region IX estimate borrows extensively from the economic studies performed by the Utah housing Coalition and Tennessee Housing development Agency. The Utah evaluation utilizes a standard tool of regional economic impact analysis known as the Regional Input-Output Modeling Systems (RIMS II). In the analysis the total impact of spending for construction, rehabilitation and assistance programs for affordable housing includes direct, indirect and induced impacts. The sum of the direct, indirect and induced requirements represents the total economic impact of affordable housing expenditures (construction, rehabilitation and down payment assistance) in the local economy.

Estimated Wages and Salaries from Housing Program Funding in Region IX			
Program Area	Total Earnings (Direct, Indirect and Induced)	Direct Construction Sector Wages	Indirect and Induced Wages
HOME	\$217,172,393	\$106,290,325.59	\$110,882,068
Section 202	\$62,131,425	\$30,408,880.68	\$31,722,544
Section 811	\$11,395,050	\$5,577,060.49	\$5,817,990
MF New Construction	\$33,262,725	\$16,279,720.54	\$16,983,004
Assisted Living Conversions	\$7,208,222	\$3,527,908.31	\$3,680,314
HOPWA	\$3,317,073	\$1,623,469.56	\$1,693,603
HOPWA (formula)	\$25,674,750	\$12,565,950.47	\$13,108,800
HOPE VI	\$6,675,000	\$3,266,934.22	\$3,408,066
Down Payment Initiative	\$1,540,927.31		
		Direct O&M Wages	Indirect and Induced Wages
Section 8 - Vouchers	\$724,439,717	\$260,215,416	\$464,224,301
Section 8 - Project based	\$757,362,361	\$272,041,078	\$485,321,283
TOTALS	\$1,850,179,644	\$711,796,743	\$1,136,841,973

Estimated Jobs Created from Housing Program Funding in Region IX		
Program Area	Jobs (Low Estimate)	Jobs (High Estimate)
HOME	5,791	10,135
Section 202	1,657	2,899
Section 811	304	532
MF New Construction	887	1,552
Assisted Living Conversions	192	336
HOPWA	88	155
HOPWA (formula)	685	1,198
HOPE VI	178	312
Down Payment Initiative	60	60
Section 8 – Vouchers ^(a)	(44,875)	(44,875)
Section 8 - Project based ^(a)	(46,914)	(46,914)
TOTALS	9,842	17,179

(a) Jobs shown for Section 8 voucher and project based assistance programs are not new jobs in that the nearly all of the funding supports existing housing units or households currently receiving assistance. Accordingly, these amounts are not included in the totals. For these programs expenditures support and maintain existing jobs.



2007 Statement of Financial Assistance

The following is a statement of the assistance provided through HUD's programs during FY 2007 to communities in Region IX.

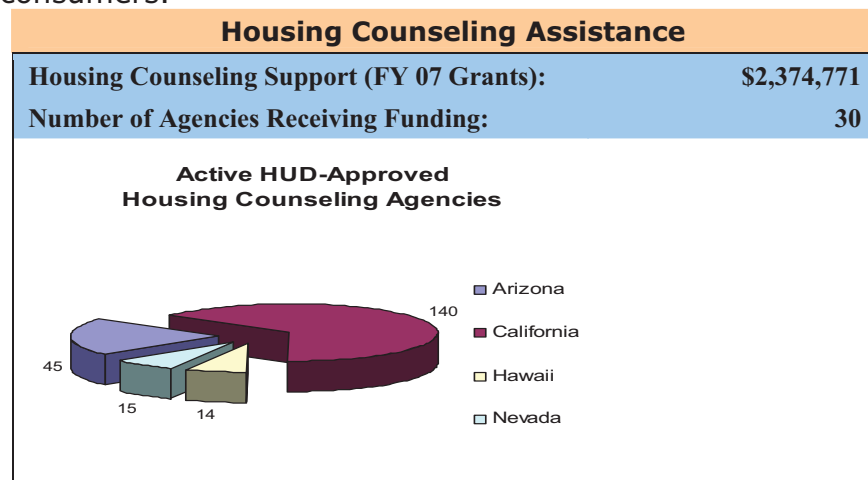
◆ **Single Family Homeownership Financing –**

In Region IX during FY 2007, HUD's mortgage insurance programs assisted over 43,000 homeowners with home purchases and refinancing, including 27,238 reverse equity mortgages enabling senior owner-occupied households to convert their home equity into income cash flows. This program benefits seniors by enabling seniors to age in place and preserving access to affordable housing. Region IX has the highest production of reverse equity mortgages, representing over 25% of all Home Equity Conversion Mortgages (HECMs) underwritten by HUD.

Single Family Endorsements	
Total FHA Endorsements:	43,489
<i>First Time Homeowners</i>	<i>7,810</i>
<i>Minority Homeowners</i>	<i>3,023</i>
<i>Home Equity Conversion Mortgage</i>	<i>27,238</i>
Mortgage Financing Leveraged:	\$ 3,153,512,981

◆ **Homeownership and Fair Housing Counseling –**

Region IX has assisted in the development of a broad network of over 200 non-profit agencies providing education to homeowners vital to mitigating the financial risks of homeownership and avoiding predatory lending schemes that prey on uninformed consumers.



◆ **Multifamily Housing Financing –**

During FY 2007, Initial Endorsements of FHA-insured Multifamily properties continued to decline from FY 2006 and FY 2005 levels (\$860 million and \$1.7 billion respectively).

Multifamily Endorsements		
	<i>Initial Endorsements</i>	<i>Commitments</i>
<i>Number of Projects:</i>	67	57
<i>Number of Units:</i>	5,916	5,747
<i>Mortgage Financing Leveraged:</i>	\$340,081,300	\$321,834,100

Source: <http://www.hud.gov/offices/hsg/mfh/mfdata.cfm>

The causes for this decline is partially explained by the market conditions. According to the U.S. Housing Market Conditions 4th Quarter Report, “multifamily construction, as measured by the number of units permitted, declined by 13 percent to 64,200 units in 2007 compared with 73,500 units in 2006. The drop in multifamily production is attributable to the 23-percent decline in California to 40,100 units permitted in 2007. Two-thirds of the decline occurred in the Los Angeles, San Francisco Bay, and Sacramento areas.”⁹

Nonetheless, FHA’s multifamily programs continue to have important roles in the financing of Health Care Facilities and the acquisition and recapitalization of existing multifamily facilities as shown below.

FHA Multifamily Transactions Details						
	<i>Initial Endorsements</i>			<i>Commitments</i>		
	<i>Projects</i>	<i>Units</i>	<i>Mtg \$</i>	<i>Projects</i>	<i>Units</i>	<i>Mtg \$</i>
<i>223a7 Refinances</i>	10	1,036	\$46,867,500	6	549	\$31,577,900
<i>223f Refinance/Acquisition</i>	29	2,084	\$115,776,400	21	1,175	\$63,334,600
<i>232 Health Care</i>	19	1,835	\$124,875,800	20	2,206	\$147,362,100
<i>New Construction/ Substantial Rehabilitation</i>	3	261	\$16,929,500	3	425	\$44,350,300
<i>Risk Sharing</i>	6	700	\$35,632,100	6	835	\$31,409,200
<i>Other (Mobile Home Parks)</i>				1	157	\$3,800,000

Source: <http://www.hud.gov/offices/hsg/mfh/mfdata.cfm>

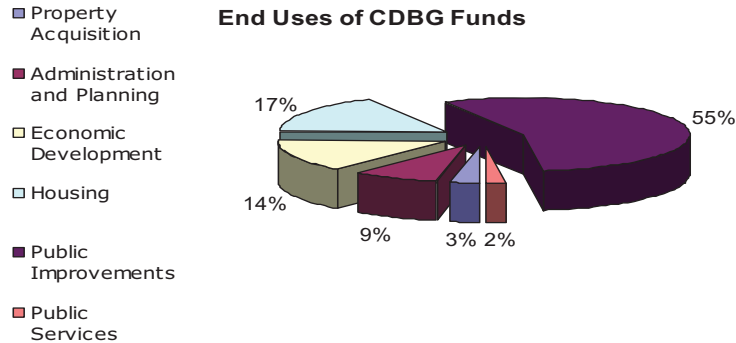
⁹ U.S. Housing Market Conditions Quarterly Reports. <http://www.huduser.org/periodicals/ushmc.html>

◆ **Local Government Housing and Community Development Programs –**

In FY 2007 over a billion dollars in assistance was provided to local governmental entities and community based organizations in support of vital local housing and community development activities.

Formula Assistance	
Community Development and Housing Programs	\$896,492,116
<i>Community Development Block Grants</i>	568,771,995
<i>HOME</i>	289,563,191
<i>American Dream Down Payment Initiative</i>	3,923,930
<i>HOPWA (formula program)</i>	34,233,000

Source: <http://www.hud.gov/offices/cpd/communitydevelopment/budget/>



Homeless Assistance	
Continuum of Care Programs	\$291,834,146
<i>Supportive Housing Program (SHP)</i>	\$12,791,588
<i>Supportive Housing Program Renewal (SHPR)</i>	\$155,957,495
<i>Shelter Plus Care (SPC)</i>	\$27,539,220
<i>Shelter Plus Care Renewal</i>	\$71,021,496
<i>Emergency Shelter Grants (ESG)</i>	\$24,524,347

Source: <http://www.hud.gov/offices/cpd/homeless/budget/2007/>

In Region IX, the inventory of homeless residential programs and beds has continued to increase overall. In FY 2007, HUD provided over \$40 million in funding for new housing with supportive services in addition to over \$200 million in support of existing housing and emergency shelter services. HUD’s assistance is instrumental to local efforts to end homelessness and this sustained commitment has materially contributed to the reduction in chronically homeless persons living on the streets, which, according to HUD’s 2007 Annual Report to Congress, declined by almost 12%.¹⁰

¹⁰ The Annual Homeless Assessment February 2007. <http://www.hud.gov/offices/cpd/homeless/ahar.cfm>

◆ Affordable Housing Development Funding –

HUD's affordable housing programs continue to have a significant role in the development and rehabilitation of affordable housing addressing the needs of populations with special housing needs. In FY 2007 capital assistance and subsidies for over 1,100 units was awarded through HUD's 202, 811, Assisted Living Conversion, HOPWA, and HOPE VI competitive programs.

New Construction and Rehabilitation			<i>Units</i>
Elderly and Special Needs Housing Construction:	\$98,035,300		716
	<i>Section 202</i>	<i>\$82,841,900</i>	<i>603</i>
	<i>Section 811</i>	<i>\$15,193,400</i>	<i>113</i>
Multifamily Assisted Living Conversions:	\$9,610,963		88
HOPWA (Competitive Grants)	\$4,422,764		216
HOPE VI: Phoenix - Krohn West	\$8,900,000		107
Section 202/811 (3-Year Operating Subsidy):	\$10,632,300		
Section 202/811 Planning Grants:	\$ 1,365,260		

Source: <http://www.hud.gov/library/bookshelf09/fundanoc.cfm>

◆ Housing Rental Assistance –

Far and away HUD most prominent role is providing rental housing assistance to low-income households. In Region IX over 560,000 households received rental assistance through HUD's programs. Over \$5.2 billion in housing assistance and subsidies are provided from Section 8 vouchers and project-based assistance.

Subsidies and Rental Assistance		
HUD-Assisted Housing Support:	\$2,696,199,221	
	<i>Project-based Section 8</i>	<i>\$2,093,773,907</i>
	<i>Project-based PRAC</i>	<i>\$602,425,314</i>
Section 8 - Housing Choice Vouchers:	\$2,554,659,197	
Section 8 – Disaster Vouchers	\$ 6,158,892	
Section 8 Moderate Rehabilitation/SRO	\$ 18,176,987	

Based on national studies, the housing subsidy provided through HUD's programs effectively increases the assisted-household's disposable income, helping them better afford food and other necessities.¹¹

¹¹ Assessing the Economic Benefits of Public Housing. Final Report. January 2007. Econsult Corporation. http://www.phada.org/pdf/Econsult_Report.pdf

◆ **Public Housing Modernization and Operational Support –**

Today households residing in public housing have incomes far below the poverty level. In 2005, for example, the median income of public housing households was \$10,738, equal to only 23.2% of the national median income, \$46,326. Half of all public housing is home to seniors and people with disabilities, who tend to have fixed income streams; nearly 49 percent of the remaining low-income households receive their primary income from wages. Most households remain in public housing for less than 10 years, and 40 percent remain for no more than three years.

In Region IX there are 145 Public Housing Authorities (PHAs). PHAs manage over 900 public housing projects with more than 56,000 low-rent units.

In FY 2007, approximately \$275 million was provided to assist public housing authorities with capital improvements and partially cover operating expenses of public housing operations. FY 2007 saw a 35% decline (over \$84 million) in public housing operational support; the largest proportional decline of any HUD program in Region IX. Funding declines have caused some PHAs to shift assistance away from the most needy families, pass utility costs on to residents, and reduce maintenance and security in public housing developments.

Public Housing Capital and Operating Funding	
Capital Fund (Modernization and Replacement)	\$125,117,165
Operating Fund	\$152,379,381
Family Self Sufficiency	\$ 6,596,441

◆ **Resident Support and Assistance –**

Providing opportunities for households to achieve self-sufficiency is an important priority of affordable housing policies and programs. To this end, HUD provides funding for several programs to assist residents of public housing and multifamily housing in obtaining supportive services, job training, and homeownership counseling. In Region IX over \$70 million was provided to meet the needs of residents.

Resident Support	
Public Housing - Resident Opportunities of Self Sufficiency	\$67,767,485
Public Housing – Family Self Sufficiency	\$6,158,892
HUD-Assisted Housing – Multifamily Service Coordinators	\$ 464,977

◆ **Fair Housing Assistance and Enforcement –**

The Fair Housing Initiative Program (FHIP) and the Fair Housing Assistance Program (FHAP) are key elements of HUD’s fair housing strategy. The table below provides a summary of FY 2007 funding awards.

Fair Housing Programs		# Awards
Fair Housing Initiatives Program	\$2,305,208	10
<i>Arizona</i>	<i>\$368,889</i>	<i>2</i>
<i>California</i>	<i>\$1,632,690</i>	<i>6</i>
<i>Hawaii</i>	<i>0</i>	<i>0</i>
<i>Nevada</i>	<i>\$303,629</i>	<i>2</i>
Fair Housing Assistance Program :		\$3,926,967

Source: <http://www.hud.gov/library/bookshelf09/fundanoc.cfm>

Region IX’s Office of Fair Housing and Equal Opportunity (FHEO) in partnership with State FHAP agencies have maintained an effective enforcement operation. Over 1,700 Fair Housing complaints were processed by FHEO staff and State FHAP agencies during fiscal year 2007.

2007 Fair Housing Complaints Processed			
<i>State</i>	<i>Closed by HUD</i>	<i>Closed by FHAP</i>	<i>Total Closed</i>
<i>Arizona</i>	<i>19</i>	<i>247</i>	<i>266</i>
<i>California</i>	<i>226</i>	<i>1,110</i>	<i>1,336</i>
<i>Hawaii</i>	<i>9</i>	<i>43</i>	<i>52</i>
<i>Nevada</i>	<i>89</i>	<i>0</i>	<i>89</i>
Region IX	343	1,400	1,743

2007 Fair Housing Complaints Closed By Type								
State	Race	Color	National Origin	Sex	Disability	Religion	Familial Status	Retaliation
Arizona	54	6	48	9	141	8	18	35
California	348	7	210	105	559	31	260	135
Hawaii	10	1	7	10	24	2	9	7
Nevada	26	0	11	6	44	0	9	6
Region IX	438	14	276	130	768	41	296	183

◆ **Native American Programs –**

The Southwest Office of Native American Programs (SWONAP) is located in Phoenix, Arizona. Today, there are 177 federally recognized tribes located within SWONAP's jurisdictional boundaries.

Since 1974, HUD's Community Planning and Development Act has been available to Indian Tribes for the purposes of constructing community facilities, economic development, land acquisition, strengthening community infrastructure, or the renovation of existing housing. There are a variety of HUD programs available to Federally recognized tribes.

In FY 2007, over \$210 million was provided to federally recognized tribes and designated tribal housing entities through HUD's Native American programs.

Native American Programs

Indian Community Dev Block Grant	\$19,838,913	
<i>Arizona</i>	<i>\$9,922,499</i>	
<i>California</i>	<i>\$4,070,512</i>	
<i>Nevada</i>	<i>\$5,845,902</i>	

Indian Housing Block Grant	\$177,022,804	
<i>Arizona</i>	<i>\$130,913,252</i>	
<i>California</i>	<i>\$36,401,126</i>	
<i>Nevada</i>	<i>\$9,708,426</i>	

Section 184 Native American Loan Guarantees	\$74,912,623	Loans
<i>Arizona</i>	<i>\$20,289,946</i>	<i>112</i>
<i>California</i>	<i>\$52,878,052</i>	<i>138</i>
<i>Nevada</i>	<i>\$1,744,625</i>	<i>8</i>

Native Hawaiian Assistance	
Native Hawaiian Block Grant	\$8,377,770
NHHBG Training and Technical Assistance	\$349,080
Section 184A Native Hawaiian Loan Guarantee Program	\$856,350



Profile of Housing Inventory

Distribution of Housing Assistance and Subsidized Inventory

	<i>Number of Projects</i>	<i>Number of Units</i>
Housing Choice Vouchers		352,285
HUD-Assisted Properties*	2,117	150,900
<i>202/811</i>	765	33,774
<i>HUD Held</i>	43	3,381
<i>Insured-Subsidized</i>	573	53,552
<i>Subsidized - Previously 202</i>	37	2,378
<i>Subsidized - Previously Insured</i>	407	41,562
<i>Subsidized, No HUD Financing</i>	292	16,253
Public Housing Authorities**	816	58,419
TOTALS	2,933	561,604
<small>*Multifamily Source: http://www.hud.gov/offices/hsg/mfh/mfdata.cfm ** Public Housing Source: Public Housing Clearinghouse</small>		

◆ Housing Inventory Assessments –

Asset Performance

<i>PHA – PHAS Ratings</i>	
High Performer	26
Standard Performer	39
Substandard Financial	5
Troubled Performer	4
<i>Average PHA PHAS Score: 83.45</i>	
<i>Average Weighted Score: 80.68</i>	
PHA - PHAS Assessments Number of Units By Performance Category	
■ High Performer	■ Standard Performer
□ Substandard Financial	□ Troubled Performer

<i>PHA – SEMAP Ratings</i>	
High Performer	77
Standard Performer	47
Troubled Performer	13
<i>Average PHASEMAP Score: 76.13</i>	
<i>Average Weighted Score: 83.98</i>	
PHA - SEMAP Assessments Number of Units By Performance Category	
■ High Performer	■ Standard Performer
□ Troubled Performer	