

## City of Alexandria, Virginia

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3-16-02

## MEMORANDUM

DATE: MARCH 11, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: PUBLIC HEARING AND CONSIDERATION OF PROGRAM AMENDMENT AND BUDGET TRANSFERS TO ALLOCATE \$300,000 IN HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) MONIES TO ESTABLISH A HOUSING DEVELOPMENT ASSISTANCE PROGRAM

**ISSUE:** City Council public hearing and consideration of the allocation of \$300,000 in Home Investment Partnerships (HOME) Program funds to establish a Housing Development Assistance Program.

**RECOMMENDATION:** That Council:

- (1) Hold the public hearing and following the public hearing:
- (2) Approve budget transfers from the following sources to establish a HOME-funded Housing Development Assistance Program:

HOME Administration	\$126,408.00
FY 2002 General Fund	\$ 31,602.00 <sup>1</sup>
Sheltered Homes Activities	\$131,826.00
ARHA Hopkins-Tancil	\$ 164.00
<u>Unprogrammed Funds</u>	<u>\$ 10,000.00</u>
Total	\$300,000.00

- (3) Approve the attached program amendment (Attachment I) for submission to the U.S. Department of Housing and Urban Development (HUD).

**DISCUSSION:** On February 26, 2002, Council approved the allocation of \$400,000 from the Housing Trust Fund and \$300,000 in General Fund monies, as part of a \$1 million set-aside in City FY 2002 to support the development and preservation of affordable rental and sales housing

<sup>1</sup> Required match for funds previously designated as administrative funds.

stock in the City (Attachment II). Council approval was given with the understanding that a recommendation for an additional \$300,000 in federal HOME monies and matching funds to be used for this purpose would be docketed for public hearing and consideration after the 30-day public comment period for HOME program amendments was satisfied. The required public comment period ends with the March 16<sup>th</sup> public hearing, and staff is now recommending that Council approve an allocation of \$300,000 in HOME funds to the new Housing Development Assistance Program. The attached program amendment is necessary because this activity was not included in the City's approved CDBG program for this year.

Like the other \$700,000 that was set-aside by Council on February 26<sup>th</sup>, the recommended HOME-funded Housing Development Assistance Program will be used to finance development activities, feasibility studies, and pre-development costs related to affordable housing projects in the City. HOME funds designated for this purpose, however, would only be available for activities benefitting households within the income limits proscribed by the HOME Program. As shown in the table below, these income limits are lower than those allowed by the Virginia Housing Development Authority (VHDA), which will be applied to determine the eligibility of expenditures of funds set aside for affordable housing development activities when only Housing Trust Fund and/or General Fund monies will be used.

**INCOME LIMITS FOR THE HOME PROGRAM AND FOR VHDA PROGRAMS**

<b>Household Size</b>	<b>HOME PROGRAM</b>	<b>VHDA</b>
1	\$38,100	\$68,700
2	\$43,500	\$68,700
3	\$48,950	\$79,500
4	\$54,400	\$79,500
5	\$58,750	\$79,500
6	\$63,100	\$79,500
7	\$67,450	\$79,500
8+	\$71,800	\$79,500

*\* Income limits effective January 31, 2002.*

HOME funds proposed for the purpose described above consist of \$126,408 in unused carryover of HOME Administrative monies from prior years, \$31,602 in matching funds for these re-allocated administrative monies available from the Office of Housing's FY2002 General Fund budget as a result of personnel savings, \$131,990 in unused HOME monies and matching funds left over from a variety of completed Sheltered Homes of Alexandria (SHA) and Alexandria Redevelopment and Housing Authority (ARHA) activities, and \$10,000 in previously

unprogrammed funds resulting from FY 2001 program income. The FY 2002 General Fund monies are needed because the \$126,408 previously budgeted for HOME Administration did not require matching funds, but will require a match now that it will no longer be used for administrative purposes. The other amounts include previously budgeted matching funds.

**FISCAL IMPACT:** Approval of this request would result in the transfer of \$290,000 in previously budgeted funds and \$10,000 in unallocated monies to establish a HOME-funded Housing Development Assistance Program.

**ATTACHMENTS:**

Attachment I: HOME Program Amendment

Attachment II: February 26, 2002 Docket Item - Consideration of Recommendations Pursuant to the Final Report of the Affordable Housing Task Force and Adoption of Resolution to Amend the Rent Relief Program for Senior Citizens and Disabled Persons

**STAFF:**

Mildrilyn Stephens Davis, Director, Office of Housing

Bob Eiffert, Deputy Director, Office of Housing

Marcy Meyer, Housing Analyst, Office of Housing

**U.S. Department of Housing & Urban Development  
CPD Consolidated Plan  
Listing of Proposed Projects**

<b>Project ID/ Local ID</b>	<b>Project Title/Priority/ Objective/Description</b>	<b>HUD Matrix Code/Title/ Citation/Accomplishments</b>	<b>Funding Sources</b>	
0032	Housing Development Assistance	01 Acquisition of Real Property	CDBG	\$ 0
	Housing	570.201(a)	ESG	\$ 0
			HOME	\$ 0
			HOPWA	\$ 0
	Funds to support the development and preservation of affordable rental and sales housing stock. Activities to be funded may include feasibility studies, pre-development, acquisition, rehabilitation and/or construction.	0 N/A	Prior Funding	
			HOME	\$ 240,000
			TOTAL	\$ 240,000
			Other Funding	
			Local Match	\$ 60,000
			Total Other Funding	\$ 60,000
	Help the Homeless?	No	Start Date: 04/01/02	
	Help those with HIV or AIDS?	No	Completion Date: 06/30/03	
	Eligibility:			
	Subrecipient:	Local Government		
	Location(s):	Community Wide		

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EXHIBIT NO. 1

City of Alexandria, Virginia

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2-26-02

## MEMORANDUM

DATE: FEBRUARY 20, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER 

SUBJECT: CONSIDERATION OF FUNDING AND PROGRAMMATIC CHANGES RELATING TO THE FINAL REPORT OF THE AFFORDABLE HOUSING TASK FORCE, ADOPTION OF RESOLUTION TO AMEND THE RENT RELIEF PROGRAM FOR SENIOR CITIZENS AND DISABLED PERSONS, AND APPROVAL OF TASK FORCE REPORT

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**ISSUE:** Funding and programmatic changes pursuant to the recommendations contained in the final report of the Affordable Housing Task Force (Attachment I), and adoption of a resolution to amend the Rent Relief Program for Senior Citizens and Disabled Persons (Attachment II).

**RECOMMENDATION:** That City Council:

- (1) Allocate \$400,000 from the Housing Trust Fund and \$300,000 in General Fund monies, as part of a \$1 million set-aside in FY 2002, for the development of rental and sales affordable housing projects (including feasibility studies, pre-development costs, and infrastructure subsidies), with the understanding that a recommendation for an additional \$300,000 in federal HOME monies and matching funds will be docketed for public hearing and Council consideration on March 16, after the 30-day public comment period for a HOME program amendment is satisfied;
- (2) Allocate \$50,000 in Housing Trust Fund monies (in addition to the monies in Recommendation 1) for a Seller Incentive Fund to pay \$1,000, on behalf of homebuyers assisted under the City's Homeownership Assistance Program (HAP) and Moderate Income Homeownership Program (MIHP), toward the seller's real estate commission, to serve as an incentive to sellers to accept contracts from HAP and MIHP purchasers during periods of hot housing markets, as determined by the City Manager in consultation with the Director of Real Estate Assessments. This recommendation is designed to address the current housing market and would be implemented immediately;

- (3) Increase the City's maximum homeownership assistance payment under the federal Community Development Block Grant (CDBG) and HOME-funded HAP program, from \$25,000 to \$35,000 per household;
- (4) Increase the City's maximum homeownership assistance payment under the Housing Trust Fund-supported MIHP program from \$15,000 to \$20,000, to be funded from currently available MIHP monies;
- (5) Amend the HAP and MIHP programs to allow a one-time rollover of City homeownership assistance for loan recipients (excluding purchasers of set-aside units in new developments who also have HAP or MIHP loans) who sell the home that the City assisted them to buy, and immediately purchase a subsequent home within the City. In order to qualify for the rollover, loan recipients would have to be income eligible for HAP and MIHP at the time of the sale, and must have resided in the assisted home for at least five years (the period of time required to avoid the anti-speculation surcharge imposed by the City's homeownership programs). In addition, authorize the use of MIHP funds to repay and replace a HAP loan in the event a HAP loan recipient (up to \$54,400 for a four-person household<sup>1</sup>) has become a MIHP-eligible recipient (up to \$79,500 for a household of three or more persons) at the time of the rollover;
- (6) Approve a goal of maintaining a minimum Housing Trust Fund balance of \$1.5 million, exclusive of any set-asides, in order to provide a continuing funding source for affordable housing activities;
- (7) Agree that the issue of increasing the standard \$0.50 per gross square foot developer contribution to affordable housing will be considered in the context of forthcoming efforts to establish the appropriate levels for other development fees in the context of the FY 2003 budget deliberations, which will involve discussions with the development community;
- (8) Approve the concept of allowing flexibility in the design, location and layout of affordable units, with the understanding that this may result in affordable unit designs that differ from, but are architecturally compatible with, the market rate units. Standards for the affordable units would be determined on a case-by-case basis, and spelled out in the special use permit or site plan conditions for specific developments;
- (9) Approve the attached resolution (Attachment II) to amend the Rent Relief Program for Senior Citizens and Disabled Persons to do the following:
  - (i) Increase the maximum income from \$18,000 to \$25,600, and keep the maximum income level equal to the maximum income, under the Tax Relief Program, for

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<sup>1</sup> New income limits were effective January 31, 2002.

- persons eligible to receive full tax exemption (up to the amount of the average real property tax bill);
- (ii) Increase the benefit level from \$1,500 to a sliding scale from \$1,800 to \$2,400 per year based on income, with the maximum benefit level to remain equal to the average property tax bill for the calendar year in which the budget is prepared for each year's Rent Relief program expenditures. The increased benefit level is consistent with (but not specifically mentioned in) the Task Force recommendations, and the sliding scale is a new feature;
  - (iii) Provide monthly rather than annual payments;
  - (iv) Have year-round open enrollment for this program; however, participation will be limited by the annual budget appropriation for the program (i.e., if the budget appropriation is fully allocated, a waiting list will be maintained);
  - (v) Authorize the hiring of a part-time, 10 hour per week, eligibility worker to administer the revised program; and
- (10) Approve the final report of the Affordable Housing Task Force, as amended by the recommendations set out above and discussed below.

Recommendations 1, 2, 4, and the MIHP-related portion of Recommendation 5 were approved by the Affordable Housing Advisory Committee on February 7, 2002. Recommendation 6 is based on an earlier action taken by the Committee.

### **BACKGROUND:**

On November 17, 2001, City Council held a public hearing on the final report of the Affordable Housing Task Force (Attachment I). This memorandum reflects staff's specific recommendations after taking into account the public testimony. Attachment III summarizes and addresses the specific comments received at the public hearing.

It should be noted that these recommendations further efforts already begun to increase the availability of rental and sales housing in Alexandria. Other accomplishments within the past several months include approval of the Northampton Place rental complex with an affordable housing plan calling for 25 affordable units; approval of funding to assist Habitat for Humanity of Northern Virginia to acquire a property on Princess Street for rehabilitation and sale to a low-income family; initiation of an Employer-Assisted Housing pilot program, and the successful application for reduced rate mortgage funds under a new Virginia Housing Development Authority program, to be used to assist Employer-Assisted Housing participants, school employees, and government employees. Additional affordable housing efforts are forthcoming as Housing and Planning and Zoning staff review each new development proposal.

### **DISCUSSION:**

#### **Revamped Housing Trust Fund**

One of the major themes reflected in the Affordable Housing Task Force's work is that the City should devote financial resources to the development or preservation of affordable rental as well

as sales housing. The Task Force recommendations included the establishment of funding programs for development activities, feasibility studies and pre-development costs, and an infrastructure fund in support of affordable housing development. In order to establish a continuing source of funding for such activities, staff is recommending that the City do so using a combination of funding sources, all of which would be placed under the umbrella of a renamed, revamped Housing Trust Fund. Specifically, staff recommends that \$400,000 in Housing Trust Fund monies, along with \$300,000 in HOME and matching funds, and \$300,000 in General Fund monies, be set aside as a \$1 million fund, available in FY 2002, to support the development and related activities mentioned above, with the expectation that the City would continue to provide other funding to supplement Housing Trust Fund monies in future years.

It is envisioned that the Affordable Housing Advisory Committee (regardless of funding source) and City Council would consider applications for development funding from this pool of monies prior to Council action, but that allocations for feasibility studies and pre-development costs would be made by staff (to enable sufficient analysis to be undertaken prior to applications for development funding).

In order to ensure that monies are available for a range of affordable housing projects, I intend to recommend, at the appropriate time, that no more than \$2 million in Housing Trust Fund monies (including the \$424,000 already reserved for affordable sales housing) be used for the Samuel Madden redevelopment project.

#### **Seller Incentive Fund**

Staff recommends that the Committee approve an allocation of \$50,000 in Housing Trust Fund monies to be used to pay \$1,000 of the seller's real estate commission as an incentive for sellers to accept purchase contracts from HAP and MIHP buyers. The Affordable Housing Task Force recommended this as a way to make HAP and MIHP buyers more competitive with buyers who are not receiving assistance. The City's programs add time to the process because the City's assistance cannot be calculated until after the first trust loan amount becomes final. The proposed payment reduces the seller's out of pocket costs by \$1,000, in an effort to mitigate the perceived disadvantage of selling to an assisted buyer. The recommended fund would only be used during periods of hot housing markets, as determined by the City Manager in consultation with the Director of Real Estate Assessments.

#### **HAP and MIHP Program Changes**

Because of the increasing cost of housing, the Affordable Housing Task Force report recommends an increase in the HAP assistance limit from \$25,000 to \$35,000 in order to enable HAP families to become homeowners in the current housing market. The limited number of homes for sale within the affordability ranges of HAP applicants is a significant barrier to increasing program participation. An increase in the maximum assistance level will bring more



homes into the range of affordability for assisted households, and should make it easier for households in the HAP income range to locate an affordable home within the City.

Although no change was initially recommended in the MIHP assistance level, staff has reviewed this matter further in response to a public hearing comment, and now recommends that the assistance level be raised from \$15,000 to \$20,000. This change will bring more housing units within the reach of households at the lower end of the MIHP income range. Because the current \$225,000 sales price limit was established to enable households at the upper end of the income range to maximize what they could buy with \$15,000 in City assistance, and because the City provides only the amount that is necessary for each sales transaction, staff anticipates that assistance to most households at the upper end of the range will remain at or below the current \$15,000. Staff does not plan to recommend raising the sales price limit again so that those at the upper end can make full use of the \$20,000. The income limits, maximum sales price, and recommended assistance levels are shown in the following table:

<b>Program</b>	<b>Eligible Incomes</b>	<b>Maximum Sales Price</b>	<b>Recommended Maximum Assistance</b>
Homeownership Assistance Program (HAP)	1 person \$38,100 2 persons \$43,500 3 persons \$48,950 4 persons \$54,400 5 persons \$58,750 6 persons \$63,100 7 persons \$67,450 8 persons \$71,800	\$225,000	\$35,000 (currently \$25,000)
Moderate Income Homeownership Program (MIHP)	1-2 persons \$68,700 3+ persons \$79,500	\$225,000	\$20,000 (currently \$15,000)

In addition to increasing the assistance limits, staff is recommending that Council approve the Affordable Housing Task Force recommendation to allow a one-time rollover of City homeownership assistance, as an incentive for HAP and MIHP loan recipients to remain in Alexandria.

### **Housing Trust Fund**

The funding allocations and programmatic changes recommended in this memorandum may result in substantial expenditures from the Housing Trust Fund. In order to be able to fund ongoing programs and new initiatives from year to year, staff supports the recommendation from the Affordable Housing Task Force and the Affordable Housing Advisory Committee to establish a goal of maintaining a minimum balance of \$1.5 million in the Housing Trust Fund.

The Affordable Housing Task Force recommendations also call for the City to study the appropriateness of increasing the Housing Trust Fund contribution. While there appears to be

widespread agreement that the contribution needs to be raised from the current \$0.50 per gross square foot, staff believes that a change in the standard contribution should be evaluated in the context of possible changes in other development fees. Therefore, this matter will be added to the ongoing review of development fees, which will involve input from the development community.

### **Design Flexibility for Affordable Units**

The Affordable Housing Task Force recommended that the City allow flexibility in the design, location, and layout of affordable units, with the understanding that this may result in affordable unit designs that differ from the market rate units, but remain architecturally compatible with the market rate units and compliant with the applicable zoning regulations, as a means of making it possible to produce more affordable units. Staff recommends Council approval of this concept, which will have the design of affordable units determined on a case-by-case as part of the conceptual review for the overall project and the standards for the affordable units spelled out in the special use permit or site plan conditions for the project.

### **Rent Relief Program**

A resolution to effect changes to the Rent Relief Program for senior citizens and disabled persons accompanies this docket item.

Income and Benefit Levels. The recommendations with regard to the Rent Relief program, which serves senior citizens and disabled persons, are somewhat related to the manner in which the City's real estate tax relief program for the same population is operated.

First, staff recommends an increase in income eligibility from \$18,000 to \$25,600, the current maximum income at which a household is eligible for full tax exemption (up to the amount of the average property tax bill) under the tax relief program. The maximum income limit for the Rent Relief program would continue to mirror the maximum income limit in the tax relief program. Staff estimates that this change will increase the number of applicants served from 85 in FY 2002 to 121 in FY 2003, an increase of 36 households. This is similar to the increased number of households experienced in the tax relief program when its \$18,000 income limit was raised to \$25,600, and also represents the same percentage increase (42.2%) as the increase in the income limit.

Second, staff recommends that the benefit level be increased and that a graduated scale of payments be established. The tax relief program has a benefit that decreases from 100% to 75% to 50% of the average tax bill. Using a similar rationale in this program, staff recommends a five-tiered scale, with a maximum benefit of \$2,400, which equals the tax year (calendar year) 2001 maximum benefit in the tax relief program (\$2,358, rounded to the nearest \$100). As proposed, the annual benefit would increase every year, and would be tied to the annual maximum benefit in the tax relief program, which is the average residential property tax bill in the City, for the calendar year during which the annual budget is prepared. For example, the

recommended \$2,400 benefit for FY 2003 is based on the tax year (CY) 2001 average residential property tax bill, because it is impossible to know the CY 2002 average tax bill until the property tax rate for CY 2002 is established upon the adoption of the FY 2003 budget in May 2002. The five-tiered scale for FY 2003 is shown in the following table:

INCOME OF PARTICIPANTS	NUMBER OF PARTICIPANTS	ANNUAL BENEFIT	% OF ANNUAL BENEFIT	COST
under \$12,800	51	\$2,400	100%	\$122,400
12,801-15,000	15	\$2,100	87.5%	\$ 31,500
15,001-18,000	19	\$1,800	75%	\$ 34,200
18,001-21,000	18*	\$1,500	62.5%	\$ 27,000
21,101-25,600	<u>18*</u>	\$1,200	50%	<u>\$ 21,600</u>
TOTALS	121			\$236,700

\*estimated

To fund these increased benefits, staff recommends the carry-over of \$62,500 in unspent funds from the FY 2002 Rent Relief Program to offset the additional cost in FY 2003.<sup>2</sup> That would increase the total budget available for the program from \$190,000 to \$252,500. By the time of budget preparation for FY 2004, staff will know the actual number of participants and costs of the expanded program, and be able to adjust the budget request accordingly.

In addition, staff proposes that no program participant pay less than 30% of his or her income for rent, as in the Section 8 program. Very few people would be affected by this provision, but it is possible that someone's rent might be so low that the Rent Relief grant would allow them to pay less than 30% of their income for rent. An example of such a case might be if a relative were renting an apartment to a participant at a below market rate.

Eligibility Period. Staff recommends that the eligibility period for this program be extended to be ongoing, instead of once a year. This would be a largely administrative function. All current participants would be required to reapply annually by May 1, as in the current program. Persons who wanted to apply at other times during the year could do so and, if they qualified, they would be given a pro-rated benefit for the balance of the fiscal year, and then would reapply by May 1 as does everyone else. If the program had more participants than the budget would cover for the year, then the new participant would be placed on a waiting list, and would not receive a benefit until the number of participants had dropped to below the budgeted range.

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<sup>2</sup> In the event that Council approves the recommended program changes in the Rent Relief Program, the carry-over of the unexpended balance from FY 2002 (\$62,500) will be included in the fall 2002 reappropriations ordinance for use in the FY 2003 budget.

Monthly grant distribution. Staff recommends that the Rent Relief grants be distributed monthly instead of in a lump sum once a year. DHS staff asked 20% of the current participants how they prefer to be paid: in a lump sum once a year, or in twelve equal monthly payments. Their answers were nearly evenly divided: 9 chose monthly payments, while 8 chose lump sum payments.

Staff recommends that the benefit be paid monthly. This would aid the participants in budgeting, and would also allow for better tracking of participants who move, either out of the City or into subsidized housing. In both cases, their eligibility for the program would end.

Staffing. At this time, DHS receives no funding for administrative support of the program. One part-time social worker processed the applications for FY 2002. During the time she worked on the Rent Relief Program, she was not available for one of her regular duties of re-assessing home delivered meals clients for continued eligibility in that program. The consequence is that she is now working extra hours to complete those re-assessments, as required by the City's contract with the Virginia Department for the Aging.

Expanding the Rent Relief Program will require more staff time than is now available in the Office of Aging and Adult Services. To offset this increase in time, DHS would hire part-time staff to administer the program year-round, including the mailing of monthly checks to all eligible persons. A grade 13 eligibility worker for an average of 10 hours per week at \$16 per hour would cost \$8,320. The total cost for the program would still be within budget.

### **Task Force Recommendations Requiring No Council Action**

Several of the Task Force's recommendations require no action by Council, and in some instances, are already underway. The recommendation to facilitate the acquisition and rehabilitation of multi-family housing is already occurring and has been implemented administratively. The recommendation to encourage on-site affordable housing plans in rental development is being pursued by the Office of Housing and the Department of Planning and Zoning, and has already resulted in the pledge of 25 affordable units at the planned Northampton Place rental development. The recommendation to support affordable sales housing development has been City policy for some time, but staff from the Office of Housing and the Department of Planning and Zoning are working more closely together, earlier in the process, to try to bring about more affordable sales units.

In addition, staff has already been pursuing the recommendation to explore the development of Individual Development Accounts for low and moderate income households. In that regard, staff is working with the United Way to determine what might be feasible on a pilot basis. The Task Force recommendation to market the positive aspects of condominiums has also been implemented; the affordability and other benefits of condominium ownership are covered in the City's Homeownership Counseling Program.

The Task Force also recommended that the City support and encourage the involvement of Community Development Corporations. Staff intends to do so whenever appropriate. At the present time, however, staff's efforts will be focused on working with local non-profit developers.

Finally, staff continues to monitor proposed federal legislation to establish low-income housing tax credits for homeownership.

### **Task Force Recommendations Excluded from Staff Recommendations**

Three Affordable Housing Task Force Recommendations are not included in the staff recommendations. One, involving the Homeless Intervention Program, is no longer needed. The Task Force had recommended allowing repeat assistance after five years rather than the current rule of once in a lifetime; this would have required seeking state approval with regard to the state portion of funding for this program. However, since the Task Force adopted its recommendation, the state has changed the program to allow repeat assistance after three years, and staff has implemented this guidance.

The Task Force recommendation to support ARHA in requests for additional Section 8 units for specific purposes does not appear to be needed at this time, given that the current Section 8 assistance available to ARHA is not being fully utilized. One of the public hearing speakers made reference to the current underutilization of Section 8 assistance and requested that steps be taken to address this situation. This issue of Section 8 utilization is addressed in Attachment III, which summarizes and responds to the comments received at the public hearing.

Finally, at this time staff is not recommending implementation of the Task Force's proposed rental assistance program for VIEW/Welfare-to-Work participants. Given the City's current fiscal constraints, staff has concluded that this is not the appropriate time to implement what could become a very costly entitlement program.

### **Public Hearing Comments Not Addressed by Staff Recommendations**

As noted above, Attachment III summarizes and addresses the comments received at the public hearing. Recommendations that are not addressed by the recommendations in this memorandum are addressed in the attachment.

**FISCAL IMPACT:** In FY 2002, allocation of \$300,000 in General Fund monies and \$450,000 in Housing Trust Fund monies, with a proposed future allocation of an additional \$300,000 in federal HOME monies after satisfying public comment and public hearing requirements. Potential impact on future budgets in the HAP, MIHP, and Rent Relief programs, to be addressed in the context of each year's budget process.

The enhanced benefit and eligibility levels for the Rent Relief Program are recommended to be funded by the use of the unexpended FY 2002 budget allocation for this program of \$62,500.

Pending Council's approval of the program changes, these monies would be included in the fall 2002 re-appropriations ordinance.

**ATTACHMENTS:**

- I. Final Report of the City Manager's Affordable Housing Task Force (with public hearing docket item)
- II. Resolution to Amend the Rent Relief Program for Senior Citizens and Disabled Persons
- III. Summary of Public Hearing Testimony on Affordable Housing Task Force Final Report
  - A. Report on Section 8 Utilization (Prepared by ARHA for the Office of Housing)
  - B. Single-family and condominium assessment data for calendar years 2000 and 2001

**STAFF:**

Mildrilyn Stephens Davis, Director, Office of Housing  
Meg O'Regan, Director, Department of Human Services  
Bob Eiffert, Director, Office of Aging and Adult Services