

## **Part Three**

### **Five-Year Strategic Plan, 2005-2009**

## **CHAPTER 4**

### **HOUSING NEEDS ASSESSMENT**

Evanston is an unusually diverse community of nearly 75,000 residents. Its cultural and economic diversity result from its history and ongoing commitment to celebrate and maintain diversity. As part of this commitment, one of the City's roles is to identify and address priority housing, community development, and economic development needs. This chapter focuses on housing needs. A discussion of priority needs is first presented, followed by a quantitative analysis using HUD-required tables.

#### **A. Priority Housing Needs**

This section describes the priority housing needs identified through the HUD Consolidated Plan process, including demographic and housing data analysis, consultation with housing and social service providers, public participation, and reviewing existing/emerging plans, programs, and policies. While several needs have ongoing activities in place to address them, the HUD Consolidated Plan process indicated a need for them to continue and/or be enhanced.

##### **1. Continue Maintaining and Enhancing the Stock of Affordable Housing and Addressing Barriers**

Affordability was discussed in detail in Chapter 2. As noted, a 2004 study by the Illinois Housing Development Authority indicates that almost 26% of Evanston's housing stock was affordable based on Census 2000 data. However, the stock of affordable housing needs to be maintained and enhanced to meet the needs of low/moderate income and minority residents. While the City has a number of ongoing affordable housing efforts, as noted in Chapter 2, the following needs remain:

- Continue maintaining the existing stock of affordable housing;
- Continue enhancing affordable housing opportunities; and
- Continue addressing barriers to affordable housing, which include:
  - High costs of housing, land, and new construction;
  - High property taxes;
  - Violations of the Fair Housing Ordinance; and
  - Zoning ordinances, property standards, and building codes that may be unreasonable per periodic review.

##### **2. Continue Maintaining and Enhancing Facilities and Services for the Homeless and Non-Homeless Special Needs Populations**

Demand for housing and services for the homeless and non-homeless special needs populations was discussed in Chapter 2. While existing facilities and services are being maintained and enhanced, there is still unmet need among certain groups:

- **Homeless Individuals and Families:** As noted in Chapter 2, 185 individuals were estimated to be homeless (e.g., 118 homeless individuals, 23 homeless families with children, and 67 persons in homeless families with children). Of the homeless subpopulations, a total of 80 individuals were estimated to be chronically homeless, 69 had chronic substance abuse, 38 had a serious mental illness, 37 were associated with the Department of Corrections, 26 were victims of domestic violence, and 11 were veterans. Data on homelessness by race/ethnicity was not available. While there are numerous facilities and services for these individuals, unmet demand remains, especially in the permanent supportive housing category.

- Elderly / Frail Elderly: As noted in Chapter 1, the scenario in which an increasing number of seniors choose to age in place, coupled with medical advances that help people live longer, should be considered. There may be a need to plan for the long-term needs of low-income seniors and frail elderly, and particularly for females since they tend to outlive males. Also noted in Chapter 2, affordability remains a major concern since elderly rental households experience the shortage of affordable housing and rising housing costs more acutely. Rehabilitation loans and reverse mortgages could be valuable tools for helping those on fixed incomes cope with increasing housing costs, taxes, and other costs of living. There also may be a need for rental subsidies, construction of Section 202 Projects and Supportive Living Facilities, and other activities which would make rental housing more affordable to seniors.
- Persons with Disabilities: As noted in Chapter 1, there were a total of 9,188 persons with disabilities (13.2%) in 2000. Of this population, roughly 20% had incomes below the poverty level. A total of 1,177 persons had physical disabilities, nearly 45% of which were seniors. Chapter 2 noted that there are 63 units available for persons with disabilities, which does not include accessible units in senior housing. Chapter 2 also noted that there are between 890-1,180 persons with developmental disabilities in Evanston, and there is a state-wide housing and services need among these persons. As the recently-passed Cross-Disability Database Legislation is implemented, this will aid in assessing needs for persons with disabilities.<sup>1</sup>

### 3. Continue Maintaining Public Housing and Subsidized Units

The number and condition of public housing and subsidized units were described in Chapter 2. The 245 units of public housing owned and managed by HACC fill an important need and should be preserved and maintained. In addition to these public housing units, there are five subsidized housing projects in Evanston that provide 262 units of rental housing for the elderly (175 units), disabled (57 units), and families (30 families in a town home development) that also must be maintained. The strategies for doing so are contained in HACC's PHA Plan for Fiscal Years 2006-2009, as briefly described in Chapter 2.

### 4. Continue Assisting Current Housing Choice Voucher Recipients

Evanston has the second highest number of Housing Choice Voucher holders in suburban Cook County, ranging from 800 to 1000 in the past several years. However, the number of vouchers available is decreasing for two reasons.

First, there have been changes in HUD's funding and HUD's reduction of the Fair Market Rents nationwide. Evanston has been a high cost "exception area" with payment standards that exceed the Fair Market Rents. However, the exception payment standards have not changed in over four years, and it is not known whether HUD will reduce the higher payment standards for higher cost areas or provide them at all. The possible reduction in allowable rents may result in lessening the number of voucher units in communities and neighborhoods where the rents are higher. This can increase the concentration of low income households in high poverty Census Tracts where rents are lower.

Second, there have been changes in HACC funding, which manages public housing programs for all of suburban Cook County, including Housing Choice Vouchers. HACC has not had any increases in funding and has not provided vouchers to anyone on their waiting list in two years. Migration of existing voucher holders to Evanston from other communities may be possible.

Tenant seminars have been held for Housing Choice Voucher holders to discuss their rights and responsibilities as tenants. In southeast Evanston, as the number of condominium conversions increase there is a growing possibility that voucher holders, along with other low income people in the neighborhood, will have a difficult time finding replacement housing. In working with the three Evanston-

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<sup>1</sup> The Department of Human Services shall compile and maintain a cross-disability database of Illinois residents with a disability who are potentially in need of disability services funded by the Department. The database shall consist of individuals with mental illness, physical disabilities, and developmental disabilities. (20 ILCS 1305/10-26 new)

based Community Housing Development Organizations (CHDOs), the City stresses the importance of mixed-income buildings. All three Evanston CHDOs accept Housing Choice Vouchers.<sup>2</sup>

#### 5. Continue Tracking Foreclosures and Enhancing Homeowner Education Programs

The Property Standards Division tracks foreclosure notices for Evanston properties. Nine of the 12 current vacant properties resulted from foreclosure actions. In the first nine months of 2004, there were 57 foreclosure sales scheduled for Evanston properties. Of those, five were vacant boarded properties. The majority of the foreclosed properties are located in the west side CDBG Target Area.

National reports indicate that predatory lending practices, which target low income and vulnerable populations, have increased in recent years and have led to foreclosures. The City fits the profile for predatory lenders with a population of low-income and minority homeowners in a low/moderate area that has experienced growth in property values (e.g., Census Tract 8092 on the west side). While the housing values in Census Tract 8092 are not as high as the City overall, the recent level of appreciation has been approximately 8% annually in recent years.

The continued low interest climate encourages owners to refinance and take advantage of lower rates, but they may be enticed into loans that have prepayment penalties. Those who have owned their home for many years may be lured by rising values to get cash out of their property for home improvements or unrelated uses, but the level of debt results in high mortgage payments. For this reason, staff from Interfaith Housing Center of the Northern Suburbs offers housing counseling and assistance in dealing with predatory loans and tracks concentrations of such loans in Evanston.

#### 6. Continue Remediating Lead Based Paint Hazards

Approximately 21,456 of Evanston's housing units, or 79% of the total, are estimated to contain lead-based paint, as noted in Chapter 2. This correlates with the age of the housing stock, as 95% of the housing units were built prior to 1970 when lead based paint was still used (it was banned in 1978).

Lead poisoning is a condition caused most often by eating lead paint chips or breathing or eating lead dust. Lead is especially harmful to infants and children 6 years of age and younger because their small stature absorbs lead more easily than adults. Lead poisoning can slow a child's development and cause learning and behavioral problems. Even small amounts of lead can damage a child's brain, kidneys, and stomach.

Children may be exposed to lead from a number of sources: peeling or chipping paint in homes built before 1978; dust from sanding or removing old paint and wallpaper; soil near a major highway or industry that uses lead, or around an older home with chipping outside paint; old water pipes made of lead or newer fixtures that contain lead solder; food grown in contaminated soil or stored in handmade pottery or opened cans; bullets and fishing sinkers and hobbies that use lead, such as ceramics and stained glass.

Lead based paint hazards in Evanston are addressed primarily through the Childhood Lead Poisoning Prevention Program in the Evanston Health Department. Rehabilitation projects funded through the Housing Rehabilitation Division must comply with federal requirements concerning Lead Risk Assessment, mitigation or remediation, and safe work practices. The City is committed to continuing its efforts to address lead based paint hazards and to prevent lead poisoning.

#### 7. Continue Tracking Vacant Properties and Increasing Security and Code Compliance

The City of Evanston Property Standards Division keeps track of vacant and/or boarded-up buildings. As of October 2004, there were 12 vacant and boarded properties in Evanston. The City

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<sup>2</sup> Evanston's three CHDOs are the Housing Opportunities Development Corporation, Evanston Housing Coalition, and Reba Place Development Corporation.

recognizes that indefinitely vacant buildings are public nuisances and have numerous detrimental affects on neighbors and the community. They pose health and safety problems, contribute to a decrease in surrounding property values, provide a location for criminal activity, and hamper reinvestment in the area.

In January 2004, the City Council passed an ordinance adding a “Vacant Buildings” chapter to the City Code. The chapter requires the owner of any vacant building to register the building with the Community Development Department and be maintained in compliance with the City Code. The property cannot be transferred without an interior inspection for code compliance. The owner must maintain liability insurance and submit a vacant building plan. The plan should address the repair of unsecured openings to the property. If the building is determined to be a public nuisance, the owner must submit a plan to remedy the nuisances. The plan of action must identify the date the building will be habitable and occupied or offered for occupancy or sale by a prescribed time.

## **B. Quantitative Analysis of Housing Needs: HUD-Required Tables**

To aid in quantifying housing needs in the Consolidated Plan, HUD requires the lead agency to complete a series of tables. This section contains the HUD-required housing tables with brief methodologies.

### **1. HUD-Required Table 1A. Homeless and Special Needs Populations**

HUD-required Table 1A pertains to homeless and special needs populations and also is part of the 2004 Continuum of Care. As noted in Chapter 2, the Evanston Alliance on Homelessness (EAH) manages the Continuum of Care for homeless services in Evanston. It is composed of 15 local service providers, other non-profits, government agencies, and others. The EAH conducted its annual point-in-time census of both the sheltered and unsheltered homeless on November 11, 2003 to obtain a count of the number of homeless in Evanston.

The first part of Table 1A—the Continuum of Care Housing Gaps Analysis Chart—estimated that 72 individuals and 72 persons in families with children could be served by existing shelters, mostly emergency shelter and transitional housing, with some permanent supportive housing. The greatest unmet need for individuals was in the permanent supportive housing category. Unmet need for persons in families with children was split between transitional housing and permanent supportive housing.

The second part of Table 1A—the Continuum of Care Homeless Population and Subpopulation Chart—estimated the number of homeless, including various subpopulations. The number of homeless was estimated to be 185 individuals, which comprises 118 homeless individuals, 23 homeless families with children, and 67 persons in homeless families with children. Of the subpopulations, a total of 80 individuals are estimated to be chronically homeless, 69 have chronic substance abuse, 38 have a serious mental illness, 37 are associated with the Department of Corrections, 26 are victims of domestic violence, and 11 are veterans. Data on homelessness by race/ethnicity was not available.

### **2. HUD-Required Table 1B. Special Needs (Non-Homeless) Populations**

City staff used 2000 Census data, City information, and consultation with housing and service providers to estimate the number of non-homeless persons with special needs in Evanston. Estimates for these individuals are as follows:

- **Low-Income Elderly:** Chapter 1 noted that out of a total of 8,014 seniors, 534 seniors had incomes below poverty level (6.7%). HUD’s CHAS data indicated that there were a total of 1,605 low/moderate income seniors (20.0% of all seniors), of which 888 were renters and 717 were owners. Chapter 2 noted that there are 2,167 units for the elderly, of which 1,116 are for frail elderly and 376 are subsidized. For both elderly and frail elderly, the unmet need was estimated to be 10% of 1,605 low/moderate income seniors (roughly 160 persons).

**Table 1A. Homeless and Special Needs Populations.**

<b>Continuum of Care Housing Gaps Analysis Chart</b>		<b>Form HUD 40076 CoC-H</b>		
		<b>Current Inventory in 2004</b>	<b>Under Development in 2004</b>	<b>Unmet Need/ Gap</b>
<b>Individuals</b>				
<b>Example</b>	<b>Emergency Shelter</b>	<b>100</b>	<b>40</b>	<b>26</b>
<b>Beds</b>	Emergency Shelter*	47	-	-0-
	Transitional Housing	-	-	6
	Permanent Supportive Housing	25	4	64
	<b>Total</b>	<b>72</b>	<b>4</b>	<b>70</b>
<b>Persons in Families With Children</b>				
<b>Beds</b>	Emergency Shelter**	32	-	-0-
	Transitional Housing	40	5	34
	Permanent Supportive Housing	-	-	34
	<b>Total</b>	<b>72</b>	<b>5</b>	<b>68</b>

\* This number includes 1 bed provided by overflow/voucher capacity listed on the Housing Activity Chart.

\*\* This number includes 8 beds provided by overflow/voucher capacity listed on the Housing Activity Chart.

<b>Continuum of Care Homeless Population and Subpopulations Chart Form HUD 40076 CoC-I</b>				
<b>Part 1: Homeless Population</b>	<b>Sheltered</b>		<b>Unsheltered</b>	<b>Total</b>
	<b>Emergency</b>	<b>Transitional</b>		
<b>Example:</b>	<b>75 (A)</b>	<b>125 (A)</b>	<b>105 (E)</b>	<b>305</b>
1. Homeless Individuals	41(A)	1(A)*	76 (N)	118
2. Homeless Families with Children	8(A)	9(A)	6 (A)	23
2a. Persons in Homeless Families with Children	21(A)	29(A)	17 (A)	67
<b>Total (lines 1 + 2a)</b>	<b>62</b>	<b>30</b>	<b>93</b>	<b>185</b>
<b>Part 2: Homeless Subpopulations</b>	<b>Sheltered</b>		<b>Unsheltered</b>	<b>Total</b>
1. Chronic Homelessness	36 (A)		44 (N)	80
2. Seriously Mentally Ill	25 (A)		13 (N)	38
3. Chronic Substance Abuse	32 (A)		37 (N)	69
4. Veterans	4 (A)		7 (N)	11
5. Persons with HIV/AIDS	4 (A)		2 (N)	6
6. Victims of Domestic Violence	25 (A)		1 (N)	26
7. Youth	0(A)		2(N)	2
8. MISA (not including smi and csa above)	12 (A)		14 (N)	26
9. Dept. of Corrections association	9 (A)		28 (N)	37
9. Developmental Disability	-0-		1 (N)	1
10. Physical Disability	5 (A)		2 (N)	7

\*This individual was a victim of domestic violence and is housed in a YWCA transitional housing program normally designated as transitional housing for families.

- Frail Elderly: Chapter 1 noted that 1,462 persons were over age 85 in 2000 (18.2% of seniors). Chapter 2 noted that there are 1,116 units for the frail elderly. As aforementioned, the unmet need for frail elderly was estimated to be 10% of 1,605 low/moderate income seniors (roughly 160 persons).
- Persons with Disabilities: Chapter 1 noted that 9,188 persons were disabled in 2000, of which 1,683 persons had incomes below the poverty level (18.3%) and 2,722 were seniors (32.2%).
  - Physically Disabled: Chapter 1 noted that there were 1,177 persons with physical disabilities, almost 45% of which were seniors. Given that roughly 20% of persons with disabilities had incomes below the poverty level, it can be estimated that 235 were physically disabled. Chapter 2 noted that there were 63 units available for persons with physical disabilities, which does not include units in facilities for the elderly/frail elderly. Subtracting 63 from 235 produces an estimated unmet need of 172 persons.
  - Developmentally Disabled: Chapter 2 estimated that there were 890-1,180 persons with DD in Evanston based on the US prevalence rate of 1.2-1.6% of the population. A total of 88 are currently served in facilities. It is assumed that schools provide services for youth with DD, and wait lists are comprised of individuals with aging caregivers and/or those in need of a supported living arrangement for other reasons. It was estimated that 20% of 1,180 persons with DD were in this category (236 persons).
- Persons with Severe Mental Illness: As noted in Chapter 2, it is difficult to estimate the number of persons with severe mental illness, but Evanston has a disproportionate share of beds in IMDs (Evanston has 0.6% of the State's population but 6% of the State's beds in IMDs). For this reason, estimated unmet need was 1% of 608 (existing supply), or 6 individuals.
- Persons with HIV/AIDS: Chapter 2 noted that 114 persons were estimated to be living with HIV/AIDS in 2004 (54% Black, 34% White, 2% Hispanic/Latino). The number of new Evanston cases has been increasing at an average of 13 per year over the past five years, which serves as the estimated unmet need. Evanston currently has no housing specifically for persons with HIV/AIDS, but BEHIV provides financial assistance and other services.
- Persons with Substance Abuse: Chapter 2 noted that 798 low income Evanston residents were served in 2003-2004 out of a total of 991 Evanston residents and a regional total of 1,162 persons served. A total of 36 Evanston residents were dually diagnosed with mental health and substance abuse issues. Evanston currently has no housing specifically for persons with substance abuse, but services are available. City staff assumed that demand could increase by 10% over five years (roughly 80 persons, or 16 persons per year).
- Victims of Domestic Violence: Chapter 2 noted that 46 Evanston women and children were served in 2003-2004 out of a regional total of 471 women and children served. Because victims of domestic violence tend to stay in shelters outside of their community for safety reasons, it is difficult to estimate need. City staff assumed that demand could increase by 10 persons per year.

Using these estimates and other information obtained through consultation and public participation, a priority need level was assigned to each category, and goals were set annually and over five years. For the dollars reasonably expected to be available to address unmet need, City staff estimated the housing and/or service cost specific to each non-homeless special needs population and multiplied it by the number of persons in the unmet need column. Cost estimates were higher for those who may require housing and health care (e.g., frail elderly, persons with HIV/AIDS).

Developmental disabilities had the highest estimated number of persons (236 persons) but were given a medium priority due to the difficulty in estimating need and due to ongoing efforts, as noted in Chapter 2 (e.g., State level database for the disabled, school district programs for disabled youth). The estimated number of persons with physical disabilities (170 persons) was less than that for persons with

**Table 1B. Special Needs (Non-Homeless) Populations.**

<b>Special Needs Subpopulations</b>	<b>Priority Need Level</b>	<b>Unmet Need (Number of Persons)</b>	<b>Dollars to Address Unmet Need</b>	<b>Goals (Number of Persons)</b>
<b>Elderly</b>	M	10% of 1,605 = 160	\$5,000 unit/service cost x 160 = \$800,000	30 persons/year (\$150,000) 150 persons in 5 years (\$750,000)
<b>Frail Elderly</b>	M	10% of 1,605=160	\$10,000 unit/service cost x 160 = \$1.6M	15 persons/year (\$150,000) 75 persons in 5 years (\$750,000)
<b>Severe Mental Illness</b>	M	1% of 608 = 6 persons	\$5,000 unit/service cost x 6 = \$30,000	1 persons/year (\$5,000) 5 persons in 5 years (\$25,000)
<b>Developmentally Disabled</b>	M	20% of 1,180 = 236	\$2,000 unit/service cost x 236 = \$472,000	20 persons/year (\$40,000) 100 persons in 5 years (\$200,000)
<b>Physically Disabled</b>	H	235-63=172	\$3,000 unit/service cost x 172 = \$516,000	15 persons/year (\$45,000) 75 persons in 5 years (\$225,000)
<b>Persons with Alcohol/Other Drug Addictions</b>	M	10% of 798 = 80	\$1,000 service cost x 15 = \$15,000	15 persons/year (\$15,000) 75 persons in 5 years (\$75,000)
<b>Persons with HIV/AIDS</b>	M	13 new cases/year x 5 years = 65	\$5,000 service cost x 13 = \$65,000	5/year (\$25,000) 25 persons in 5 years (\$125,000)
<b>Other: Non-Homeless Victims of Domestic Violence</b>	M	15 persons per year x 5 years = 75 persons	\$1,000 service cost x 15 = \$15,000	15 persons year (\$15,000) 75 persons in 5 years (\$75,000)
<b>TOTAL</b>		954 persons	\$3.51M	116 persons/year (\$445,000/year), 580 persons in 5 years (60% of unmet need) for \$2.35M (67% of total funds needed)

developmental disabilities (236 persons), but they were ranked high because this category may include low income seniors (45% of the physically disabled were seniors in 2000). Low income elderly (160 estimated persons) and frail elderly (160 estimated persons) were given a medium priority because demand for housing assistance and services may increase due to the number choosing to age in place, medical advances that help people live longer, and increasing housing and health care costs.

### 3. HUD-Required Table 1C. Summary of Specific Homeless/Special Needs Objectives

Based on Tables 1A and 1B, City staff completed HUD-Required Table 1C, which summarizes homeless and special needs objectives over the next five years. Performance measures and five-year and annual goals were set for each objective. For the homeless, there is a need for additional permanent supportive housing, continued outreach to the unsheltered, and transitional housing for families. For the special needs populations, a need for coordination with efforts under the recently passed Cross-Disability Database was identified, as well as continued and enhanced education and outreach to seniors wishing to age in place.

**Table 1C. Summary of Specific Homeless/Special Needs Objectives**

Obj #	Specific Objective	Performance Measure	Expected Units	Actual Units
	<b>Homeless Objectives</b>			
H1	Increase permanent supportive housing for the homeless	# units in 5 years	14 units, 0 units, 1 <sup>st</sup> year 2 units, 2 <sup>nd</sup> year 3 units, 3 <sup>rd</sup> year 4 units, 4 <sup>th</sup> year 5 units, 5 <sup>th</sup> year	
H2	Maintain intensive outreach to unsheltered homeless to utilize the facilities and services of Hilda's Place Overnight/Transitional Shelter, and other mainstream services.	# individuals placed in shelter	10 persons, 2 persons per year for 5 years	
H3	Develop additional transitional housing for homeless families, including victims of domestic violence	# families served	10 families, 2 families per year for 5 years	
	<b>Special Needs Objectives</b>			
SN1	Coordinate with state efforts related to implementing the Cross-Disability Database Legislation	# meetings/discussions	5 meetings, 1 per year for 5 years	
SN2	Continue and enhance education and outreach to seniors wishing to age in place regarding programs (e.g., property tax exemptions, predatory lending, rehabilitation services)	# seminars  # communication efforts (e.g., brochure mailings, web site updates, city newsletter articles)	5 seminars, 1 per year for 5 years  10 efforts, 2 per year for 5 years	

### 4. HUD-Required Table 2A. Priority Needs Summary Table

HUD-required Table 2A outlines the priority housing needs for the City of Evanston and its goals over the next five years for meeting the housing needs of people below 80% of area median income. The table details the housing needs of low income renters and owners, including persons with special needs. The unmet need was garnered from HUD CHAS data. It tabulated the number of low income persons and households within a jurisdiction and calculated the percentage having housing problems, based on 2000 Census data regarding housing conditions and monthly rent or mortgage payments as a percentage of their income.

Housing problems are defined as having to pay more than 30% of monthly household income for housing costs (housing cost burden), or property issues such as inadequate plumbing or kitchen facilities. The housing cost burden for renters is defined as monthly rent and utility costs, and for owners as the monthly mortgage, tax, insurance and utility costs. Extreme housing cost burdens of greater than 50% are also shown.

The CHAS data breaks down housing problems for renters and owners by income levels:

- Extremely low income, <30% AMI
- Very low income, 31 – 50% AMI
- Low Income, 51 – 80% AMI
- Moderate, 81 – 95%
- All Households

For each income level, it shows the number of households in these categories:

- Elderly 1 and 2 member households
- Small Related ( 4 to 4 persons)
- Large Related (5 or more)
- All Other Households
- Total

The CHAS data then lists the percentages of households with any housing problems, and also shows percentages for a cost burden greater than 30% of income and for a cost burden greater than 50% of income.

For the purpose of completing Table 2A, City staff multiplied the number of households by type and income level times the percentage with *any* housing problem to arrive at the unmet need. For instance, there were 629 Elderly households with incomes under 30%, of whom 67.4% or 424 households (rounded up) had some type of housing problem. Staff then affixed a percentage, which varied by category, to the unmet need to determine a goal for the City to provide the needs.

The general priorities were assigned among the priority needs based on comments and surveys from Focus Groups and meetings, as well as expectations of resources available to the City. All categories were rated as a high or medium priority with the exception of non-elderly or non-related renters between 31 – 50% of income. These categories were rated low based on the assumption that those categories include many students or young adults starting out in the work force, who have the potential to increase their incomes and reduce their housing cost burden, or who can share housing space to reduce costs.

A medium priority was given to most of the categories in recognition that these are important needs that can be addressed through ongoing programs or new efforts. Current efforts include the City's Single Family Rehabilitation program for low income owner-occupants, multi-family rehabilitation loans for rental properties, rental unit code enforcement, and demolition of unsafe buildings.

High priorities were given to related renter households (small and large) between 31 and 80% of median income. Assisting low income renters with opportunities to live in affordable, safe, decent, and sanitary housing was consistently rated high in the City's Priority Needs Survey. Families below 30% of median received a medium priority because they would most likely need a rent subsidy in addition to an affordable rent, and the City's capacity to serve that need is limited. Persons between 31 and 80% are more likely to be able to make rent payments but face a shortage of affordable two, three, or four bedroom units.

With the appreciation of housing values over the last few years, acquisition costs have made rental rehabilitation projects less feasible to develop. A Planning Division analysis of multi-unit for-sale property listings between August and October of 2004 found only two out of six buildings with 12 or more units listed for less than \$100,000 per unit. A total of 27 two- to four-unit buildings throughout the City

**Table 2A. Priority Needs Summary Table.**

PRIORITY HOUSING NEEDS (Households)		Priority Need Level High, Medium, Low		Unmet Need	Goals
Renter	Small Related	0-30%	M	590	6
		31-50%	H	484	49
		51-80%	H	354	36
	Large Related	0-30%	M	84	6
		31-50%	H	79	8
		51-80%	H	155	16
	Elderly	0-30%	M	424	6
		31-50%	M	185	6
		51-80%	M	195	6
	All Other	0-30%	M	1345	60
		31-50%	L	785	6
		51-80%	L	674	6
	Owner	0-30%	M	429	50
		31-50%	M	487	50
		51-80%	H	937	94
Special Needs		0-80%	M	1209	60
<b>TOTAL GOALS</b>					<b>465</b>
<b>Total 215 Goals</b>					<b>365</b>
<b>Total 215 Renter Goals</b>					<b>190</b>
<b>Total 215 Owner Goals</b>					<b>175</b>

(including the CDBG Target Area) had asking prices that ranged from \$89,667 to \$475,000 per unit, with a median per unit price of \$219,500. Multi-family properties in need of repairs which might have gone into foreclosure or receivership in previous years have been sold to developers interested in converting them into condominiums.

Given these high acquisition costs, any multi-family rental affordable projects will require a greater subsidy and possibly more layered financing to make them feasible. The City has not used its HOME funds on this type of project in the last two or three years because of the difficulties of finding suitable property and putting together the financing. But without new affordable rental units, the housing cost burden for low income renters will only worsen.

The other High priority item was owner occupied housing for households between 51% and 80% of median. The City would like to facilitate new homeownership opportunities for households between 60% and 80% of income who are able to save some of their discretionary income for down-payment and reserves and can afford mortgage financing.

The goals for addressing these needs with CDBG and HOME funds ranged from 1% to 12% of the unmet need, with the average equating to the City addressing 5% of the need over the next five years. Section 215 goals are the percentage of goals where housing is brought completely up to local Property Maintenance Code.

