

Budget Activity: H A064 - Lead Based Paint Hazard Mitigation

Purpose: Ensure work performed within homes that contain lead-based paint is completed in a safe and healthy manner

Agency Goal: Improve the health and safety of communities and families

Priority of Government: Improve the safety of people and property and Improve the health of Washingtonians

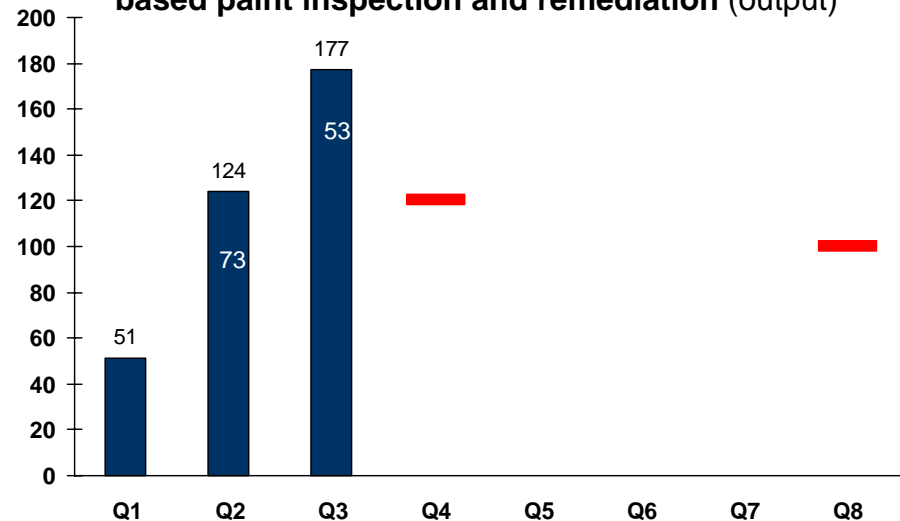
Analysis:

An EPA-funded lead hazard abatement program assures that contractors doing lead based paint work use lead safe work practices to avoid poisoning people, especially children under 7.

The annual target for this item has already been exceeded. The State of Washington has the lowest certification fees of the western states (\$25), which may continue to be a source of increased applications. Since certification can be granted in any state, many choose to be certified in Washington because of the low fee.

Program will be affected by the recently issued federal Renovation Rule, which will expand who must be trained and certified.

H005 - Number of firms and individuals certified in lead-based paint inspection and remediation (output)



Action Plan

Who

Timeframe

Attend Dept. of Ecology's Lead Chemical Action Plan advisory meeting

Cynthia Sanderson, Steve Payne, Pat McLachlan

May 1st 2008

Analyze EPA's final rule on renovation contractor certification.

Cynthia Sanderson

June 2008

Design and complete statewide conference for training providers.

Cynthia Sanderson, Diane Chrisler

Fall 2008

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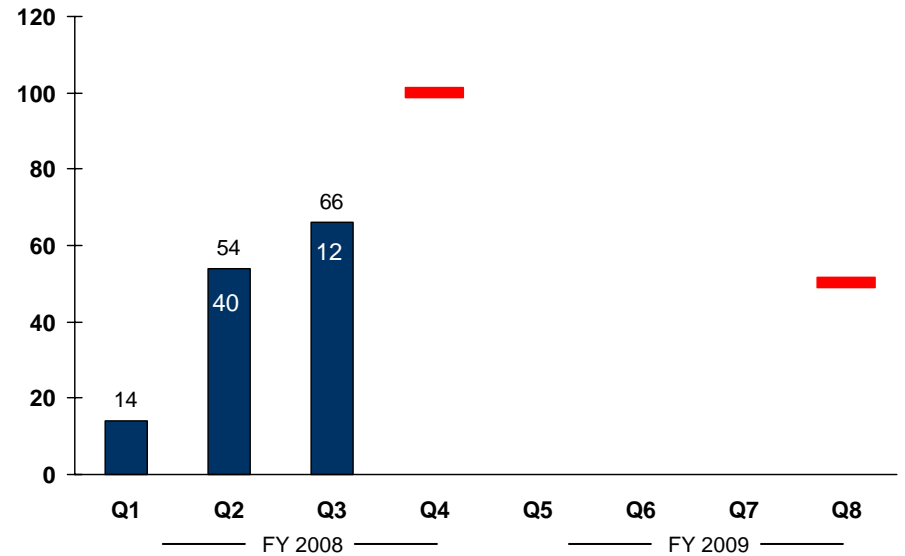
Analysis:

In Q3 production was down due to winter storms. Contractors are anticipated to complete more units in Q4 due to better weather (includes painting of exteriors to remediate lead-based paint hazards).

Additionally, Q3 production was lower than expected due to the difficulty in identifying homes suitable for mitigation (i.e. homes with children).

CTED has a 3 year competitive grant from HUD that will be completed by October 30, 2008. An application for a new 3 year grant is currently in the works (anticipated deadline: June 2008).

H006 - Number of units preserved through lead-hazard remediation (outcome)



Action Plan

Who

Timeframe

Conduct desk monitoring and conference calls to get a better picture of the reasons for low Q3 production

Pat McLachlan

Monthly

Re-apply for Lead Hazard Control Grant. Coordinating with 11 sub-grantees committed to second round of funding for Lead-Based Paint remediation.

Pat McLachlan, Meredith Angeli, Rachel Lilley

June 2008

Budget Activity: H A065 - Low Income Weatherization Program

Purpose: Improve energy efficiency and preserve affordability of low-income housing through energy conservation measures

Agency Goal: Improve the health and safety of communities and families

Priority of Government: Improve the safety of people and property and Improve the health of Washingtonians

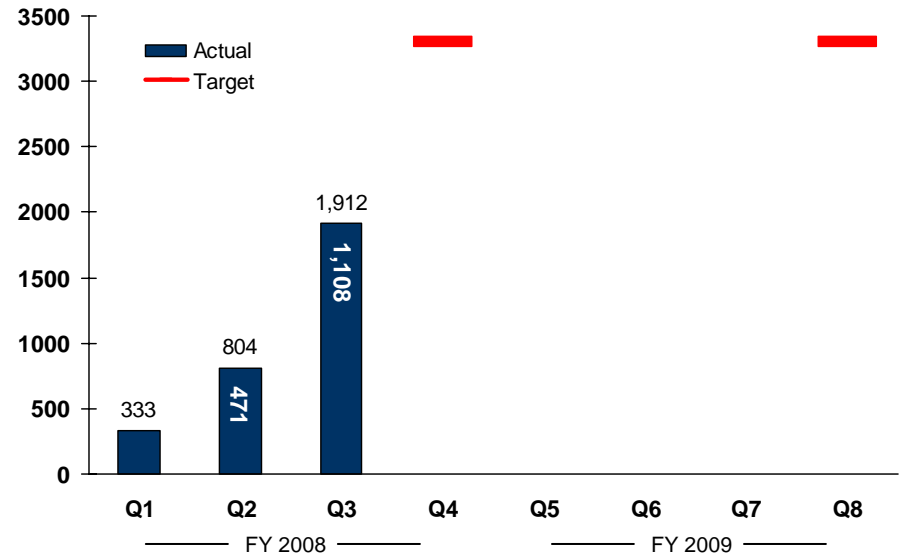
Analysis:

We expect to meet our annual target. Another large number of units is expected to be reported in Q4 because two high producing contractors will be closing out their contracts and reporting their multi-family units.

However, we might adjust our target, as it was based on historical cost per unit and production. Inflation, increased regulation, and costly requirements (repairs; and lead, mold, and asbestos hazards) have driven up per unit cost and therefore driven down overall production. Will work with stakeholders to determine whether our long-term production target needs to be reduced to more realistic levels.

Federal Disaster Response plan written & submitted.

H007 - Number of units preserved through weatherization (outcome)



Action Plan

Convene performance task force with stakeholders to review & problem solve production plans.

Who

Teri Ramsauer, Julie Palakovich, Lorelei Walker

Timeframe

June – October 2008

Additional Action Plan	Who	Timeframe
Coordinate with stakeholders to conduct weatherization site tour for Rep. Liias. Convene roundtable on sustainable and renewable technology opportunities in the weatherization program	Steve Payne, Teri Ramsauer, Julie Palakovich, Lorelei Walker	June – August 2008
Help establish, with stakeholder task force, a state-wide Client Conservation Education Plan.	Julie Palakovich	Deadline for Draft: October 2008
Gather data requirements for design of a centralized data system to allow production review as homes/projects are completed.	Lorelei Walker, IT	May – December 2008
Revise Energy Matchmakers rules to allow greater flexibility and help close funding gaps that hinder production.	Lorelei Walker	August 2008

Budget Activity: H A065 - Low Income Weatherization Program

Purpose: Improve energy efficiency and preserve affordability of low-income housing through energy conservation measures

Agency Goal: Improve the health and safety of communities and families

Priority of Government: Improve the safety of people and property and Improve the health of Washingtonians

Analysis:

Three quarters of the way through the contract period with only 45 percent of funds expended.

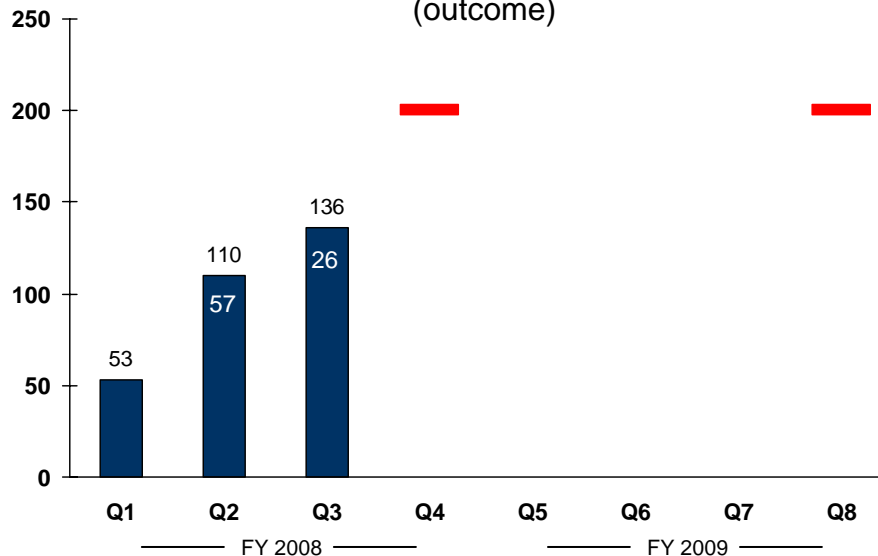
The program is dealing with a temporary bubble of funding created by contract consolidation and timing changes. This funding bubble was exacerbated by complex and cumbersome federal rules and low subcontractor availability during the hot housing market.

Rural contractors slowed down by winter snow and ice are completing more units as better weather returns.

The next contract cycle begins August 2008. Based on historical performance in expenditures and production, allocation will be adjusted and awarded. Higher producing contractors will receive higher awards.

Working with Lewis, Mason, Thurston and Grays Harbor county agencies on disaster response and funding needs.

H008 - Number of units preserved through rehabilitation (outcome)



Action Plan

Funds will be allocated by historical performance. The next contract cycle begins July 2008.

Who

Pat McLachlan

Timeframe

Beginning July 1, 2008.

Additional Action Plan	Who	Timeframe
Working with 3 agencies (Coastal; Lewis, Mason, Thurston; & Thurston County Housing Authority) regarding possibility of delivering storm relief HOME rehab to 3 counties.	Pat McLachlan	Ongoing through January 2009
Begin update work on required Rehab Standards & Contractors Manual. Includes contractor selection.	Pat McLachlan	Contractor selection by August 2008. Target completion: April 2009.

Budget Activity: H A068 - Mobile Home Relocation Assistance

Purpose: Provide financial reimbursement to low-income families displaced due to mobile home park closure

Agency Goal: Move low-income and vulnerable families to self-sufficiency

Priority of Government: Improve the economic vitality of businesses and individuals

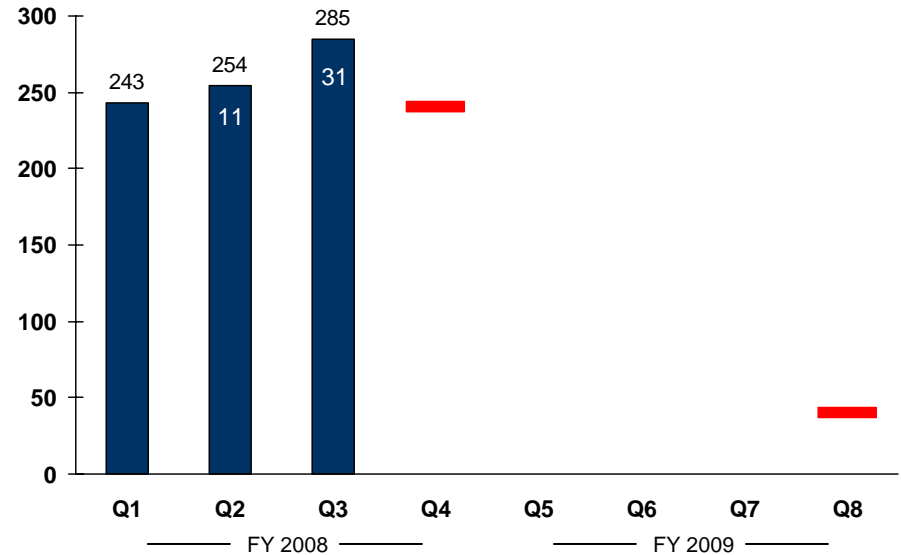
Analysis:

The program accessed a small fund balance to reimburse an additional 21 homeowners in Q3.

Higher number of homeowners served in Q1 due to one-time-only allocation from Governor’s budget (\$2 million). Targets for the second fiscal year are much lower due to a lack of available revenue. We only anticipate the waiting list and need for reimbursements to grow during FY09.

Targets are difficult to establish due to lack of predictably of park closures and the current 10 month waiting list may discourage applications for assistance.

H009 - Number of homeowners receiving relocation assistance (output)



Action Plan

Who

Timeframe

Convene stakeholder task force to review barriers & possible long-term solutions to help prevent mobile home park closures.

Kristi Aravena

May – August 2008

Review options, including WAC changes, to determine program administration best practices in light of increased demand for relocation assistance.

Kristi Aravena

August – December 2008

Budget Activity: H A153 - Farm Worker Housing

Purpose: Provide seasonal, permanent and emergency housing development for migrant and local farm workers

Agency Goal: Move low-income and vulnerable families to self-sufficiency

Priority of Government: Improve the economic vitality of businesses and individuals

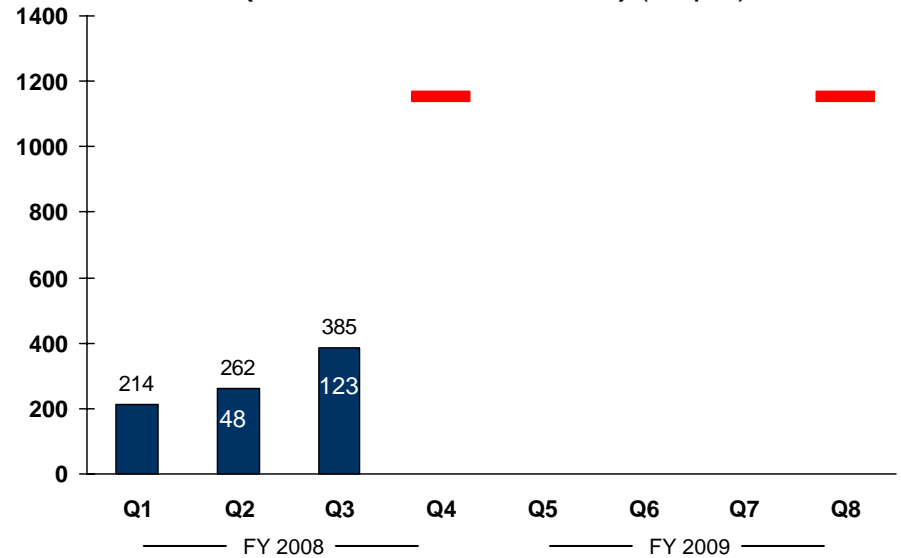
Analysis:

Original projections for all units/beds were based on projects *funded*, but actuals are being reported on beds *placed in service*; i.e., completed and available for occupancy. Based on units/beds *funded* to date (1,092), we are currently on target; however, the shift to *placed in service* has created a lag in numbers reported.

On-farm seasonal projects tend to be completed between crop seasons, with the bulk of projects placed in service in summer, just prior to harvest. Q4 numbers should bring actuals fairly close to projections but, overall, we will likely remain slightly under target.

Funding for on-farm infrastructure loans is currently 70% obligated and will likely be exhausted by Q6.

H011 - Number of farm worker units created (includes units and beds) (output)



Action Plan

Who

Timeframe

Work with stakeholders to develop program policies and guidelines for new on-farm construction loans.

Janet Abbett and Pat Arnold

May – July 2008

Revise FY09 targets to account for \$2 million supplemental appropriation for on-farm construction loans.

Janet Abbett, Jenny Greenlee, Cyndee Baugh

May 2008

Additional Analysis:

The 2008 supplemental appropriation to the HTF includes \$2 million for the development or preservation of on-farm seasonal housing. Currently, loans to agricultural employers are limited to infrastructure financing. This expansion of the program to include construction loans will allow additional beds to be created in FY09.

This measure includes both permanent (year-round) and seasonal housing. Seasonal housing includes both on-farm and off-farm projects. Each of these is funded through a separate process using different guidelines.

- Permanent projects are funded through the HTF’s biannual competitive process and are reported as “units.”
- Off-farm, or community-based, seasonal projects are funded through the HTF, but applications are accepted on an open-door basis. Projects are reported as “beds.”
- On-farm seasonal projects are funded through a separate program for agricultural employers. Projects are funded on an ongoing basis and are reported as “beds.”

Action Plan	Who	Timeframe
Revise FY09 targets to reflect projects <i>placed in service</i> vs. <i>funded</i> .	Janet Abbett, Jenny Greenlee, Cyndee Baugh	May 2008

Budget Activity: H A153 - Farm Worker Housing

Purpose: Provide seasonal, permanent and emergency housing development for migrant and local farm workers

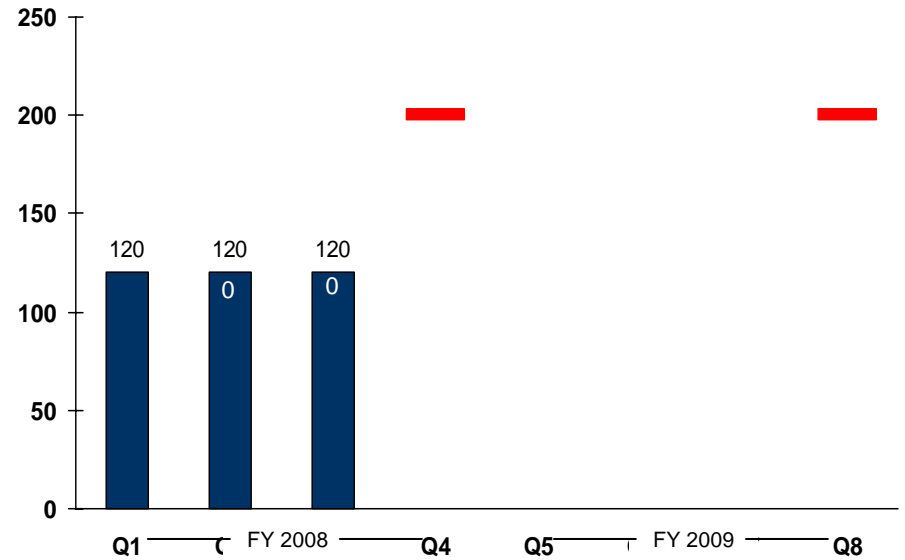
Agency Goal: Move low-income and vulnerable families to self-sufficiency

Priority of Government: Improve the economic vitality of businesses and individuals

Analysis:

Same as units created. See measure HO11.

H012 - Number of farm worker seasonal beds preserved (output)



Action Plan

Same as units created. See measure HO11

Who

Timeframe

Budget Activity: H A153 - Farm Worker Housing

Purpose: Provide seasonal, permanent and emergency housing development for migrant and local farm workers

Agency Goal: Move low-income and vulnerable families to self-sufficiency

Priority of Government: Improve the economic vitality of businesses and individuals

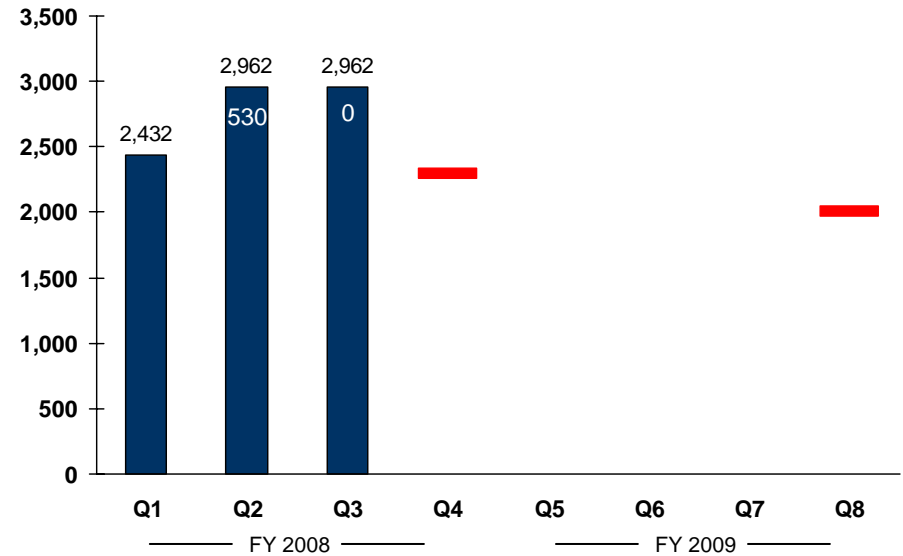
Analysis:

This measure includes seasonal projects supported with operating assistance and is reported as “beds.” It currently includes four migrant camps and the Rent-a-Tent program.

Due to the seasonal operation of these projects, data is reported only in those quarters that the beds are available for occupancy. It is a *duplicated* count, as it includes beds receiving operating support in any given quarter (i.e., a bed may be reported in more than one quarter).

Targets for FY08 have already been exceeded, due to increased participation by growers in the Rent-a-Tent program.

H013 - Number of farm worker seasonal beds supported (output)



Action Plan

No significant changes/activities anticipated at this time.

Who

Timeframe

Additional Analysis:

Targets are lower in FY09 due to the planned closure of the Pangborn camp (350 beds) at the end of '08. The Pangborn camp was funded under a 5-year contract with Douglas County and was intended to serve as an interim measure to provide critically needed seasonal housing while other longer term housing options were developed within the area. Since 2004, when the camp was opened, CTED has invested almost \$7.5 million to create 955 new seasonal beds in Chelan and Douglas Counties (382 community-based and 573 on-farm). All of these beds are expected to be available by the 2009 harvest season.

This measure is expected to remain on target through remainder of biennium.

Budget Activity: H A157 - Homeless Housing Assistance

Purpose: Provide a continuum of care that provides housing with supportive services so that individuals and families can move to permanent housing

Agency Goal: Move low-income and vulnerable families to self-sufficiency

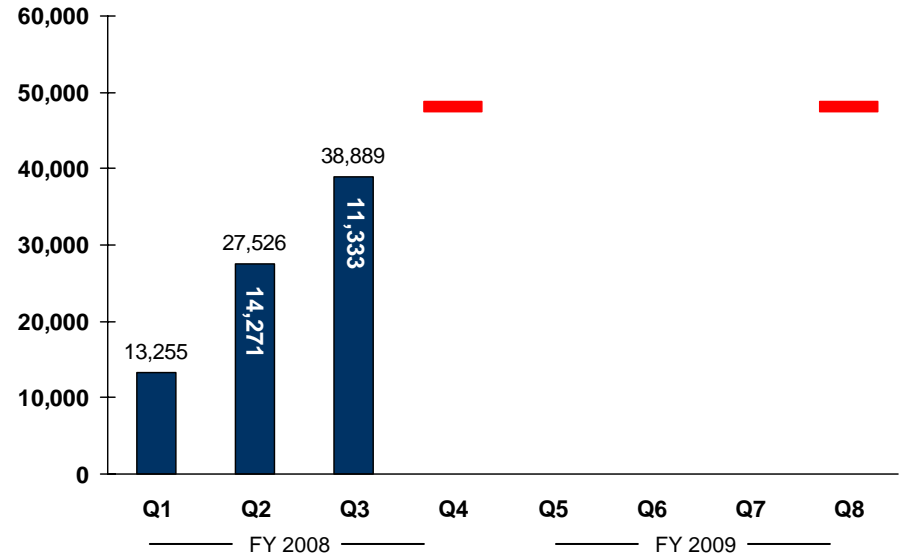
Priority of Government: Improve the security of Washington's vulnerable children and adults

Analysis:

We expect the target to be reached and possibly exceeded this year given the trends evident thus far. The third quarter data represents 85 percent reporting. Since we made significant changes to the reporting form and contractors are still adjusting to these changes we have allowed contractors additional time to get their reports in. It is also taking us time to reconcile inconsistencies in their reports.

We do not have a Homeless Management Information System (HMIS) fully deployed in the state. Without a HMIS fully functional and deployed, real time or even comprehensive monthly data is not possible. We anticipate that 40 percent of agencies in the state will be on-line with our new vendor supported software system by December 2008 and almost everyone on board by December 2009.

H014 - Number of individuals provided shelter (output)



Action Plan

We expect our contractors to become increasing adept at using the new reporting format resulting in more timely reports and fewer inconsistencies in their data. Therefore no particular remedial action is planned at this time.

Who

Kathy Giglio and Kathryn Stayrook

Timeframe

July 2008

Additional Analysis:

Our goal for the number of individuals provided shelter (48,000) by the end of the 2008 was derived from historical levels of service. This differs significantly with the Point-in-Time count that occurs annually in January of each year which identifies approximately 22,000 individuals as homeless in the state. The goal of 48,000 is the cumulative number of the people who should be provided shelter sometime during 2008. The Point-in-Time number only counts people who are homeless on one particular day. Both of these data points are important to track over time. Ideally, they should be unduplicated. They are both important because the Point-in-Time can count the people who typically don't access shelters and government services and the cumulative count tracks those who may revolve in and out of homelessness over the course of a year. By understanding the numbers of people who are episodically homeless as well as those who are chronically homeless we can design programs that address the very different needs of these varied populations.

Action Plan	Who	Timeframe
We plan to add a second tracking element to our monthly reports. We will be comparing the actual number of individuals provided shelter and the actual number of bed nights provided to each agency's own projections so we can evaluate if an agency is meeting its target.	Kathy Giglio and Kathryn Stayrook	July 2008

Budget Activity: H A157 - Homeless Housing Assistance

Purpose: Provide a continuum of care that provides housing with supportive services so that individuals and families can move to permanent housing

Agency Goal: Move low-income and vulnerable families to self-sufficiency

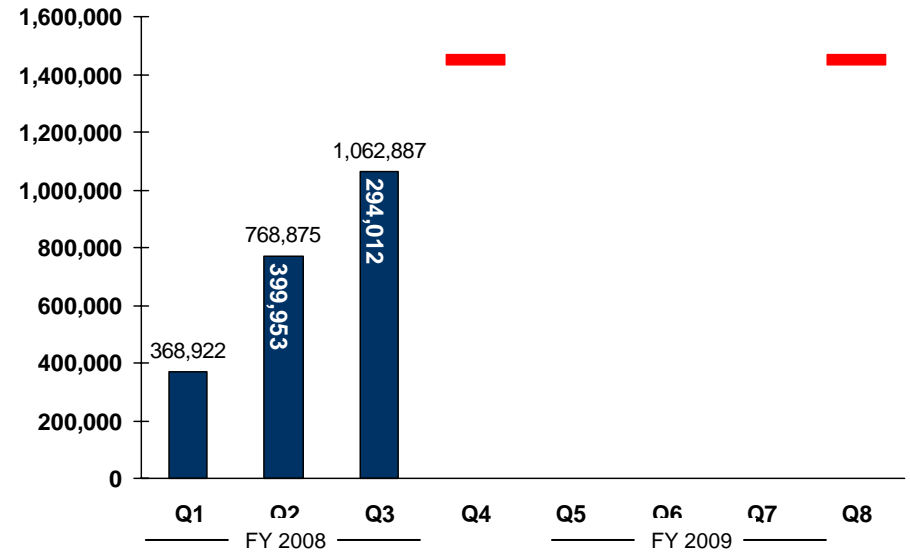
Priority of Government: Improve the security of Washington's vulnerable children and adults

Analysis:

Only 85 percent of our contractors have their reports recorded in the third quarter. One hundred percent of the reports are recorded for the 1st and 2nd quarters.

When we analyze the numbers of individuals provided shelter and the number of nights of shelter provided one of the things we look for is an increase in the number of individuals sheltered and a corresponding drop in the number of bed nights provided. Assuming that contractors maintained their level of capacity (no increase or decrease in beds), an increase in the number sheltered and a decrease in shelter bed nights would mean that people were staying in shelters for much shorter periods of time. This would be desirable as we want families and individuals to return to stable housing as quickly as possible.

H015 - Number of nights of shelter provided (outcome)



Action Plan

Introduce an additional tracking element to our monthly reports. We will be comparing the actual number of bed nights provided to each agency's own projections so we can evaluate if an agency is meeting its target.

Who

Kathy Giglio and Kathryn Stayrook

Timeframe

July 2008

Additional Analysis:

When we look at the first three quarters of SFY 2008, the average shelter stay has remained steady at 28 days. When we look over time, unfortunately, the length of stay has steadily increased since 2001. While families stayed an average of 22 nights in shelter seven years ago, today they are staying an average of 28 days instead. Providers report that one explanation for this longer stay is that there are not enough permanent units for households to move into after shelter. This appears to underscore the need for a significant increase in the number of affordable housing units in the state.

Budget Activity: H A157 - Homeless Housing Assistance

Purpose: Provide a continuum of care that provides housing with supportive services so that individuals and families can move to permanent housing

Agency Goal: Move low-income and vulnerable families to self-sufficiency

Priority of Government: Improve the security of Washington's vulnerable children and adults

Analysis:

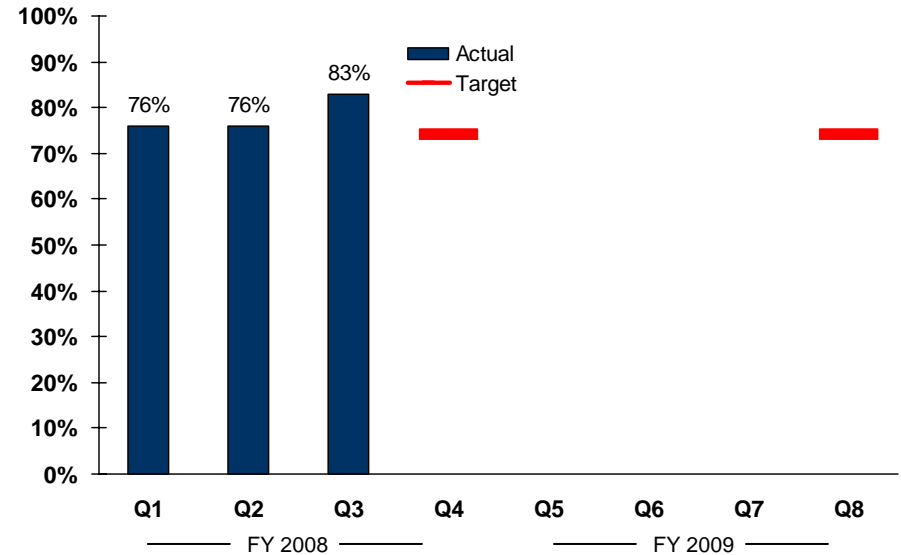
While it appears that a greater proportion of households are transitioning to permanent housing during the third quarter only 87 percent of the contractors have reported on this measure thus far. This percentage may go down as we obtain the rest of the reports from our contractors.

Our guidelines currently require agencies to only report data to us twice a year. We successfully reviewed and reconciled 100 percent of the reports for the first and second quarters of SFY 2008 and the results are included in this report.

Instead of waiting until the end of the year to present results for the second half of 2008, we asked our contractors to report on this particular outcome, on a monthly basis.

While only 87 percent of the third quarter results are in, we expect the remaining data to come in by the end of April 2008. We will work to revise our guidelines to require more frequent reporting once we know this reporting process is working for us and our contractors.

H016 - Percent of households exiting to permanent housing (outcome)



Footnote: only applies to Transitional Housing, Operating and Rent Program

Action Plan

Who

Timeframe

Collect remaining data for the third quarter .

Cheryl Bayle

May 2008

Develop and disseminate homeless families guidelines

Cheryl Bayle

May 2008

Additional Analysis:

The results in CTED programs are comparable to the results reported by Washington Family Funds and Sound Families (70 percent and 68 percent respectively). However, our numbers have been fluctuating over the past 2 to 3 years as we have modified our reporting forms and how we count placements into permanent housing. Year-to-date data, for example, shows a decrease in the percentage of households exiting to permanent housing as compared with SFY 07 (79% versus 82%, respectively). As we refine the definition of “permanent housing” to more accurately reflect true permanent housing options, we will continue to see somewhat inconsistent results as we work with our contractors to adjust to these changes.

Lastly, recent legislation added funds and expanded the eligibility for services in the Transitional Housing Operating and Rent Assistance (THOR) program that could lead to further adjustments to the targets for this activity area.

Action Plan	Who	Timeframe
Develop and disseminate new individual/families without children guidelines	Cheryl Bayle	July 2008

Budget Activity: H A158 - Housing for Vulnerable and Special Needs Populations

Purpose: Provide operating assistance to projects that provide housing and support services to low-income people living with HIV/AIDS or mental illness

Agency Goal: Move low-income and vulnerable families to self-sufficiency

Priority of Government: Improve the security of Washington’s vulnerable children and adults

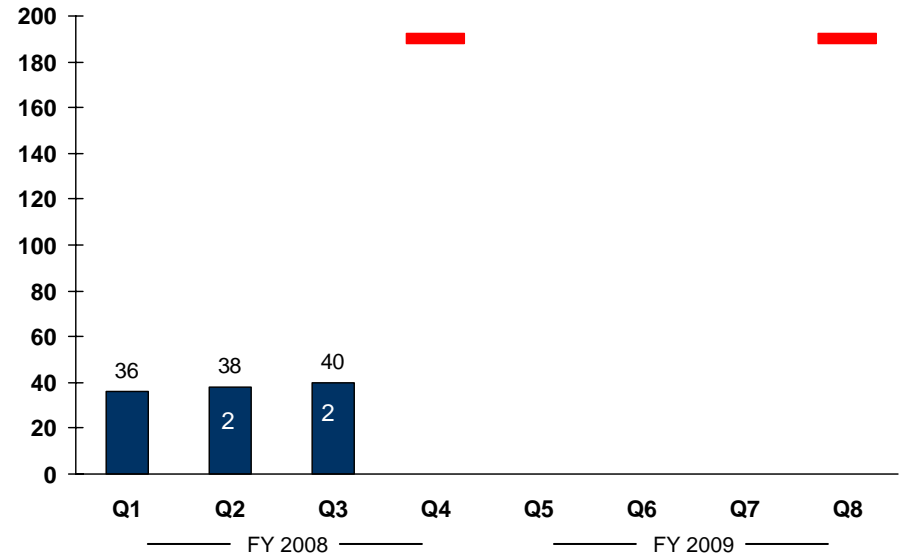
Analysis:

We have re-considered the data source we are tracking to report on this measure. We have decided to focus on one particular activity for this report because it would give a more accurate picture of the number of households assisted through rental vouchers. Given this change, the targets are now too high. Rather than 190 households, the annual target should be around 55.

We are pulling data from reports where it is clear that only rental assistance is being provided. We are not including reports that mix-in mortgage assistance or utility deposit assistance since we have no easy way to isolate rental assistance numbers from the rest of the numbers reported to us. We feel this change is presenting a clearer picture of the type of assistance provided to special needs households.

In the past, contractors reported to us on an annual basis. We are now collecting data, on this particular measure, on a quarterly basis.

H017 - Number of households assisted through rental vouchers (output)



Action Plan

Submit request to revise target to a more realistic level.

Who

Mollie Gaspar, Annie Conant, Jenny Greenlee, Cyndee Baugh

Timeframe

May 2008

Additional Analysis:

Something to keep in mind is that contractors typically lease-up their units at the start of the program year. In fact, most of the lease-ups are renewing leases for existing renters. Last year, of the 54 served, 50 of them continued to the next year.

When vacancies occur, after the program year has started, contractors have to weigh the benefits of enrolling someone when there is less time and money available to serve the person over the remaining months of the program. Typically, fewer households are added to the program over the course of the year unless a provider receives supplemental funding from another source enabling them to guarantee continued assistance if CTED funds run out.

Program participants are receiving on average \$355 per month in assistance. This program is fairly small and is only \$900,000 each year for the balance of state (excludes larger counties) and only a portion of this goes to rental assistance (on average \$108,000 per year).

Budget Activity: H A158 - Housing for Vulnerable and Special Needs Populations

Purpose: Provide operating assistance to projects that provide housing and support services to low-income people living with HIV/AIDS or mental illness

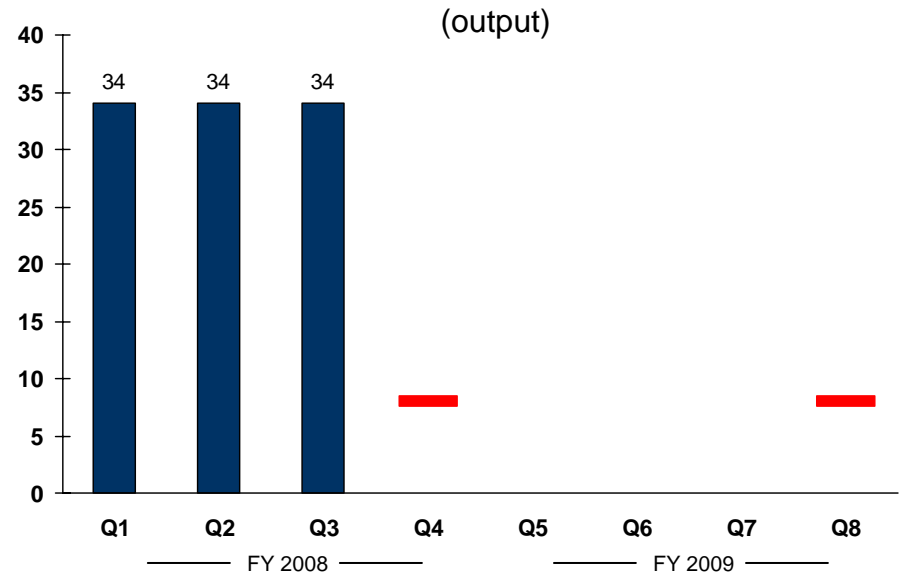
Agency Goal: Move low-income and vulnerable families to self-sufficiency

Priority of Government: Improve the security of Washington's vulnerable children and adults

Analysis:

We have exceeded the target for this measure. Upon further reflection, we might consider eliminating this measure since it seems the number of units that are tracked for this activity area are static and are unlikely to change. If we want to keep this performance measure, we need to revise the target for the next year.

H018 - Number of units provided operating support



Action Plan

Explore possibility of deleting this measure.

Who

Mollie Gaspar, Annie Conant, Jenny Greenlee, Cyndee Baugh

Timeframe

May 2008

Budget Activity: H A159 - Affordable Housing Development

Purpose: Provide affordable housing

Agency Goal: Move low-income and vulnerable families to self-sufficiency

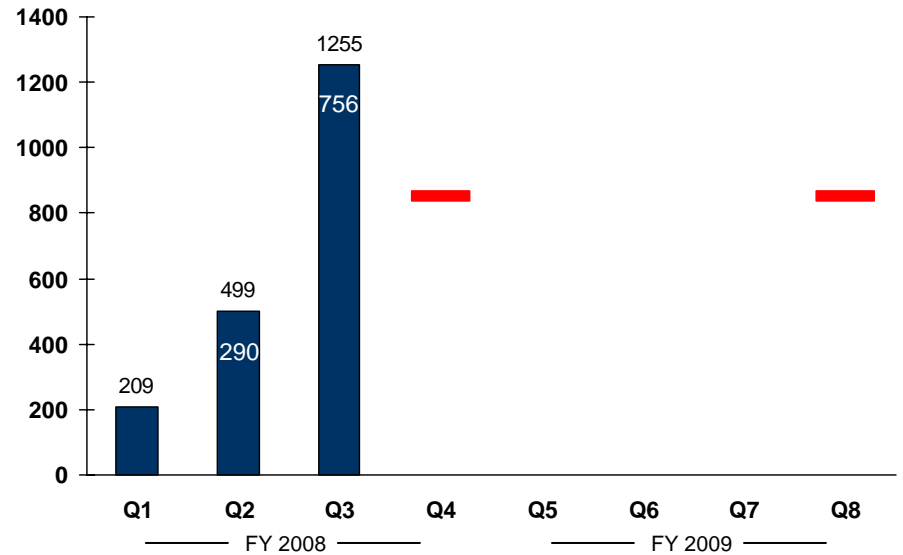
Priority of Government: Improve the economic vitality of businesses and individuals

Analysis:

Staff made a concerted effort within this past quarter, combined with implementing a newly defined “Placed in Service” process that yielded large results in moving projects out of the development category into “Placed in Service”. This created a large spike in the amount of units coming on line.

The new process addresses a gap, identified by staff, between the development phase of the project and its 40 year operating and maintenance phase. The new process implements several new internal tools and steps to ensure strong communication between the contract and asset management units within the HTF.

H020 - Number of units created (outcome)



Action Plan

Who

Timeframe

Review implementation of newly defined “Placed in Service” process

Dan Riebli and contracts team, asset management team and Robert King and compliance team

Dec 2008

Additional Analysis:

The current economic environment will have substantial impact on the amount of units that are placed in service. This will not be evident for at least another year, as projects take an average of two years to place in service, so many of the projects that are coming on line currently have had financing and bids in place. Many of the current projects we just funded are having considerable problems with completing their financing, which will impact our unit production in the future.

Analysis is beginning on income levels served and the structure of awards, at placed in service, which will then be compared to actual data reported annually for the 40 year contract period. Current annual report data shows actual income levels being served are way below the contracted amount, creating a potential financial hardship to projects, but supporting the mission of serving the lowest income highest need populations. For example, in this quarter, **87% of the units serve 50% AMI and below, but only 49% of the units are covered by recoverable grants or deferred loans, and likewise, only 13% of the units serve between 60% and 80% AMI, but 51% of the units have amortizing loans.**

Action Plan	Who	Timeframe
Seek ways to fill financing gaps and revisit HTF policy on investment per project	Lisa Vatske, HTF staff, policy advisory team and HFC staff	beginning immediately
Continue to assess and analyze income levels and award structure, balancing mission and financial viability for projects and HTF. Provide data and strategy to address this potential mismatch.	Jenny Greenlee, Lisa Vatske, OFM, Legislature	DP timeline and interim session

Budget Activity: H A159 - Affordable Housing Development

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Agency Goal: Move low-income and vulnerable families to self-sufficiency

Priority of Government: Improve the economic vitality of businesses and individuals

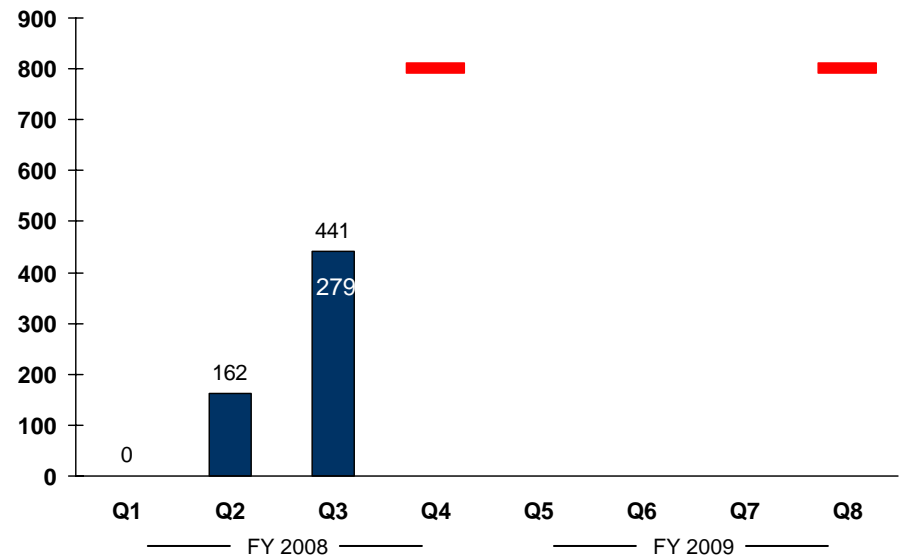
Analysis:

Difference between units created and preserved is a function of separating this measure, so targets may need to be revised when a trend has been established.

Although the authorizing statute 43.185 does prioritize preservation, the program responds to locally driven priorities. An increased amount of proposals are for new construction, signifying a need for additional housing stock beyond what may be currently available in local communities.

Many of the preservation projects that we fund are USDA or HUD funded projects. Typically, these projects have taken longer to place in service given the complexities and underlying regulatory issues that exist on transferring these properties. This may be a factor in realizing our targets as well.

H019 - Number of units preserved (outcome)



Action Plan

Who

Timeframe

See Action Plan for Number of Units Created.

Budget Activity: H A159 - Affordable Housing Development

Purpose: Provide affordable housing

Agency Goal: Move low-income and vulnerable families to self-sufficiency

Priority of Government: Improve the economic vitality of businesses and individuals

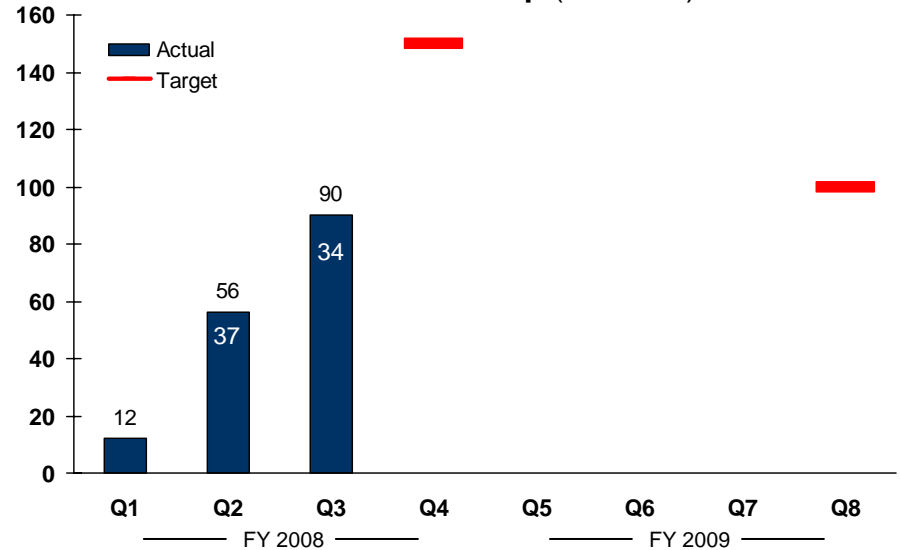
Analysis:

Although the original target may not be achieved in this first year, an additional 400 units are funded, which will mean second year target should be exceeded.

This measure represents actual units serving households. We have moved from measuring units funded to units actually placed in service and being occupied by households.

We are in our first year of transitioning the allocation of funding for homeownership to a process separate from the multi-family funding rounds. This will create variations in the data from our original target.

H021 - Number of low-income families provided homeownership (outcome)



Action Plan

Hold our second annual Homeownership Meeting focused on evaluating new allocation process, meeting the required Evergreen Sustainable Building Standard and discussion of current market challenges

Who

Lisa Vatske, Jan Navarre, Homeownership Lead, Greg Black, Evergreen Lead and stakeholders

Timeframe

June 2008

Additional Analysis:

Historically, the HTF has funded homeownership projects at about 12 percent of overall funding. This historical spending was used to create the first pool of funding for the Homeownership Program, representing \$14 million for this biennium. Based on the supplemental budget, an additional amount of \$4.5 million will be allocated and available for homeownership. Setting aside money for homeownership has created additional stability for these programs and recognizes the significant differences between multi-family projects and homeownership programs.

Current market conditions, including tightening of mortgage products and credit scores could substantially impact the amount of homeownership opportunities created.

In addition, assistance per household has been capped at a maximum of \$50,000. Several current proposals have requested additional amounts per household and given the current market conditions may need to be considered. Increased investment per households will also effect the outcomes.

Additional Action Plan	Who	Timeframe
Continue to assess, evaluate and implement new allocation process	Lisa Vatske, Jan Navarre	Mini funding round in July 2008 for existing programs. Open funding round in December 2008 for new and existing programs
Re-evaluate targets based on market conditions, actual production and supplemental budget.	Lisa Vatske	Dec 2008.
Partner with Habitat of WA state to provide full training on meeting the Evergreen Sustainable Building Standard	Greg Black, Evergreen Lead and Maureen Howard, Habitat of WA, ED	Fall 2008

Budget Activity: H A159 - Affordable Housing Development

Purpose: Provide affordable housing

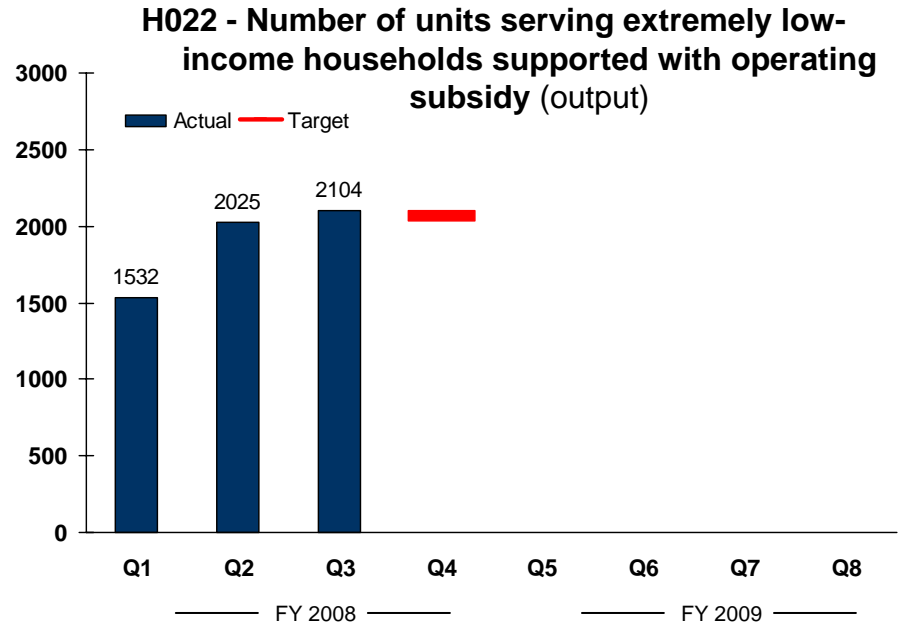
Agency Goal: Move low-income and vulnerable families to self-sufficiency

Priority of Government: Improve the economic vitality of businesses and individuals

Analysis:

The Operating & Maintenance Fund (O&M) is used to support projects that have received capital dollars from the HTF. O&M awards are used to fill the gap between project income and eligible operating and maintenance costs. Funds are awarded only in amounts appropriate to the size of the gap.

Program elements include 20 year commitments for new projects in the HTF portfolio and 5 year commitments on existing projects for budget gap reduction and buy down of income levels. All contracts are subject to annual renewal based on review of actual project reimbursements and budgets for the following year.



Action Plan

Who

Timeframe

Develop system for monitoring and trending revenue stream

Tanya Mercier and division budget staff

System in place by June 2008, trending revenue

Program strategic plan and assessment of expenditures

Lisa Vatske, Tanya Mercier and stakeholders

Every June

How target was set:

Data Source:

Additional Analysis:

Prior to 2007, 5 year budget gap awards were made in an effort to spend down the account balance that accumulated during the start-up phase of this program. 5 year buy-down awards were made during this period as well and these contracts were meant to transition existing units above 30% AML to serve even lower income households. This funding activity will result in a 5 year “cliff;” meaning, potentially 1,331 units will go unsupported after 2010. Currently, there are no new 5-year budget gaps or buy-down contracts being awarded.

There are 472 units supported by 20-year award terms and with each HTF funding round this number should increase. Asset Managers, through the HTF workout process, may occasionally utilize O&M funds to provide support to projects already in the HTF portfolio. Through these two processes, the number of units and projects supported with O&M funding will continue to grow. Additionally, there are 301 units supported by contracts for one-time funding of reserves, that provide either reserve funding to projects or allow projects revenue for capital improvement expenses.

The O&M revenue stream is based on a county-wide document recording fee. It is expected that this revenue stream will ebb and flow with the economic environment and program staff are anticipating a temporary downturn in proceeds from recording fees. There is tension in managing the current resources between spending down the balance and maintaining a strategic reserve to ensure the necessary resources are available to meet the existing ongoing years of commitments. Stakeholder input and OFM guidelines have led to establishing a strategic reserve equal to approximately 3 months of expenditures, which at this time is \$1.5 million.

Allotments vs Expenditures (YET) - 3rd Quarter FY 2008

400 - Housing

Subprogram Title	Biennium Dollars Allotted	Allotted Dollars YTD	Expenditures YTD	Variance YTD	Variance %
Home Investments Partnership Program	25,179,003	10,238,110	5,813,091	4,425,019	43.22%
Housing Admin	1,620,533	527,153	521,129	6,024	1.14%
Housing Assistance	38,450,758	10,938,112	8,095,883	2,842,229	25.98%
Housing Assistance / Affordable Housing	16,251,326	5,653,459	6,230,576	(577,117)	-10.21%
Housing Preservation	30,180,162	9,494,885	9,177,034	317,851	3.35%
Office of Manufactured Housing	3,324,660	2,518,112	2,501,658	16,454	0.65%
Division Totals	115,006,442	39,369,831	32,339,371	7,030,460	17.86%

Grant disbursements to local communities for housing programs are moving more slowly than originally planned. These funds support the construction, acquisition or rehabilitation of affordable housing units and create rental and homeownership opportunities statewide for very low-income people. The funds are committed and it is anticipated that expenditures will soon reach plan-to-date levels. To account for this lag the division has submitted allotment changes based on more accurate assumptions regarding the timing of spending. The over-expenditure in Affordable Housing is related to the Operation and Maintenance program and reflects earlier-than-anticipated spending. The program recently changed to monthly reimbursements from quarterly and is therefore spending the money more quickly.

FTE Usage (YTD)

Subprogram Title	Biennium Staff Months Allotted	Allotted Staff Months YTD	Actual Staff Months YTD	Variance YTD	Variance %
Home Investments Partnership Program	198.24	49.62	41.49	8.13	16.38%
Housing Admin	149.92	37.3	46.56	-9.26	-24.83%
Housing Assistance	329.64	81.96	83.26	-1.3	-1.59%
Housing Assistance / Affordable Housing	656.64	164.02	173.85	-9.83	-5.99%
Housing Preservation	246	63.9	78.96	-15.06	-23.57%
Office of Manufactured Housing	84.6	22.8	24.76	-1.96	-8.60%
Division Totals	1665.04	419.6	448.88	-29.28	-6.98%