

An Enterprise Approach to Housing Affordability: A CPHD.DHS Collaboration

COUNTY MANAGER'S
PROPOSED FY 2022 BUDGET

County Board Work Session

Tuesday, March 9, 2021, 3:00 p.m.



AHIF and DHS Programs Work Together

CAFs provide a supply of units for Housing Grants families

CAFs provide a permanent supply of units for the PSH program

About 94% (1,170) of Housing Grants households live in CAFs

Housing Grants subsidies help fill the affordability gap for families living in CAF units

Case management and additional financial support are sometimes necessary to ensure housing stability

Collaboration on emergency programs and eviction support



COVID Response and Eviction Prevention

Financial Assistance

- Requests for emergency assistance have increased more than 3x

Service Coordination

- Coordinating with Sheriff's Office, courts, and service providers

Policy and Advocacy

- Regional Eviction Prevention Task Force

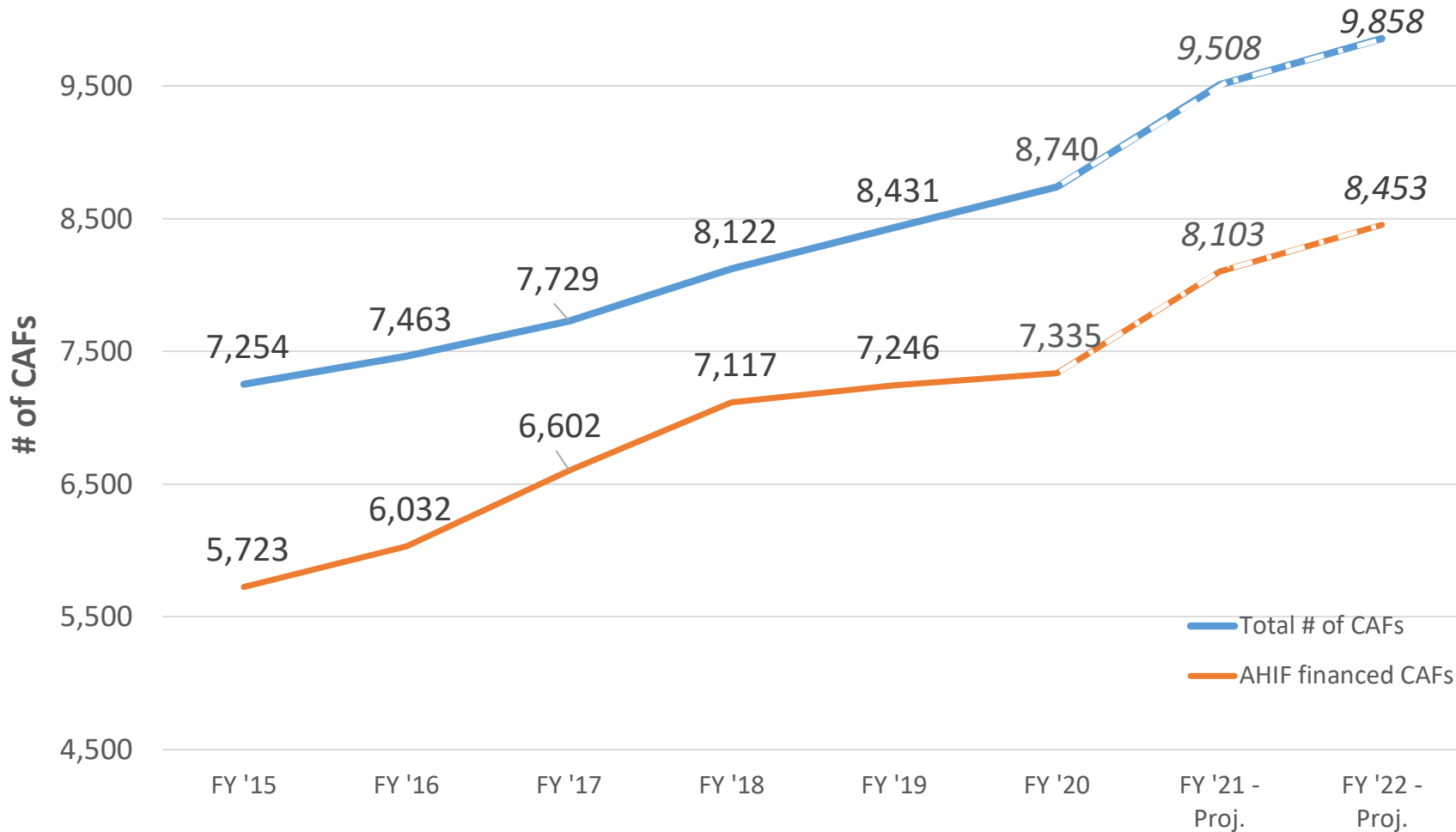
Outreach and Education

- Flyers, workshops, PSAs
- Updated online resources

AHIF as an Affordable Housing Tool

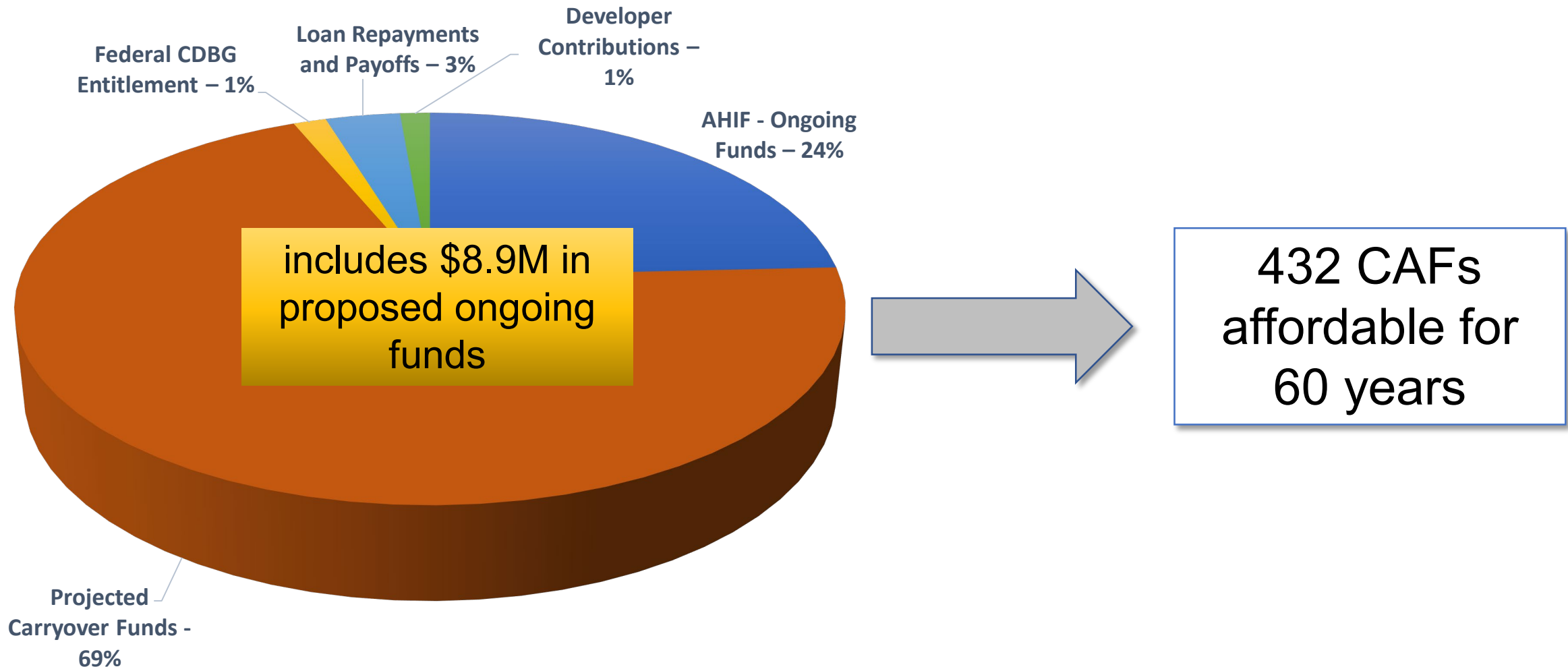
- County is a mission-driven lender
 - Goal is to create and preserve committed affordable units (CAFs) affordable to families earning 30%-60% of the area median income (AMI) for 60 years or more
- AHIF is used for residual receipt / cash flow loans
 - \$133 million in loan repayments received to-date
 - 42% of loans have paid in full
- County Board has approved over 100 loans
 - \$401 million allocated to-date

AHIF Supports CAF Production



- AHIF is the primary source of funding for CAFs in Arlington
- CAFs are also created through site plan and form-based code

Projected FY 2022 Budget - \$36,681,812



Multifamily Loan Waivers Provide COVID Support

- County waived \$2.3 million in multifamily loan repayments through December 31, 2020.
 - These payment waivers helped address rent and vacancy losses and other COVID-related emergency needs at CAF properties.
- Waiver extensions for FY 2022 were approved in February 2021
 - Tenant protections at these properties extended through December 31, 2021.
 - Extension of these waivers will assist properties with significant rental income loss and deferred maintenance due to COVID.

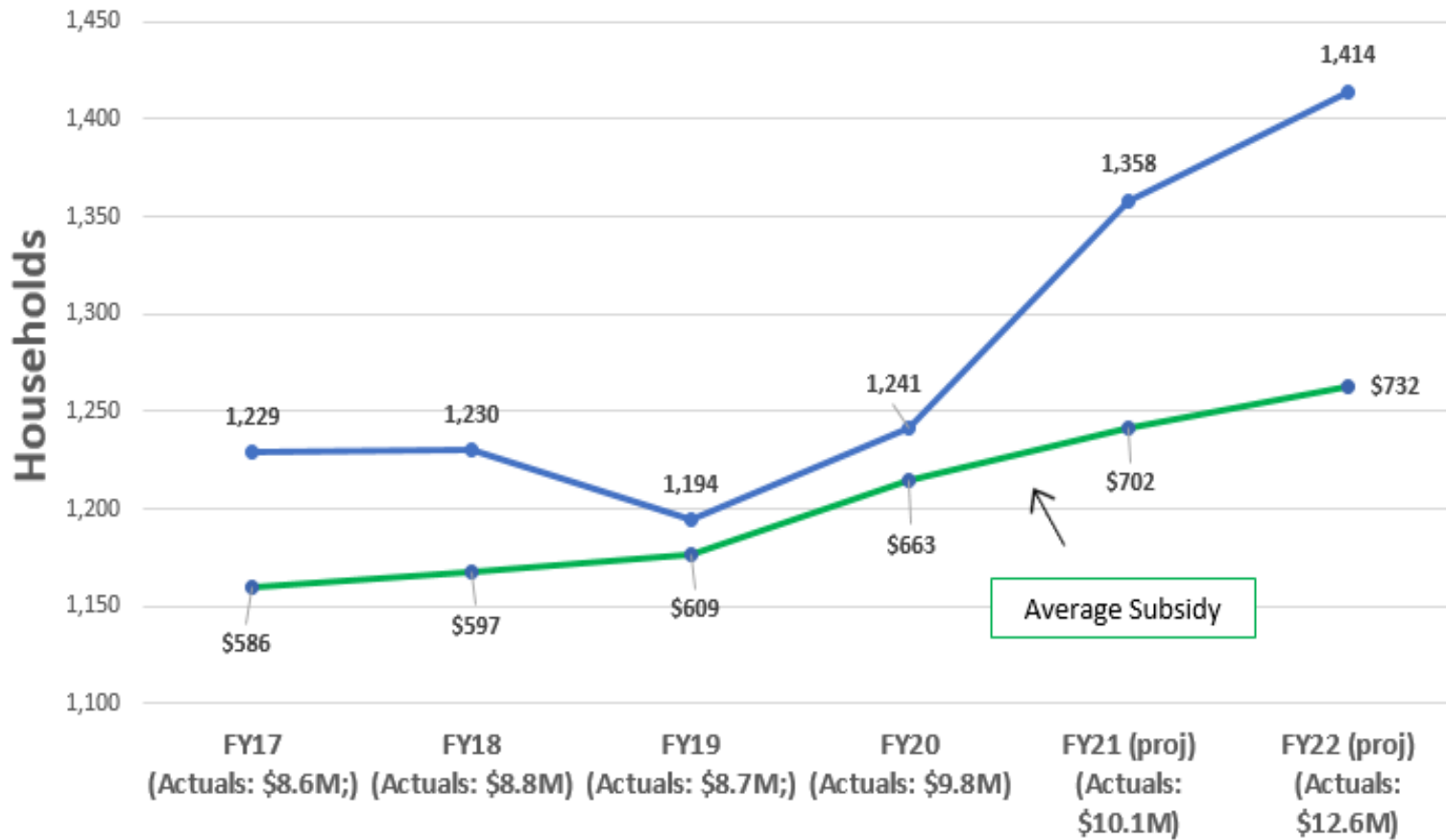
Capital Needs Assessment & Inventory Support Portfolio Needs

- Approximately 50 properties in the County's multifamily loan portfolio.
- Staff monitor the health of these properties through physical and financial inspections.
- Properties with aging systems have more operational challenges; repairs are costly.
- Staff is developing a plan to identify property needs and research funding options that may enable a more comprehensive capital needs approach to the County's portfolio.



Housing Grants

Housing Grants: Number of Households in Program



The FY 2022 proposed budget increases \$2.5 million (\$1.3M ongoing; \$1.2M one-time) over FY 2021; from \$10.1M to \$12.6M

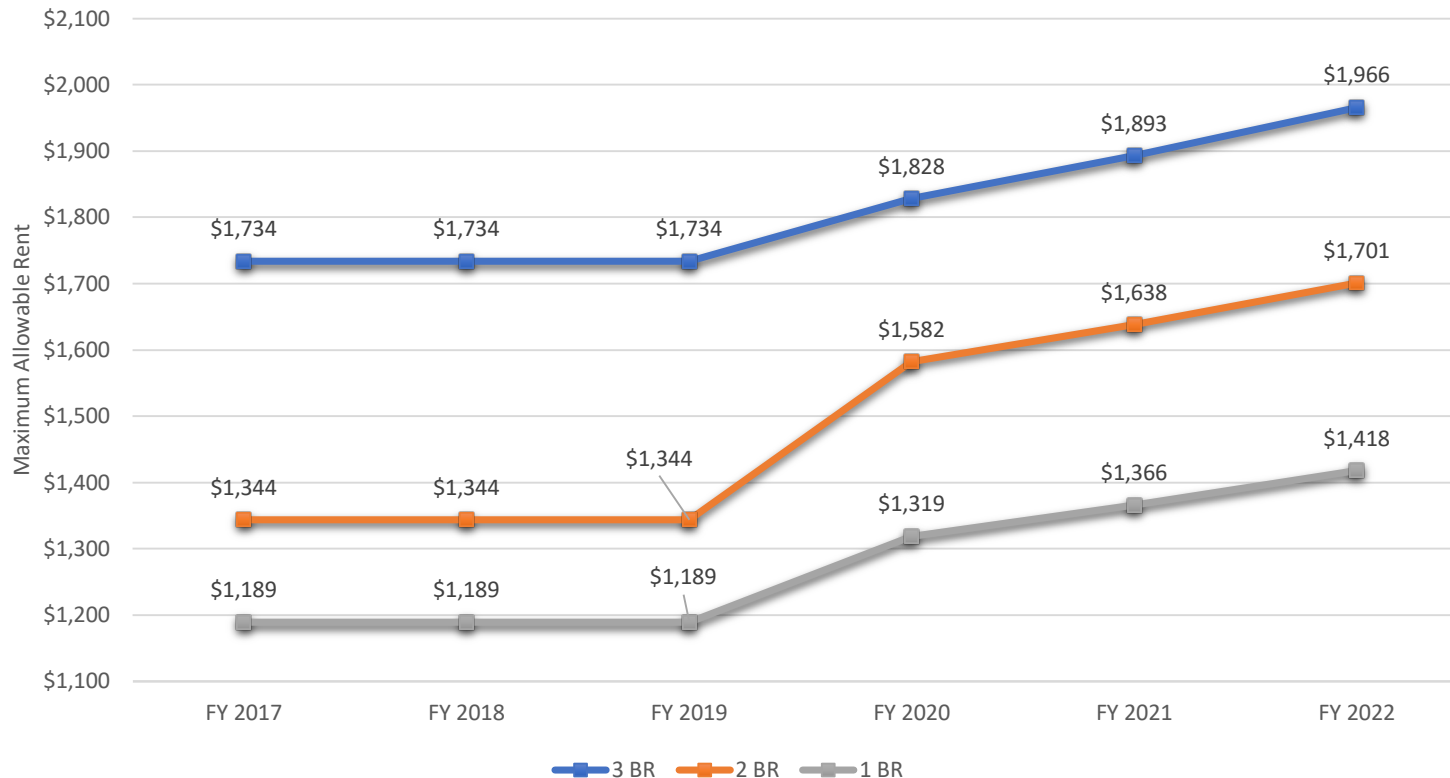
1,167 (94%) of clients reside in Committed Affordable Units (CAFs)

The FY 2022 projected average monthly grant is \$732; total projected expenditures are \$12.6M. Participation is projected to increase 4.1% (56) over the FY 2021 level

Approximately 1,018 (88%) households have incomes less than 30% AMI

Housing Grants – Maximum Allowable Rent (MAR)

Housing Grants Maximum Allowable Rent (MAR)

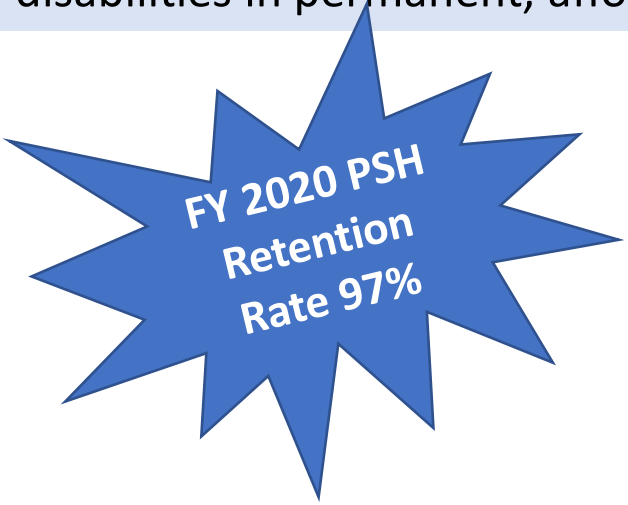


Prior to FY 2020, the Housing Grants MAR was capped at the 2010 level making it difficult for clients to locate an affordable unit and caused households to contribute more than 40% of their income towards rent

Beginning in FY 2020, the County Manager approved increasing the MAR to the current 60% AMI level on an ongoing basis.

Permanent Supportive Housing (PSH)

Purpose: Local and State funded rental assistance program aimed to house and support low-income adults with disabilities in permanent, affordable apartments.



FY 2020 PSH
Retention
Rate 97%

Eligibility requirements:

- Arlington County residents with a documented disability
- Participants must be referred to the program by a DHS case manager
- Income must be at or below 40% of the area median income
- Applicant must have documented housing insecurity (*e.g. homelessness, released from behavioral health facility, etc.*)

- ❖ Approximately 32% (97) of PSH participants have held housing placements in scattered site apartments longer than 6 years.
- ❖ PSH year-over-year retention rates exceed 95%.
- ❖ Clients receive case management services
- ❖ The program waitlist has approximately 50 clients who wait an average of 7-9 months before securing housing.

PSH FY 2022 Locally Funded

Base Budget: \$2,477,424

FY 2022 Supplement: \$591,595

Total Budget: \$3,069,019

Projected Households Served: 261

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