

Housing Commission
 FY 2025 Arlington County Budget Analysis
 &
 Draft Recommendations to the County Board

FY 2025 Arlington County Budget Analysis

Program	Total Funding	One-Time Funding
Housing Grants	\$15,077,676.00	N/A
	<ul style="list-style-type: none"> • FY24 funding was \$14,424,603; FY23 funding was \$14.3M • Adds a pilot time-limited Housing Grants eligibility category for youth aging out of foster care (up to 3 years) • Budget adds two new positions (\$233,517) to support the increase in Housing Grants caseloads and to fund the Housing Grants Program entirely from ongoing funding • Housing Grants still require recipients to pay 40% of their income towards rent instead of 30% as approved by the County Board in FY2022 • In FY 2025, the projected number of households served will increase 5 percent, from 1,478 to 1,551. Currently, 87.6 percent of Housing Grants clients are at or below 30 percent of Area Median Income (AMI). 	
Program	Total Funding	One-Time Funding
Permanent Supportive Housing	\$5,653,347 (\$3,457,065 in local funding)	\$0
	<ul style="list-style-type: none"> • FY24 funding was \$5,370,900 (\$3,757,065 in local funding); FY23 funding was \$5,273,359 • The number of contracted units are projected to increase to 362 in FY 2024 and 382 in FY 2025 	
Program	Total Funding	One-Time Funding
Eviction Prevention	\$2,326,442 (\$1,653,716 in ongoing funds)	\$672,726
	<ul style="list-style-type: none"> • FY24 funding was \$ 4,638,374M; FY23 funding was \$5.4M • Allocates \$2.3 million of ongoing funding in the FY 2025 budget as the program transitions to a more stable long-term level, and adds two additional positions (\$250,878) for eviction prevention efforts to further support the elevated caseloads. 	
Program	Total Funding	One-Time Funding
	\$20,462,456 (\$9.7M in ongoing funds)	\$10M

Affordable Housing Investment Fund (AHIF)	<ul style="list-style-type: none"> • FY24 funding was \$20.5M (\$15.3M in AHIF plus CPTIF balances); FY23 funding was \$18.7M • \$0.8 million of FY25 AHIF funding comes from Federal HOME funding budgeted in the Community Development Fund • \$15M in one-time funds (in addition to \$20.5M AHIF allocation) to pay down Barcroft line of credit principal. The anticipated debt service for this project will be \$7.4 million for FY25. A total of \$22.4M for Barcroft debt in FY2025. • CPHD anticipates needing all available funds for existing projects (Barcroft, CH, etc.) and any funds not utilized may be used to leverage federal funds advertised via the County's January 2024 Request for Letters of Intent and/or used to support future preservation projects. • FY 2025 proposed budget includes \$20.5 million in AHIF funding, which coupled with funding from the Columbia Pike TIF, will meet the debt service costs on the \$150 million line of credit used to support the County's loan to the Barcroft project while also supporting other pipeline projects such as Crystal Houses. • No Notice of Funding Availability (NOFA) for FY2025; a continuation from FY2024 and FY2023 	
Program	Total Funding	One-Time Funding
Columbia Pike Tax Increment Financing Area (TIF)	\$2,020,838	N/A
	<ul style="list-style-type: none"> • FY24 funding was \$ \$5,822,566; FY23 funding was \$1,453,260 • \$2M allocated to Barcroft debt service and remaining funds allocated to fund 2 positions within CPHD • Beginning with the FY 2024 budget, both balances and new revenue in this TIF were dedicated to the County's largest investment in preserving affordable housing along Columbia Pike – preserving the affordability of the 1,335-unit Barcroft Apartments. Funding from the TIF will be coupled with AHIF funding to pay principal and debt service on the \$150 million line of credit provided by the County in December 2021 to support the acquisition of the property by Jair Lynch Real Estate Partners. 	
Program	Total Funding	One-Time Funding
Office of Human Rights	\$968,437	N/A

	<ul style="list-style-type: none"> • FY24 funding was \$964,563; FY23 funding was 872,578 • Unclear if there is funding allocated for fair housing testing • Allocates \$46,753 to Fair Housing 	
Program	Total Funding	One-Time Funding
CAF Inspections	\$150,000	N/A
	<ul style="list-style-type: none"> • CAF Inspections – FY24 funding provided \$150,000k to inspect 2,200 CAF units and the County Manager proposes that this funding continue in FY25. 	
Program	Total Funding	One-Time Funding
Homelessness Services	\$4,968,227	
	<ul style="list-style-type: none"> • Adds \$500,000 in ongoing funding to enhance case management at these shelters and to increase bed capacity, resulting in a total program budget of \$4.9 million. • Allocates \$2,249,120 for Comprehensive Homeless Services Center - Single adult, Family and Domestic Violence shelters (operated by Pathforward, New Hope Housing Doorways and Bridges to Independence) • Allocates \$322,653 for Transitional Housing Grants - The transitional (Rapid rehousing) housing contracts have been eliminated/repurposed to CMO nonprofit NOFA pool. • Allocates \$2,349,915 for Homeless Shelter Programs • Allocates \$46,539 for Centralized Access System Homeless Prevention - A renewable, state, targeted prevention grant for at-risk households facing Eviction. 	
Program	Total Funding	One-Time Funding
Housing Choice Vouchers	\$26,638,864	N/A
	<ul style="list-style-type: none"> • Housing Choice Vouchers are funded by the U.S. Department of Housing and Urban Development 	

Draft Recommendations to the County Board

Potential Housing Commission Budget Recommendations for consideration during March 7th commission meeting:

1. Increase AHIF funding to \$30M to ensure that the county has additional funds in upcoming fiscal years to contribute to increases in CAF supply. There are several upcoming (re)development projects for CAFs that are at risk of not having AHIF funding at a time when construction costs and interest rates are making affordable housing development more expensive.

2. Provide adequate funding for the implementation of the Long-term Strategies for Improved Oversight and Tenant Support at Aging CAF Properties issued in April 2022 and the recommendations from the Joint Subcommittee on the Status of Aging Properties Serrano Report issued in October 2022.
 - a. Increase staffing for CPHD Housing Division including a Deputy Director position.
 - b. Increase funding for the formation and support of resident councils at CAF properties.
3. Provide adequate funding for the implementation of Regional Fair Housing Plan (Approved by the Board in Summer 2023) goals and strategies.
 - a. Provide additional funding for the Office of Human Rights to do expanded Fair Housing Testing in FY2025.
 - b. Provide additional funding to the Office of Human Rights to expand enforcement of Source of Funds protection (once the County Board amends the Human Rights Ordinance) to ensure that residents with housing grants and housing choice vouchers are not denied housing illegally.
4. Provide funding to modernize the Housing Grant's IT system to address ongoing problems with its administration.
5. Provide adequate funding for the implementation of the county's strategic plan to functionally end homelessness in the next four years including:
 - a. More short-term rental subsidies (like flexible Rapid Rehousing) that also create pathways for undocumented residents to stable housing
 - b. Supportive services resources to attract and retain case managers to do the work
 - c. More behavioral health resources and Permanent Supportive Housing
 - d. A continued portfolio of housing for all subsidized households on the low-income stream.
6. Provide adequate funding for regular equity analysis for all housing and planning projects.