

# An Enterprise Approach to Housing Affordability: A CPHD/DHS Collaboration

COUNTY MANAGER'S PROPOSED FY 2021 BUDGET

**County Board Work Session**

March 2, 2020 @ 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 92% (1,170) of Housing Grants households live in CAFs

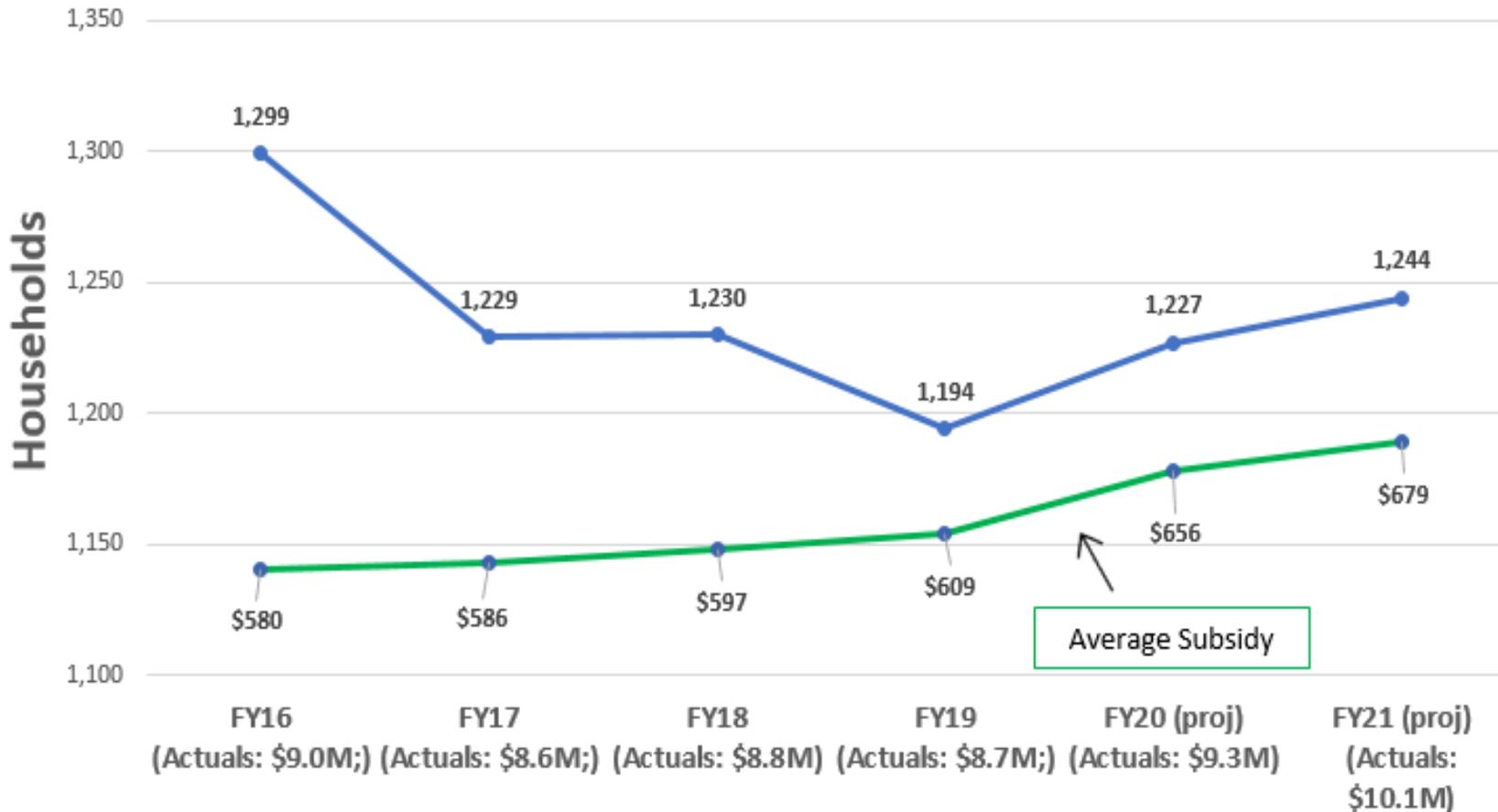
Housing Grants subsidies help fill the affordability gap for families living in CAF units

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



# Housing Grants

## Housing Grants: Number of Households in Program



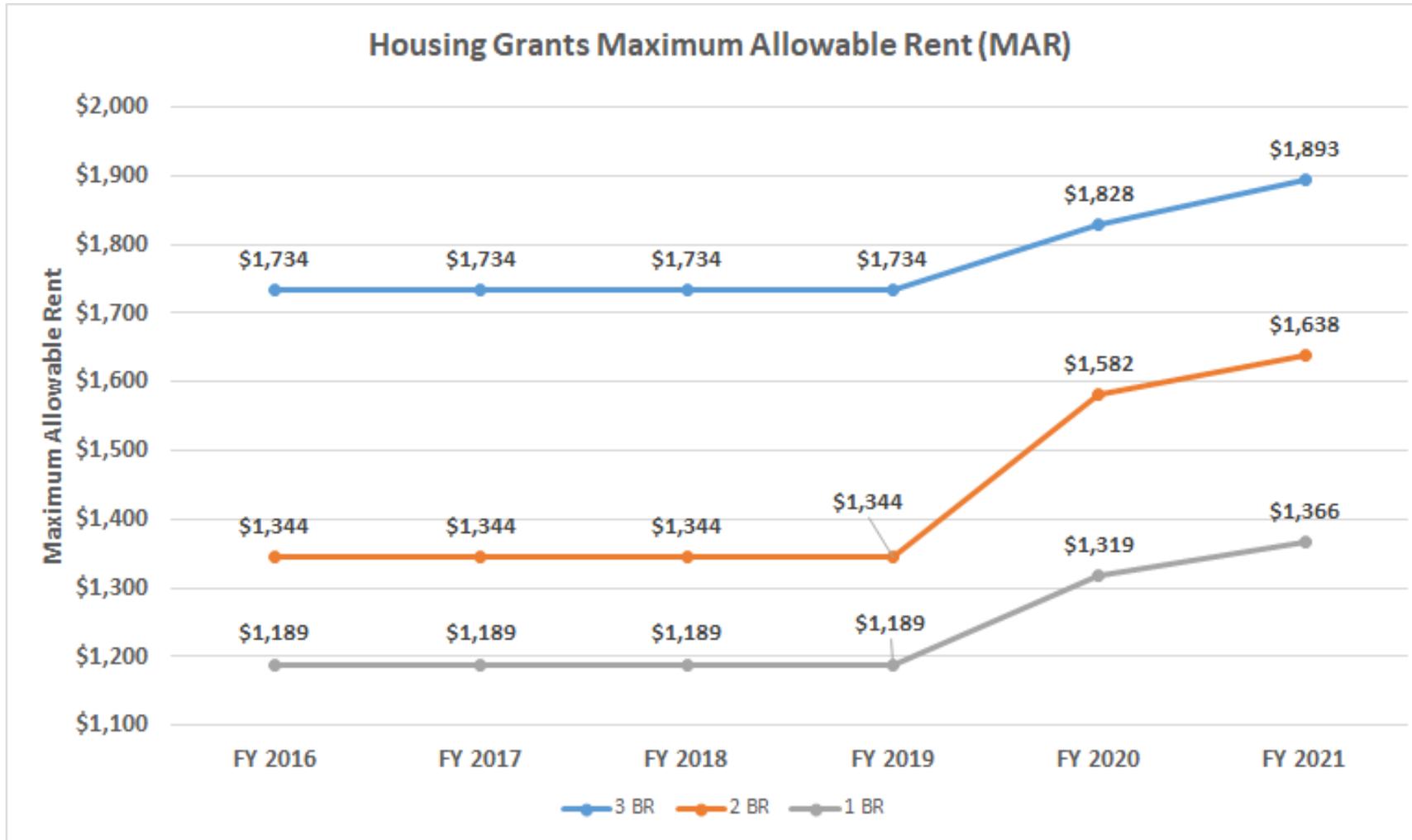
The FY 21 proposed budget includes an additional \$801,781 in ongoing funds.

1,170 (92%) of clients reside in Committed Affordable Units (CAFs)

FY 21 projected average monthly grant is \$679; total projected expenditures are \$10.1M. FY 2020 participation is projected to increase 2.7% over the FY 2019 level.

As of 6/30/19, 1,018 (83%) households have incomes less than 30% AMI

# 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 MAR has been increased to the current 60% AMI level on an ongoing basis.

# Permanent Supportive Housing (PSH)

As of 6/30/19, 204 households (94%) reported incomes less than 30% AMI; 13 households (6%) had incomes less than 40% AMI.

The program waitlist has approximately 60 clients who wait an average of 6-8 months before they secure housing. The last budget increase occurred in FY 2014 – \$388,850 was added to increase the budget from \$1.6 million to \$2.06 million. **For FY 2021, the County Manager has proposed adding \$412,554 to the ongoing budget.**

	FY 2018	FY 2019	FY 2020 (Projected)	FY 2021 (Projected)
Available Units (as of 6/30)	246	256	265	280
Occupied Units (as of 6/30)	204	217	223	233
New Units	Clarend. Court - 10 Total: 10	Columbia Hills - 10 Total: 10	Gilliam Place - 9 Total: 9	Apex I - 2 Apex II - 13 Total: 15
Average Monthly Grant	\$898	\$929	\$944	\$951
Adopted Budget	\$2,064,870	\$2,064,870	\$2,064,870	\$2,064,870
On-Going Supplement	-	-	-	\$412,554
Total Budget	\$2,064,870	\$2,064,870	\$2,064,870	\$2,477,424
Expenditures	\$2,104,552	\$2,391,824	\$2,435,520	\$2,477,424
(Over)/Under Budget	(\$39,682)	(\$326,954)	(\$370,650)	\$0

# PSH Program Staffing Increases

## PSH Housing Locator (Management Analyst)

### Service Impacts

---

- A 1.0 Housing Locator is included in the FY 2021 budget to recruit landlords for PSH and other programs in Arlington's Continuum of Care (CoC) serving the homeless, disabled, elderly and low-income residents of Arlington. Other duties include coordinating housing placement options for homeless individuals and families exiting emergency shelters.
- The PSH program continues to grow – over the last four years, the number of occupied units increased 14%, from 204 in FY 2018 to 233 in FY 2021.
- Since program inception, PSH has been staffed with a 1.0 PSH Supervisor and 1.0 Case Manager. No locally-funded FTEs were added to support the annual household growth.

### Budget Impact

---

**Expense: \$105,618**

### Staff Impact

---

**☐ 1.0 Management Analyst FTE  
(\$105,618)**

# PSH Program Staffing Increases

## PSH Case Manager (Management Specialist)

### Service Impacts

---

- A 1.0 Case Manager is included in the FY 2021 budget to provide stable permanent housing support and case management for persons with disabilities. Supports include assisting clients find and lease affordable housing, coordinate with shelter and institution client reentries, and conducting home visits.
- As client needs become more complex, the current level of PSH staffing is inadequate to support disabled clients obtain and maintain housing
- The current average caseload for PSH case managers is 1:80. With the additional case manager, the average case load will be 1:60.

### Budget Impact

---

**Expense:** **\$91,293**

### Staff Impact

---

**☐ 1.0 Management Specialist FTE  
(\$91,293)**

# Young Adult Foster Care Subsidy Pilot

Transition-aged youth programs are an innovative, evidence-based system of supports for young adults aged 18 – 24 to prepare them for independent living by acquiring the skills necessary to reside successfully on their own. To increase the likelihood of successful independent living, participants receive case management and wrap-around services. Program outcomes include increased participation in treatment, higher employment rates, greater enrollment in higher education and a reduced amount of substance abuse.

In FY 2021, the program's housing subsidy component is funded with \$251,736.

Funding is projected to meet the housing needs of approximately 17 youth aging out of Arlington's foster care.

The monthly subsidy will offset the costs of housing and housing-related expenses up to a maximum subsidy cap.

Case management and wrap-around services will be provided by a clinician experienced in treating young adults aging out of foster care.

# Young Adult Foster Care Subsidy Pilot

Case Manager

## Service Impacts

---

- To increase housing stabilization and successful independent living, a Case Manager is included in the FY 2021 proposed budget to provide case management and other wrap-around services to clients
- The Case Manager will have a caseload of ~17 young adults receiving a subsidy to ease the burden of rent and other costs of living while enrolled in a higher education program.

## Budget Impact

---

**Expense:** **\$91,293**

## Staff Impact

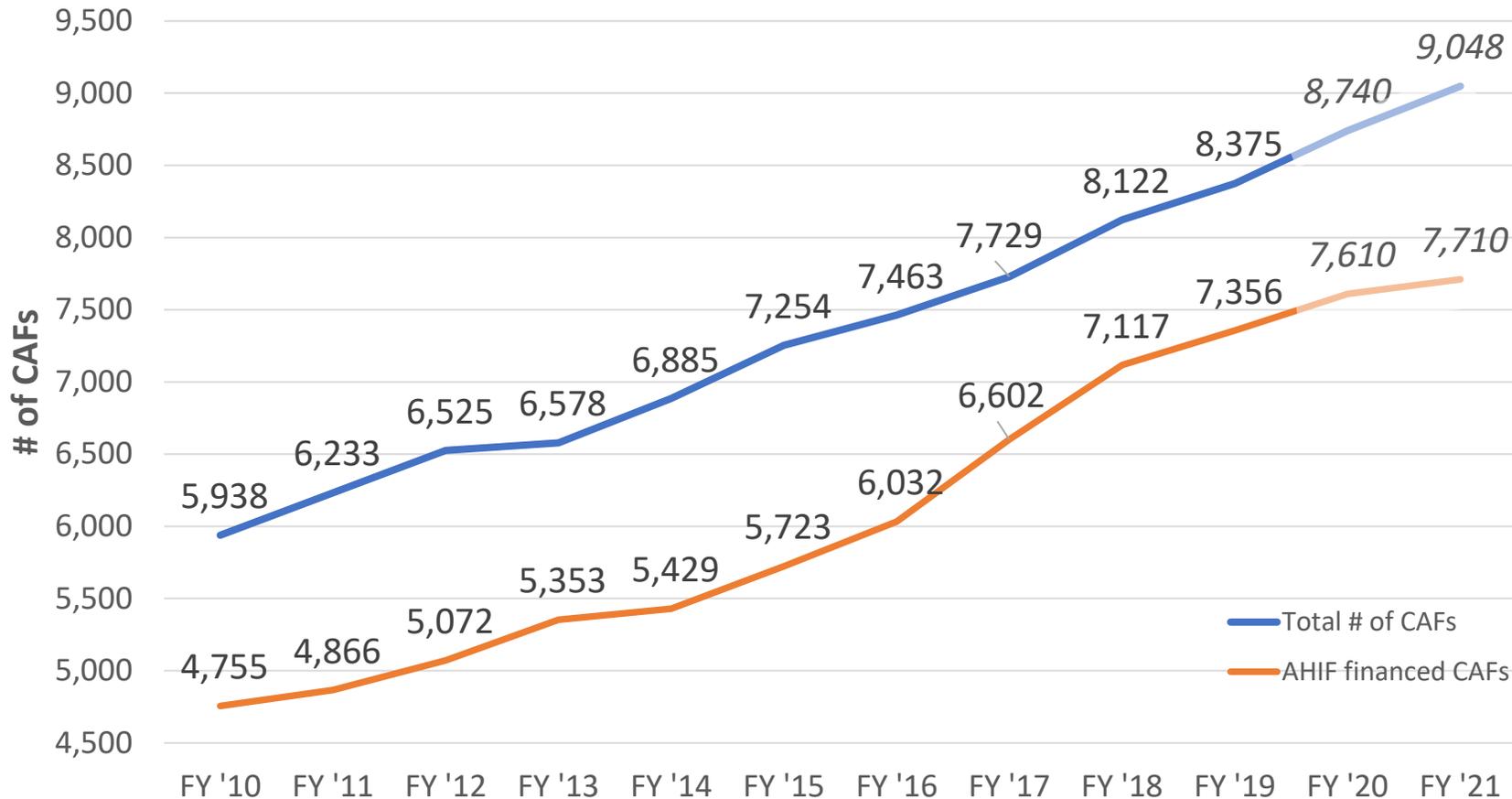
---

**☐ 1.0 Management Specialist FTE  
(\$91,293)**

# AHIF as an Affordable Housing Tool

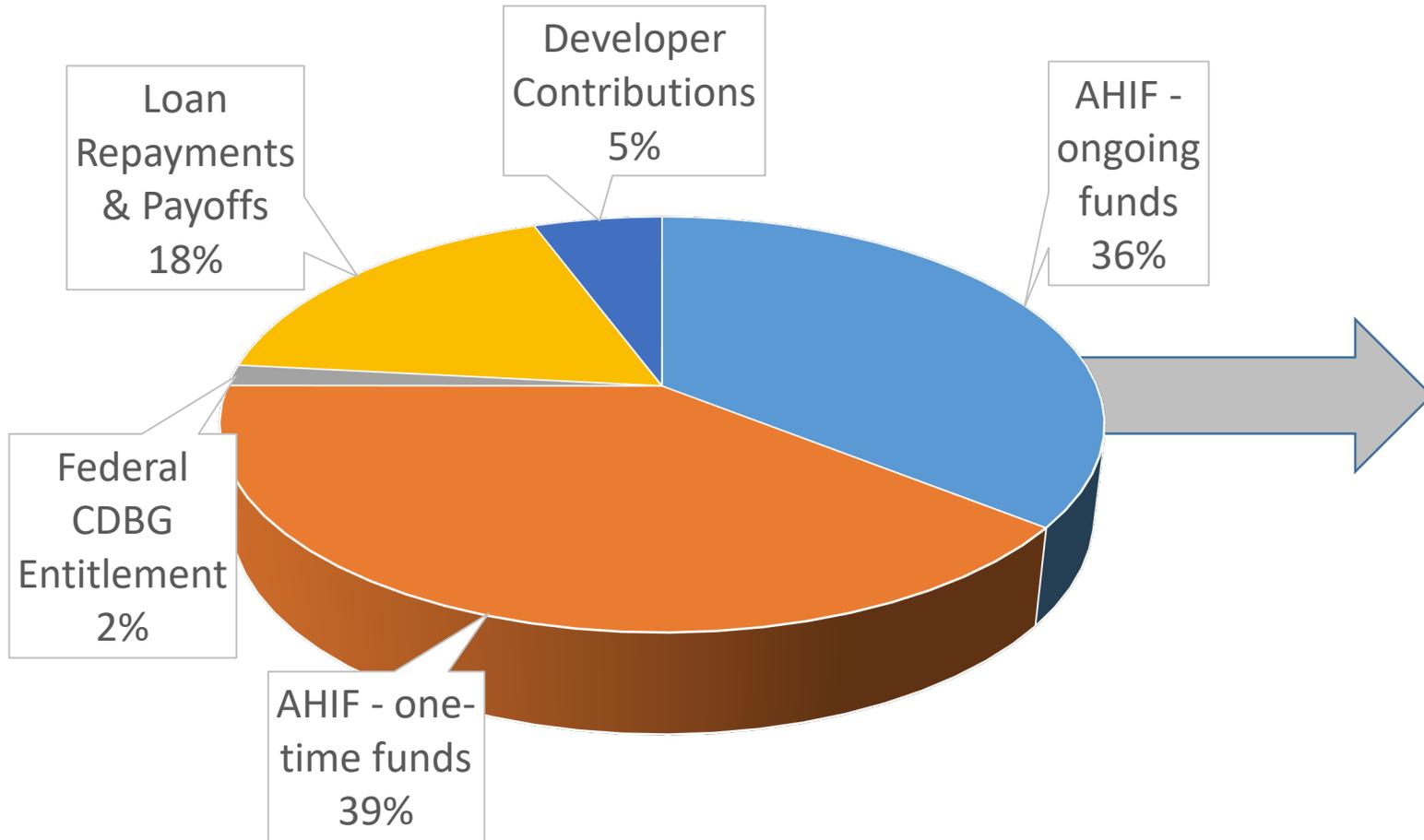
- County is a mission-driven lender
  - Goal is to create and preserve committed affordable units (CAFs) affordable to families earning 30%-60% of the area median income (AMI) for 60 years or more
- AHIF is used for residual receipt / cash flow loans
  - \$130 million in loan repayments received to-date
  - 43% of loans have paid in full
- County Board has approved over 100 loans
  - \$377 million allocated to-date, supporting approximately 7,000 CAFs

# AHIF Supports CAF Production



- AHIF is the primary source of funding for CAFs in Arlington
- County Manager proposes an additional \$2.7M in one-time funds for AHIF over FY 2020 amounts (total proposed = \$18.7M)

# Projected FY 2021 County Loan Fund: \$25 million



294 CAFs  
affordable for  
60-75 years

\$102 million in  
outside funds

# Impact of Proposed Increase to AHIF

Incremental Increase	Potential use of funds
<b>\$2.7 million in FY 2021 Proposed Budget</b>	<ul style="list-style-type: none"><li>• Create 32 net new CAFs OR</li><li>• Deepen affordability on 23 multifamily units to 30% of AMI OR</li><li>• Support acquisition of a MARK property OR</li><li>• Some combination</li></ul>
<b>\$2.7 million in FY 2021 Proposed Budget + \$21.6 million in developer contributions</b>	<ul style="list-style-type: none"><li>• Create 286 net new CAFs OR</li><li>• Deepen affordability on 203 multifamily units to 30% of AMI OR</li><li>• Fund acquisition of a MARK property OR</li><li>• Some combination</li></ul>

# Housing Arlington Expands County Tools



- Pressures on existing housing stock continue
  - Options available to households at or below 60% of AMI have declined since 2010
  - The County currently has 42 approved CAFs at 30% AMI, which is not enough to meet the need
- Housing Arlington provides additional tools to expand supply across affordability levels

# Housing Arlington Program Capacity

## Housing Arlington Principal Planner and Consulting Funds

### Service Impacts

---

- \*1.0 Principal Planner FTE for Housing is included in the FY 2021 budget to support current and future initiatives
- \$248,750 (one-time) is included for consultant support, translation services, communications, and outreach that includes:
  - a housing needs analysis
  - participation in the regional Analysis of Impediments to fair housing led by the Metropolitan Washington Council of Governments
  - partnership with Enterprise Community Partners' Faith-Based Development Initiative (FBDI)
  - an economic analysis of the recommendations and guidance for Housing Conservation Districts and design consultation
  - economic & design modeling for Missing Middle Housing Study

### Budget Impact

---

**Expense: \$395,750**

### Staff Impact

---

**☐ 1.0 Principal Planner FTE  
(\$147,000)**

\*the 1.0 FTE is also captured in the CPHD budget slides

# Comprehensive Response to Housing Affordability

*\$9.1 million in funding for housing, per the Board's guidance*

- **Housing Support:**

- \$801,781 increase in Housing Grants from \$9.3 million to \$10.1 million
- \$412,554 increase for Permanent Supportive Housing program from \$2.1 million to \$2.5 million
- \$251,736 for pilot program to support youth aging out of foster care
- \$289,464 for 3 FTEs for permanent housing locator and case managers



# Comprehensive Response to Housing Affordability

***\$9.1 million in funding for housing, per the Board's guidance***

- **AHIF:** \$2.7 million increase (from \$16.0 million to \$18.7 million)
- **Housing Arlington:** \$248,750 (one-time funding) plus 1.0 Principal Planner FTE (\$147,000)
- **Dedication of Columbia Pike TIF funding to affordable housing:** \$2.3 million
- **Recommendation to allocate potential increase in Cigarette Tax:** \$2.0 million

