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March 19, 2012

Via-e-mail

The Honorable Mary Hynes, Chair
Arlington County Board
2100 Clarendon Blvd
Arlington, VA 22201

Re: County Budget FY 2013

Dear Chairwoman Hynes and Members of the County Board:

The Alliance for Housing Solutions Board of Directors applauds the inclusion of the Housing Program Summary in the Manager's Message on the Proposed FY 2013 Budget and her Recommendation for development of a Multi-Year Plan. We endorse the importance of a comprehensive understanding of the continuum of housing needs across the County and the need for a multi-year funding plan. The Alliance would be pleased to support and participate in the proposed community process. We do have two concerns:

- The planning and community process need not require three years and should be accelerated.
- Needed increases in the funding of critical programs should not be held up by the plan process.

The Alliance supports the proposed use of the ½ cent increase in the real estate property tax rate in the Manager's FY 2013 Budget for her Housing Program Recommendations including:

- Development of a Multi-Year Plan.
- Restoration of \$514,622 in lost Federal HOME funds.
- Increase of ongoing AHIF funding by \$1,327,304.
- Development of a new comprehensive homeless services center.
- Operation of the Mary Marshall Assisted Living Residence.
- Two additional housing planning positions.

The restoration of lost HOME funding and the increase in ongoing AHIF funding, however, will only maintain AHIF funding at the current year (FY 2012) level. County staff project

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significant shortfalls against potential need. County staff also project shortfalls against expected need in the Housing Grant Program, and key elements of Homelessness programs.

The Alliance supports up to an additional 1 ½ cent increase above the Manager's proposed ½ cent (2 cent increase total), as necessary, to meet shortfalls in projection of need:

- Shortfall in projection of need for AHIF funding (\$3-5 million).
- Shortfall in projection of need for Housing Grant funding (\$2.2 million).
- Funding of MIPAP funded home ownership programs (\$650,000).
- Shortfalls in projection of need for funding of Homelessness Programs
 - Permanent Supportive Housing (248,000)
 - Homelessness Prevention and Rapid Re-housing (\$250,000)

The Alliance also supports the Manager's proposal to use one time funding resulting from proposed increases in the real estate property tax rate to meet projected shortfalls in current year Housing Grant, Homelessness and Safety Net programs.

The proposed multi-year plan will, we hope, provide a base for resource allocation in the long range, but it is clear now that there will be a critical need for a very substantial increase in AHIF funding. We must get a start on that need in the FY 2013 budget. Further comments on which are attached.

Thank you for your consideration of our positions.

Sincerely,

/s/
Larry Padberg
Chair

/s/
Jack Cornman
President

cc: Barbara Donnellan, Robert Brosnan, Susanne Eisner

AHIF:

The Columbia Pike Land Use and Housing Study shows that an additional \$7 million per year in County financial support could be needed to prevent further loss of market rate affordable units in the Columbia Pike area alone, and the risk for loss and displacement of low-income families is County-wide. Even with projected Developer contributions to AHIF, expected reflows of older AHIF loans, and possible carry-over of AHIF resources from FY 2012, CPHD staff project a \$3-5 million shortfall in FY 2013 of AHIF resources against potential projects in planning, and that does not include unknown potentials – market rate properties that could at any time be at risk of redevelopment.

Housing Grants:

The Manager's proposed FY 2013 budget is built on a "target" of 1,200 beneficiary households. That number has already been exceeded and continues to climb as does rents. Staff projects a \$1 million shortfall in FY2012 and a \$2.2 million shortfall in FY 2013. Even if no new applicants were accepted and a waiting list established, need would likely exceed funding. Without additional funding, the only alternatives would be to:

- reduce benefits (households are already required to pay 40% of rent themselves)
- reduce eligibility ("but for" housing grants most in program would be at risk of homelessness)

Questions about beneficiaries have been addressed:

- 1/3 are working families with average incomes under \$25,000
- 2/3 are elderly or disabled with average incomes under \$14,000
- Most, 60%, are in the program less than 2 years
- Only 20% have been in program more than 5 years; of those 90% are elderly or disabled

Homelessness and Safety Net Programs:

Permanent Supportive Housing (PSH) – County is about halfway toward Board approved goal of 425 units and is adding 30-50 each year, but success of program for mentally ill and persons with disabilities depends on:

- Annual increase in funding for rental subsidies to match 30-50 new units brought on-line
- Case management and support services. Caseloads now at maximum acceptable.

Homelessness and Rapid Re-housing (HRRP) – Program to help keep families from losing their homes and help them get back into a home quickly when they do was launched with Federal stimulus funding then continued with County and County CDBG funding when Federal funds ran out. Manager's proposed budget "zeroes" out the program in FY 2013.

- Federal programs in FY 2014 expected to focus on HRRP approach.
- County HRRP program is seen as a model. Program is very cost-effective.
- If closed now, structure will be lost and then will have to be rebuilt.

Community Service Board (CSB) Programs – Manager's Summary of Housing Programs does not include group homes and housing services for individuals with mental and cognitive disabilities many of whom are profoundly ill. Some depend on support from aging parents.