AFFORDABLE HOUSING ALLIANCE OF CENTRAL OHIO

EMERGENCY RENT ASSISTANCE WITH CDBG-CV FUNDS

A How-To Guide Designed for Columbus
Priority Considerations

Design Priorities Reflected in this Plan

Quick Launch = No HUD Waivers Needed

Highly Targeted = Focus on Otherwise Unassisted Residents

Double Bottom Line = Stabilize At-Risk Public Assets

Scalable = Easy Growth with Additional Dollars

Audit Proof = Built on Existing Disaster-Response Models

Time Limited = 3-Month Emergency Response

Shared Responsibility = Property Owners Forgive 20%
The Next Wave Crisis

AFFORDABLE RENTALS: A BAD SITUATION GETTING WORSE

10,704 households live in Low Income Housing Tax Credit Properties but do not receive rent assistance. They make less than 60% of the Area Median Income ($45k for a three-person family), but rent for a 2-bedroom can still be over $1,000/month.

~19% of Homeport’s residents were unable to pay rent by April 10th. This is a significant increase over last month’s 7% default rate. 4 out of 5 of those residents do not have a rental subsidy.

Additional data is being collected on other local operators now, but these early reports indicate that Columbus’ affordable housing residents are significantly more exposed to COVID-19 hardships than others.

2,140 is the number of Columbus affordable housing residents that are projected to be at risk of rent default each month due to COVID-19 (based on a 20% economic vacancy factor in the LIHTC, non-subsidized portfolio).

~137 affordable housing properties are at risk of financial insolvency due to lower COVID-19 rent collections. These properties do not have reserves to weather this storm. Losing these assets jeopardizes permanent affordability in Franklin County.
The Numbers

Substantial Impact is Feasible with Existing Resources

<table>
<thead>
<tr>
<th>Units</th>
<th>Risk Rate</th>
<th>Rent w. 20% Reduction</th>
<th>Monthly Cost</th>
<th>3-Month Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,704</td>
<td>20%</td>
<td>$833</td>
<td>$1,784,570</td>
<td>$5,353,713</td>
</tr>
</tbody>
</table>
Providing temporary rental assistance to current and projected severely cost-burdened renters would keep at-risk tenants stably housed and protect and preserve our country’s affordable housing supply.

Diane Yentel in a letter calling for CDBG to be used for rent assistance
CARES Act + CDBG

A Timely, Proven First Step to Helping At-Risk Families

- The CARES Act provides $5 billion in new “CDBG-CV” funding, to be released in three tranches
- Columbus’ first CDBG-CV award is $4.3 million, with future formula allocations on a rolling basis
- This is in addition to an existing $16 million allocation, which is partially housing-focused
- CDBG can be used to stabilize families’ housing costs through up to three months of rent assistance
- Funds need to be distributed to a housing "provider" (see: 24 CFR 570.207(b)(4))
- CDBG funds can support families up to 80% of the area median income, aligning well with LIHTC
- CDBG rent assistance programming was previously deployed in Charlotte
- Houston, Philadelphia, Dallas, San Antonio, Seattle, Miami Beach, Ithica, Daytona Beach, Baltimore, and Cleveland are all using or preparing to use CDBG-CV funds for rent relief.

"State, local, tribal, and territorial governments should take equitable steps to ensure that renters – especially those with the lowest incomes and those that have been disproportionately impacted due to structural racism—do not face an eviction cliff when moratoria are lifted."

-National League of Cities, April 17, 2020
PROCESS FLOW
Fast, Efficient, Relationship-Based, Socially Distanced

- **HUD CDBG-CV**
- **City of Columbus**
- **Additional Funders**
- **Impact Community Action**
- **Property Owners & Managers**
- **Reporting**
- **Program Eligibility**
- **Tenant Eligibility**
- **Renters**

**#InThisTogether Community Committee**
Create program guidelines, evaluate eligibility questions, generate application materials, be public liason.
SHARED RESPONSIBILITY

- **20%**: Property owners forgive 20% of the monthly rent amount.
- **No Fee**: Property owners waive late fees, court costs, and attorney fees.
- **Gratis**: Property Owners do not charge for application packaging.
Oversight

The program utilizes an administrative operational plan that allows for third-party operation from a fiscal agent complemented by community input from an "InThisTogether" community advisory committee to gather governmental, institutional, and civic feedback.

No-Touch

The Housing Provider engages each family to document eligibility and apply the rental assistance. By relying on existing income documentation, established communication patterns, and in-house service and counseling supports, we maximize impact while minimizing physical contact.

Fiscal Responsibility

The Fiscal Agent will be responsible for transmitting the rental assistance funding to the housing providers of the impacted family receiving assistance. Best served by a CDFI or experienced program administrator, this entity possesses strong accounting credentials and is versed in affordable housing practices.
HOUSEHOLD ELIGIBILITY
Highest Vulnerability Profile
- At or below 80% AMI
- Experienced a COVID-19 Hardship
- In a LIHTC Property
- No Section 8 Subsidy
- Unable to Pay Current or Back Rent

HOUSEHOLD ELIGIBILITY
Elevated Eviction Profile
- At or below 200% FPL
- Experienced a COVID-19 Hardship
- In any Property Type
- No Section 8 Subsidy
- Unable to Pay Current or Back Rent

CDBG-CV
Treasury Dollars
Why LIHTC Residents

HARDEST HIT SECTORS
Residents are more likely to be employed in heavily impacted sectors, like retail and food service. Even upon income stabilization, wages will not support a repayment strategy.

NO SAFETY NET
Due to lower lifetime earnings, LIHTC residents are less likely to have savings or personal resources to mitigate employment shocks.

MORATORIUM NOT SUFFICIENT
At best, eviction moratoria just delay displacement. For chronically-low wage tenants, a deferment alone will create an insurmountable repayment obligation.
Why LIHTC Properties

FAST DISTRIBUTION TO NEEDIEST
Easily and quickly identifies chronically low-income households that are most likely to be severely impacted by the virus.

LEVERAGE EXISTING SYSTEMS
Property management uses paperwork already under their control to document tenant eligibility in a streamlined manner.

PRESERVE AFFORDABILITY
Unlike the private market, rent restricted properties are unable to self-stabilize by accessing illiquid capital. Contractual restrictions prevent them from amassing a sufficient rainy day fund.
Who Is AHACO

Columbus Metropolitan Housing Authority
Community Development for All People
Community Housing Network
Community Shelter Board
Creative Housing
Habitat for Humanity - MidOhio Homeport
Homes on the Hill
National Affordable Housing Trust
National Church Residences
NRP Group
Ohio Capital Corporation for Housing Preservation of Affordable Housing
The Columbus Foundation
The Community Builders
The Finance Fund Capital Corporation
United Way of Central Ohio
Wallick Communities
Woda Cooper Companies
YMCA of Central Ohio
YWCA Columbus

www.ahaco.org
@AffordHouse_OH
614.344.5027