

AFFORDABLE HOUSING ALLIANCE OF CENTRAL OHIO

EMERGENCY RENT ASSISTANCE WITH CDBG-CV FUNDS

A How-To Guide Designed for Columbus



Transforming Community Through Housing

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

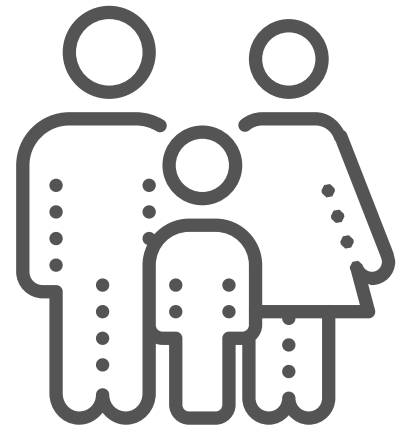
Scalable = Easy Growth with Additional Dollars

Audit Proof = Built on Existing Disaster-Response Models

Time Limited = 3-Month Emergency Response

The Next Wave Crisis

AFFORDABLE RENTALS: A BAD SITUATION GETTING WORSE



X



=



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 COVID19 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 a on 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.

“

National Low Income Housing Coalition

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
- Detroit, New Haven, and Virginia are preparing for similar programs as part of their COVID response

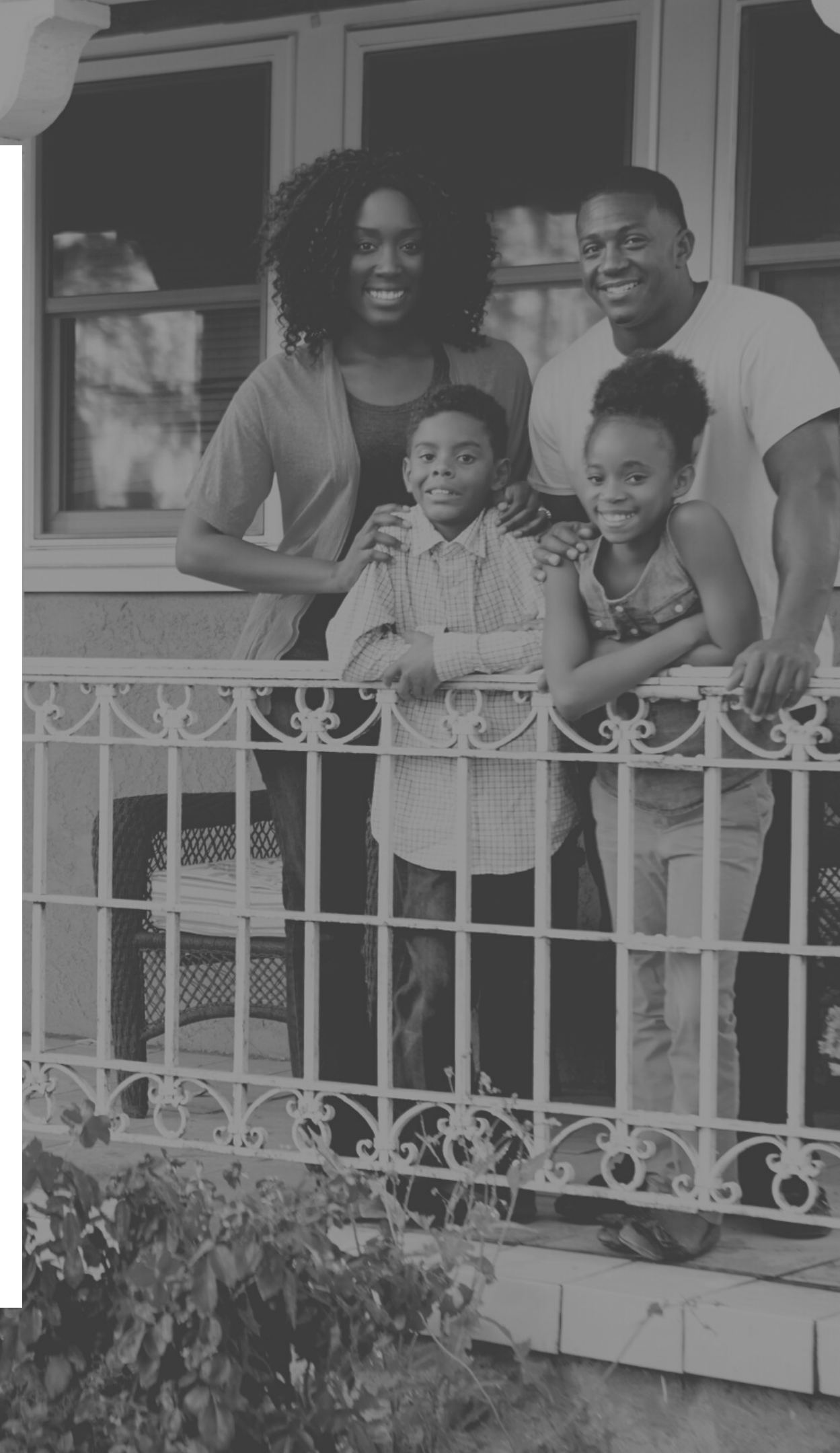
"State, local, tribal, and territorial governments should take equitable steps to ensure that renters – especially those with the lowest incomes and those that have been disproportionately impacted due to structural racism– do not face an eviction cliff when moratoria are lifted."

-National League of Cities, April 17, 2020

The Numbers

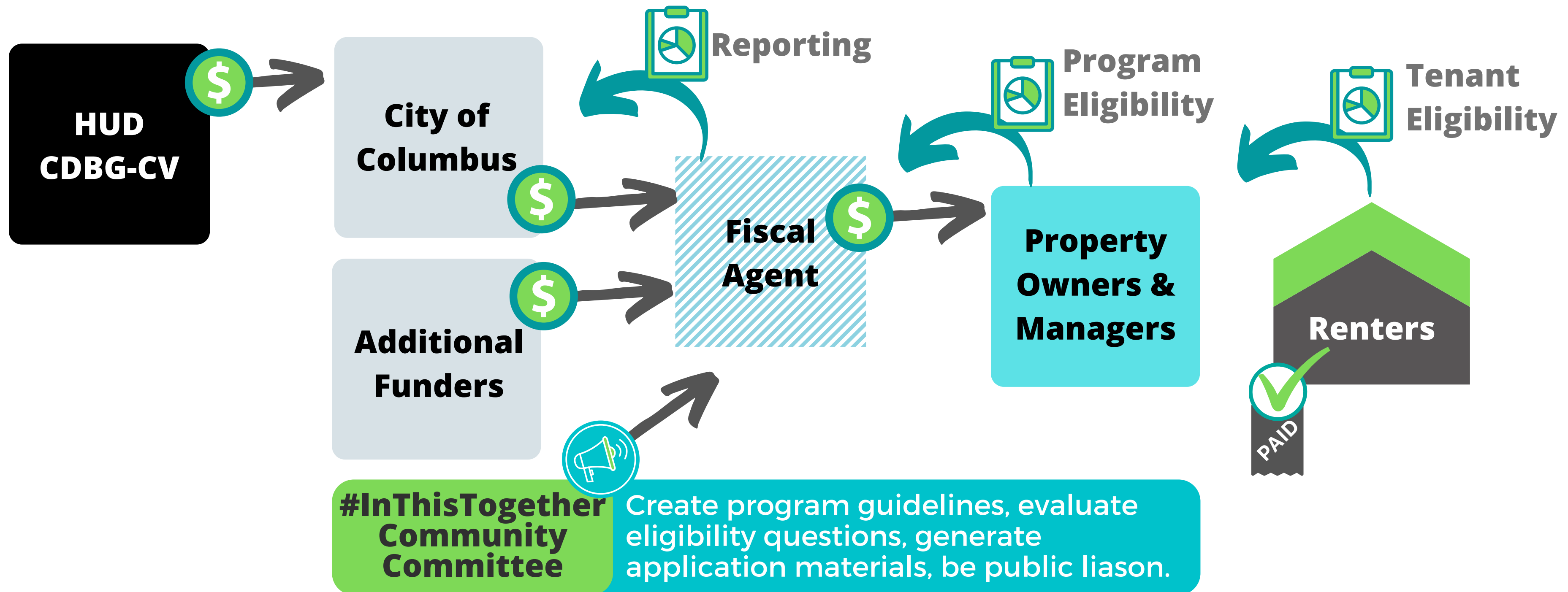
Substantial Impact is Feasible with Existing Resources

| Units | Risk Rate | Estimated Rent | Monthly Cost | 3-Month Cost |
|--------|-----------|----------------|--------------|--------------|
| 10,704 | 20% | \$833 | \$1,784,570 | \$5,353,713 |



PROCESS FLOW

Fast, Efficient, Relationship-Based, Socially Distanced



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, this entity possesses strong accounting credentials and is versed in affordable housing practices.

HOUSEHOLD ELIGIBILITY

PHASE ONE: Highest Vulnerability Profile

At or below 80% AMI

Experienced a COVID-19 Hardship

In a LIHTC Property

No Section 8 Subsidy

Unable to Obtain Unemployment

**Current
Funds**



HOUSEHOLD ELIGIBILITY

PHASE TWO+: Elevated Risk Factors

At or below 80% AMI

Experienced a COVID-19 Hardship

In any Property Type

No Section 8 Subsidy

May have Obtained Unemployment

**More \$
Needed**



Start With LIHTC Residents



FAST DISTRIBUTION TO NEEDIEST

Easily and quickly identifies chronically low-income households that are least likely to have a safety net.

LEVERAGE EXISTING SYSTEMS

Property management supplies existing income certifications to document eligibility without needing new third-party verifications.

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



Transforming Community Through Housing

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