

HOUSING SECURITY IN THE WASHINGTON REGION

FUNDER'S GUIDE: IDEAS AND OPPORTUNITIES FOR THE PHILANTHROPIC COMMUNITY



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INTRODUCTION

In December 2012, The Community Foundation for the National Capital Region, with generous support from The Morris and Gwendolyn Cafritz Foundation, commissioned the Urban Institute, in partnership with the Metropolitan Washington Council of Governments, to undertake a comprehensive study of the region's shelter and housing system. The resulting study, *Housing Security in the Washington Region*, is the only current and comprehensive examination of the entire continuum of housing needs—from homelessness to homeowner-ship—in the jurisdictions that make up the Washington metropolitan region. The study presents a wealth of data about income, housing availability, and existing gaps along the housing continuum.

Concurrent with the preparation and release of the study, a group of funders, including The Community Foundation for the National Capital Region, The Eugene and Agnes E. Meyer Foundation, and Naomi and Nehemiah Cohen Foundation, developed a set of ideas and

opportunities for philanthropic engagement. The guide is intended to inform the philanthropic sector's efforts in addressing homelessness and increasing housing security throughout our region.

Just as the study offers a comprehensive set of data, this companion guide presents a comprehensive set of ideas and opportunities for the philanthropic community. In order for our community to begin using these ideas, it is important to understand the following:

- Because we sought to be comprehensive, we anticipate that many of the ideas may not be groundbreaking and new. Many will be ideas the community has heard and investigated before; however, we believe the data in the study provide updated context for evidence-based planning and decision-making, as well as a sense of urgency. Just as the study is a unique opportunity to consider the breadth of our region's housing needs and how each end of the continuum affects the other, these ideas are an opportunity to

do the same—to consider how we are addressing homelessness; gaps in affordable housing stock and subsidies for low-income renters; and gaps and barriers for moderate-income homebuyers—in the same setting in order to make informed decisions about how to direct financial, human, and leadership resources.

- This guide includes ideas that may already have some traction in the region—i.e., they may have attracted some funding or participation by nonprofits or leadership—but may still need additional development (e.g., funding, leadership, or organizational capacity). It also includes ideas that are still being developed.
- The region's funding community is large and diverse. These ideas offer potential roles for different types of funders that support work in the region—from individual donors to small family foundations to large national and international funders; and from funders that already support a range of homelessness, housing,

and housing-related efforts (e.g., workforce development) to those that may currently support areas that affect the same population, but not the area of homelessness and affordable housing.

- Finally, these ideas are offered as a first step or the beginnings of a conversation in the philanthropic community about comprehensive housing needs in the region and how the role of philanthropy should align with the roles of others in addressing this need. We anticipate that the conversation to follow will continue to refine these ideas to reach something that is truly representative of the work our community needs to do. We anticipate that the conversation will determine which ideas are appropriate for the philanthropic community to address, as well as when and where we need partnership and/or leadership from other sectors. We are optimistic that these conversations will be both aspirational and entrepreneurial, and we anticipate that our conversations will ultimately lead to action.

HOUSING STUDY BACKGROUND



Photo: Brett VA

Stable and affordable housing is critical to the overall health of our region, and yet there are many indicators that our region struggles to meet the housing needs of existing residents. This will be further impacted by anticipated population growth and the needs of new residents for affordable housing. Addressing homelessness and housing is critical for funders who care about low-income individuals and families, and who want to make sure those individuals and families have the opportunity to prosper as the region prospers. Without data and coordination, our attempts to address these challenges can seem like a shot in the dark. While there have been numerous reports on the

state of homelessness and housing at the individual jurisdictional level, the study and this companion guide fill an important gap in the data and discussion to date. The study and Funder's Guide offer a regional perspective on a challenge that crosses jurisdictional borders and provide important information that will assist us in addressing that challenge.

The overarching goals of this work are to educate the philanthropic community and other key stakeholders about the region's shelter and housing systems, identify best practices and opportunities for strategic investment, help leverage resources, and ultimately increase housing security in the region.

More specifically, the objectives of *Housing Security in the Washington Region* are to:

- Identify the supply of and demand for emergency shelter, transitional housing, permanent supportive housing, and affordable rental and homeownership, both at a regional and jurisdictional level;
- Identify how housing patterns and policies that address needs across the continuum vary by local jurisdiction; and
- Identify how housing policies and programs are funded in the Washington region, quantifying the level of support they receive from both the public and philanthropic sectors.

HOUSING STUDY KEY FINDINGS

The study, prepared by the Urban Institute and the Metropolitan Washington Council of Governments (COG), examines the entire continuum of housing, including housing patterns and policies across the jurisdictions that compose the Washington metropolitan region.¹ Given the importance of affordable housing and the needs in this region, the study was commissioned by The Community Foundation, with generous support from The Morris and Gwendolyn Cafritz Foundation, to quantify the need for affordable housing to inform strategic investments by the philanthropic sector all along the housing continuum.

The key findings on the homeless system include:

- In January 2013, 11,245 people were homeless in the Washington

region, including 5,944 single adults and 5,301 people in families.²

- The District of Columbia had more homeless people than the other seven jurisdictions combined.
- Nearly three in four homeless single adults were male, while four in five homeless adults in families were female (and the majority were single parents). Single adult households were made up almost entirely of persons age 25 and older (85 percent), while 72 percent of all persons in family households were children or young adults (under age 25).
- Thirty-six percent of homeless adults in families in the region were employed. In Alexandria, Arlington, and Loudoun County, more than two-thirds of homeless adults in families

were employed. In the District of Columbia and Prince George's, less than one-third of homeless adults in families were employed.

- Most homeless people lived in emergency shelters or transitional housing. Approximately 11 percent (1,259) of the homeless population lived on the street—largely single adults. With the exception of Alexandria, no suburban jurisdiction could meet the immediate shelter needs of this group. Even if all available shelter beds were occupied, the region would still fall short of meeting the shelter needs of homeless single adults by 467 beds. One in four homeless persons was chronically homeless; an increase in permanent supportive housing would reduce homelessness among this population. The Washington region would need at

1 The Washington region, for the purposes of this study, includes: District of Columbia; Montgomery and Prince George's Counties in Maryland; Arlington, Fairfax, Loudoun, and Prince William Counties in Virginia; and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park in Virginia.

2 Data from the 2014 Point-in-Time Count of the homeless were not available when the analysis for this study was conducted. Findings based on 2013 data are consistent with conclusions that might be drawn from the 2014 data. The region's homeless population grew by 399 people, or 3.5 percent, between the 2013 and 2014 counts. The regional increase was largely attributable to a 13 percent rise in homelessness in the District of Columbia. The 2014 homeless population included a slightly higher share of people in families—49 percent compared to 47 percent in 2013.

least 2,219 additional permanent supportive housing beds for single adults and 180 for families to meet the needs of its chronically homeless population.³ Almost all of the region's chronically homeless families were in the District of Columbia and Prince George's.

- Most homeless persons in families and single adults did not need permanent supportive housing. Rather, many just needed affordable rental housing and in some cases, additional support such as assistance with securing child care, health insurance and employment to help them hold a lease and maintain rent payments over time. Increasing the supply of rental housing affordable for extremely low income households would reduce homelessness in the region.

The key findings on rental housing include:

- Although renter households accounted for only 37 percent of all households in the Washington region in 2009–11, they made up the majority of lower-income households, including 58 percent

of very low-income households and 70 percent of extremely low-income households.

- Almost half of all renter households in the region have struggled with high housing costs, including more than 150,000 households with severe housing cost burden (i.e., households who pay more than half their income on rent and utilities).
- Eighty-six percent of extremely low income renter households were cost-burdened, paying more than 30 percent of their income on housing, including 72 percent who were severely cost-burdened. The most unaffordable rents were in Arlington, where 91 percent of extremely low income renters were cost-burdened. Prince William (90 percent), Fairfax and Prince George's (88 percent) followed.
- Extremely low income renters faced enormous competition for affordable units. Higher-income households occupied 40 percent of the units that would have been affordable to the poorest tenants, producing a regional gap of more than 94,000 rental units for extremely low income households.
- No jurisdiction had enough affordable and available rental units to meet the demand by extremely low income households, with gaps ranging from 3,500 units in Loudoun to 22,100 units in the District of Columbia.
- Very low and low income households also faced competition for affordable units from higher-income renters. Forty-six percent of units affordable for very low income households and 50 percent of units affordable for low income households were rented by higher-income households. Consequently, 77 and 52 percent of very low and low income households, respectively, were cost-burdened.
- Montgomery and Fairfax had too few affordable and available units for very low income households. The District of Columbia, Prince George's, Prince William and Loudoun lacked sufficient numbers of units for low income households.
- The region had only enough public housing units and vouchers to serve about one in three extremely low income households. The District of Columbia was home to

³ The 2,219 additional permanent supportive housing beds for single adults and 180 for families are minimum estimates of the need based on the 2013 data. Additional beds may be needed to accommodate the recent rise in homelessness, particularly in the District of Columbia, future demand, and the typically low turnover rate for occupants of permanent supportive housing.



Photo: Matt Johnson

nearly half of the region's HUD-subsidized units and more than one third of the region's affordable units that were funded with low income housing tax credits.

The key findings on homeownership include:

- Sixty-three percent of households in the Washington region were homeowners in 2009–11. However, homeownership affordability in the region declined between 2000 and 2011 as housing prices increased by 32 percent, adjusted for inflation.
- For low income homebuyers, the average price was 48 percent

higher than what they could afford. Homeownership was most affordable for first-time homebuyers in Prince George's and Prince William and was least affordable in the District of Columbia, Montgomery, Arlington, Alexandria, and Fairfax.

- Almost one third (31 percent) of owner-occupied households in the region paid more than 30 percent of their monthly income in housing costs, with cost burden rates that ranged from 88 percent for extremely low income households to 10 percent for high income households.
- There were approximately 1.14 million homes (owned or for sale) in the region, most of which were affordable only to middle or high income first-time buyers. For low income first-time homebuyers, 75 percent of these homes would not be affordable without assistance. Prince George's had the highest share of affordable units relative to its share of the region's homeownership stock, followed by Prince William.
- Lower-income households in the Washington region faced competition from higher-income households for affordable homes. Nearly seven in 10 units affordable to very

low income households and two-thirds affordable to low income households were occupied by someone in a higher income category. This competition contributed to a gap of 56,800 affordable units for very low income owner households and a gap of 22,600 affordable units for low income owners.

The key findings on funding for affordable housing and homeless services include:

- Federal programs were an important source of funding for housing-related activities in the Washington region. In addition, most jurisdictions drew significantly on county and city funds, particularly Arlington, Alexandria, and Prince William, where more than half of public funding for housing was from these sources.
- Federal spending on housing, such as the Community Development Block Grant and HOME program, is not likely to increase in the near term to fill the gaps in affordable housing in the Washington region. Local jurisdictions will need to find innovative ways to produce more affordable housing through zoning ordinances and regulatory policies or by raising revenue to fill the gaps, potentially by leveraging local



Photo: Matt Johnson

resources through housing trust funds or offering tax-exempt bonds.

- Overall, \$1.3 billion was budgeted in FY 2013 for housing-related expenditures in the Washington region. The greatest expenditures were for rental assistance. The region collectively allocated nearly \$637 million to Section 8, Housing Choice Vouchers, and other rental assistance programs in 2013. The second-largest budgeted item was housing production and preservation, followed by programs related to homelessness, senior housing, tenant services, and homebuyer assistance.
- The District of Columbia accounted for approximately 50 percent of all the housing-related expenditures in the region, with Montgomery spending the second-highest amount, followed by Fairfax.
- The private philanthropic sector in the Washington region awarded more than \$33.4 million in grants to housing-related organizations, primarily nonprofit organizations, in 2012. Private philanthropic investment was relatively small compared with public spending on housing in FY 2013 (\$1.3 billion). Three quarters of philanthropic grants were for less than \$50,000, and three in five grant dollars were for homeless prevention, shelter, or services and transitional or permanent supportive housing. Nearly half of the housing-related private funding went to organizations whose service area was the District of Columbia. Montgomery was next, receiving about 10 percent of the total.
- Of concern, nearly half of private grant funding, and the majority of grants larger than \$100,000, were disbursed by Fannie Mae, Freddie Mac, and the Freddie Mac Foundation, which largely ceased charitable giving in 2013. The loss of their charitable giving leaves a large gap in funding for nonprofit organizations, particularly for those providing homeless prevention services, shelter, transitional and permanent supportive housing, or foreclosure prevention services.

IDEAS AND OPPORTUNITIES FOR PHILANTHROPIC ENGAGEMENT

Based on the findings from *Housing Security in the Washington Region*, a group of funders, including The Community Foundation for the National Capital Region, The Eugene and Agnes E. Meyer Foundation, and Naomi and Nehemiah Cohen Foundation, developed a set of ideas and opportunities intended to inform and guide the philanthropic sector's efforts to address homelessness and increase housing security throughout our region.

When funders think about philanthropic investment in homelessness and housing security, many consider funding homeless shelters and the production of housing units.

The opportunities for investment, however, extend far beyond support of these two critical strategies. There are numerous ways funders can address housing security, such as:

1. **Invest in Advocacy to Increase Public Funding and Strengthen Public Policy**
2. **Build Capacity of Nonprofits Addressing Homelessness and Housing**
3. **Improve Service Delivery Through Collaborations, Alignment and Improved Use of Data**
4. **Make Direct Investments in Nonprofits Addressing Homelessness Prevention and Intervention**
5. **Make Direct Investments in Nonprofits Building and Preserving Affordable Housing**
6. **Expand Financing Options for Affordable Housing Preservation and Production**
7. **Increase Awareness, Knowledge, Communication and Collaboration Within and Across Sectors**
8. **Invest in Research and Data Collection Efforts to Support Evidence-Based Decision-Making**

Based on the findings from *Housing Security in the Washington Region*, the "Funder Group" has developed the following ideas and opportunities:

OPPORTUNITY 1: INVEST IN ADVOCACY TO INCREASE PUBLIC FUNDING AND STRENGTHEN PUBLIC POLICY



Photo: Dan Reed

Why It Matters: Philanthropic investments to address homelessness and housing security are significant and fill critical gaps in the system. However, private investment pales in comparison to government funding for these systems. According to *Housing Security in the Washington Region*, the public sector invested \$1.3 billion in housing efforts in Fiscal Year 2013, compared to \$33.4 million invested by philanthropy. As such, investing in advocacy efforts to strengthen public policy is a critical strategy for leveraging private funding, increasing public funding, and driving system change.

A. Increase philanthropic support for jurisdiction-based and regional advocacy efforts and engage philanthropy's voice to advance systems reform efforts.

This may be accomplished by nonprofit advocacy organizations, philanthropic support organizations, or through greater philanthropic engagement in local and regional efforts. Potential opportunities for investments in

advocacy include, but are not limited to, efforts designed to:

- Build the advocacy and organizing capacity of nonprofit organizations addressing homelessness and housing by supporting specific advocacy initiatives focused on systems reform and/or public policy issues related to homelessness prevention/intervention and affordable housing
- Support coalition building and coordination of advocacy efforts across groups of nonprofit organizations
- Increase business and government awareness of and investment in effective strategies that will create housing opportunities at different income levels in key locations for low and middle income workers
- Improve public policy (e.g., support policies to produce new affordable units at specified income levels and in different locations)

B. Increase regional media advocacy and communications efforts to raise awareness among policymakers and the public and call for action to end homelessness and housing instability in our region.

Potential opportunities for investments include, but are not limited to, efforts designed to:

- Develop a regional perspective and increase awareness throughout the region of the impact of housing insecurity and homelessness in order to drive demand for system change and show the practical implications of the high cost of housing on our communities
- Invest in a regional communications campaign focused on educating the public, policymakers, and other key decision-makers about affordable housing in order to drive demand for this kind of change

OPPORTUNITY 2: BUILD CAPACITY OF NONPROFITS ADDRESSING HOMELESSNESS AND HOUSING

Why It Matters: *Housing Security in the Washington Region* estimates that we need at least 2,219 new permanent supportive housing units for homeless single adults and 180 for homeless families; 94,000 rental units affordable to extremely low-income households; and 79,400 homeownership units for low and very low income buyers just to meet existing gaps, as well as funding for homeless and other services to replace lost federal and private funding. Even if the funding were available, nonprofits cannot produce these units and provide coordinated services with their existing capacity. If we want to grow our housing market, the capacity of our nonprofits to participate and produce

has to grow as well. In addition to building the capacity of nonprofit developers, we need to build the capacity of other types of nonprofit homeless service and housing providers who provide supportive and other services to residents, such as case management, job training, and treatment for physical and mental health conditions.

A. Invest in building the capacity of local nonprofit organizations addressing homelessness and housing.

- Potential opportunities for investments include, but are not limited to, efforts designed to:
- Build programmatic capacity and ability to provide technical assistance to business and government

- Strengthen the management, governance, and operational systems of these groups to help increase their effectiveness and efficiency
- Provide nonprofits with the resources to meet ongoing expenses through general operating support
- Assist nonprofits in growing and diversifying their funding bases through challenge grants, fundraising capacity grants, and one-on-one technical assistance
- Assess the capacity of individual nonprofits to provide services and accomplish their work

OPPORTUNITY 3: IMPROVE SERVICE DELIVERY THROUGH COLLABORATIONS, ALIGNMENT AND IMPROVED USE OF DATA

Why It Matters: The opportunity to call for large-scale increases in attention and investment to housing issues is also an opportunity to improve how those investments of time and resources are made. *Housing Security in the Washington Region* points out that each year the public and philanthropic sectors are allocating more than one billion dollars to housing, much of it to hundreds of nonprofits who work on affordable housing issues around the region. Great work has been done in recent years to better track the work accomplished, sometimes by multiple organizations, to help the same households on a range of issues they are experiencing. For example, the federal government's deployment of a new resource, rapid rehousing funds, served as a catalyst for state and local governments coming together with nonprofit service providers to apply for the funds, develop new systems and practices for serving the population those funds would target,

determine how those new resources would fit with existing funding and practices, and determine what they could learn from the experience that would be instructive in other settings. As we seek to introduce new resources, that kind of thinking about systems reform and alignment should be a natural part of the process.

A. Invest in efforts to improve service delivery through increased collaboration and alignment among nonprofit service providers in order to leverage funding, increase efficiencies, and eliminate redundancies. Potential opportunities for investments include, but are not limited to, efforts designed to:

- Support collaborative efforts to improve coordination of services (e.g., across a group of providers collaborating to improve service delivery or case management)
- Gather data or align existing data systems about consumers, ser-

vices, and resources both within and across jurisdictions in order to improve service delivery; raise awareness of needs; improve referral systems; and track clients, outcomes, and resources

B. Increase investment in infrastructure and data systems in order to support evidence-based planning and decision-making. Potential opportunities for investments include, but are not limited to, efforts designed to:

- Develop centralized and/or coordinated intake systems (e.g., sharing data, referral systems, etc.) at a jurisdictional level and cross-jurisdictional level so that each individual and family is assessed and provided the appropriate type of assistance to end their homelessness
- Support the creation and operation of local preservation databases and preservation networks, such as those in the District of Columbia, which permit public agencies, community-based organizations, affordable housing developers, advocates, and funders to use data and other information to plan and coordinate efforts to preserve affordable rental properties
- Create and maintain a website for housing data that builds on the work done by the Urban Institute and Metropolitan Washington Council of Governments as part of the *Housing Security in the Washington Region* study that makes the data accessible to the public
- Improve/refine research and data collection efforts related to homelessness and housing in the region (e.g., Point In Time Count, youth homeless count and data on individuals and families across all income levels)
- Increase transparency and access to public data, such as budgets

OPPORTUNITY 4: MAKE DIRECT INVESTMENTS IN NONPROFITS ADDRESSING HOMELESSNESS PREVENTION AND INTERVENTION



Photo: E.L. Malvaney

Why It Matters: The findings from *Housing Security in the Washington Region* identified numerous specific funding opportunities to invest in homelessness prevention/intervention and housing security. Further, changes in federal and jurisdictional funding priorities are ongoing.⁴ Private funders should be aware of these changes and how they might impact their own grantmaking strategies.

A. Invest in Homelessness Prevention and Intervention. Potential opportunities for investments include, but are not limited to, efforts designed to:

- Provide emergency services, direct services, and emergency assistance to individuals and families that are homeless or at risk of homelessness, including

programs that provide outreach, diagnosis, and housing services for unsheltered homeless people; rapid rehousing services; emergency financial assistance for rent/mortgage/utilities; resident and supportive services for people in transitional housing or who have been rapidly rehoused; etc.

- Increase the total supply of permanent supportive housing units, especially for single adults, in all jurisdictions to meet the current unmet needs. Moving chronically homeless adults out of shelters and into permanent supportive housing would result in better outcomes for chronically homeless individuals and free up enough beds to fill the gap in immediate shelter needs

- Assist nonprofits that provide services to address homelessness for which funding or financing from other sources (such as government or financial institutions) is generally not available. Examples include operating support to cover the salaries of housing development staff and supportive services for those in transitional housing
- Assist nonprofits that have been most affected by the exit of some of the region's largest funders for homeless and housing services (Fannie Mae, Freddie Mac, and the Freddie Mac Foundation), such as nonprofits providing homeless prevention and services, transitional or permanent supportive housing, or foreclosure prevention services and counseling

⁴ A recent RFP for funding Continuums of Care illustrate this point.
http://usich.gov/resources/uploads/asset_library/PRS_FY13_14_CoC_NOFA_Webinar_12_9_2013_FINAL.pdf

OPPORTUNITY 5: MAKE DIRECT INVESTMENT IN NONPROFITS BUILDING AND PRESERVING AFFORDABLE HOUSING



Photo: Dan Reed

Why It Matters: The *Housing Security in the Washington Region* identified the need for 94,000 rental units just to meet the existing gap for extremely low income households. Gaps also exist for households between 30–80 percent of AMI—which equates to \$22,500 to \$47,950 for single people and \$32,100 to \$68,500 for a family of four. We also know that our region is expected to grow significantly in the coming decade, and many of these new households will need affordable rental units. Those numbers may sound daunting, but we know we cannot afford to ignore this problem. Neither the existing gaps nor the gaps that will be created by anticipated growth are sustainable for our region.

A. Invest in Affordable Housing.

Potential opportunities for investments include, but are not limited to, efforts designed to:

- Increase the supply of affordable rental and homeownership housing in the region across all income levels and all types of households in areas that

have too few of these types of units, with an emphasis on:

- Affordable rental housing for households with extremely low incomes (those at or below 30 percent of AMI, which is below \$32,100 for a family of four and below \$22,500 for a single person)
- Affordable rental housing for households with very low incomes (those earning at or below 50 percent of AMI, which is below \$53,500 for a family of four and below \$37,450 for a single person)
- Affordable homeownership units for low income households (those earning at or below 80 percent of AMI, which is \$68,500 for a family of four or \$47,950 for a single person)
 - “Affordable housing” includes housing with and without support services.
 - HUD Income Limits by Household Size for the Washington Region, 2014. In this and other instances in this guide, we have used

2014 HUD income limits—the latest available—to inform current dialogue about the ideas presented in the guide. The Housing Security study uses 2011 HUD income limits data to correspond with other data presented in the study.

- Support nonprofits engaged in the development of affordable housing and the provision of services associated with that housing
- Support the production of new affordable units (through supply subsidies, such as tax credits, grants, loans, and affordable dwelling unit/inclusionary zoning policies)
- Provide assistance to low income renters (through demand subsidies, such as housing vouchers and rent supplements) and homebuyers (such as down payment and closing cost assistance, affordable mortgages, and homebuyer education and counseling)
- Use data on gaps in affordability, such as those provided in *Hous-*

ing Security in the Washington Region, along with other information to set jurisdictional and regional targets for the production of new affordable units at specified income levels and in different locations

- Expand the use of affordability covenants in rental housing that preserve units as affordable for an extended period of time
- Increase public and private investment in affordable housing and homeless prevention services
- Create local housing trust funds in jurisdictions that do not have one, and in those that do, support advocacy to increase funding amounts and targeting of resources toward affordable hous-

ing needs identified in *Housing Security in the Washington Region*

B. Invest in the preservation of existing affordable rental and homeowner housing (market-rate affordable and subsidized), especially units affordable at the lowest income levels that would be costly to replace.

Potential opportunities for investments include, but are not limited to, efforts designed to:

- Establish and support funding to rehabilitate affordable housing that is in need of repair to remain habitable and preserve affordability. For example, Low Income Housing Tax Credit (LIHTC) properties at the end of the initial 15 years of affordability often have serious unmet maintenance needs

- Establish and support funding for green retrofits of existing affordable properties to improve energy efficiency and lower operating costs for property owners and renters
- Establish and support efforts to allow local governments, community-based organizations, and tenants' right of first refusal to purchase affordable properties, and affordability covenants to preserve them
- Promote the development of affordable housing preservation strategies for individual jurisdictions that would identify priorities, such as preserving units around major transit and job growth nodes

OPPORTUNITY 6: EXPAND FINANCING OPTIONS FOR AFFORDABLE HOUSING PRESERVATION AND PRODUCTION

Why It Matters: Growth in the housing market to meet both existing and anticipated need will not happen solely by increasing investments and participation by the philanthropic community. The kind of growth needed will require all parts of the funding and financing sector to think about how to do things differently in order to generate more activity.

A. Expand financing options for affordable housing preservation and production. Potential opportunities for investments include, but are not limited to, efforts designed to:

- Provide operating support and loans to intermediary organizations in order to leverage the impact of local dollars
- Support funding intermediaries that leverage resources from national sources to support local affordable housing initiatives
- Expand private and philanthropic support for community development finance institutions to provide niche financing to underwrite temporary financing needs, such as pre-development loans or bridge financing for construction and preservation of affordable housing
- Support efforts to engage key stakeholders, such as community bankers, private equity firms, nonprofit developers, nonprofit intermediaries, employers, and funders, in discussions of strategies to increase the level of capital and financing available for affordable housing
- Explore strategic investments in intermediaries to preserve and/or build affordable housing (e.g., pre-development loans or bridge financing for preservation activities)
- Explore impact investing, a tool that allows philanthropists to pool funds in order to lend capital to affordable housing projects

OPPORTUNITY 7: INCREASE AWARENESS, KNOWLEDGE, COMMUNICATION AND COLLABORATION WITHIN AND ACROSS SECTORS



Photo: K. Wags

Why It Matters: Increased awareness, education, collaboration, and communication among funders, government, and nonprofit organizations—as well as across key sectors—is critical to address issues more effectively and drive system change.

A. Increase awareness, understanding, communication, and collaboration among new and existing homelessness and affordable housing funders by:

- Sharing information about emerging issues and needs, initiatives, and nonprofits
- Providing ongoing education for funders about the need to support the housing continuum, policy changes, and trends
- Sharing effective practices and strategies

- Leveraging investments and identifying opportunities for co-investment or coordinated grantmaking among funders and potentially through public/private partnerships, as appropriate

B. Support communication, collaboration, and convening among government agencies across the region in order to:

- Develop a regional understanding, perspective, and response to the issues of housing and homelessness
- Share effective practices from across jurisdictions

C. Support increased communication and collaboration among nonprofit organizations (providers) within individual jurisdictions and across the region in order to:

- Share effective practices
- Identify opportunities for joint programming, service coordination and advocacy

D. Support cross-sector conversations among philanthropy, public agencies, nonprofit organizations, and the development community to:

- Identify opportunities for cross-sector collaboration
- Share best practices and promising practices
- Identify strategies to build housing for and house the extremely low-income households in the region

OPPORTUNITY 8: INVEST IN RESEARCH AND DATA COLLECTION EFFORTS TO SUPPORT EVIDENCE-BASED DECISION-MAKING

Why It Matters: The body of information and data in *Housing Security in the Washington Region* is the most comprehensive we have had in years and allows us to look not only at individual jurisdictional resources and needs, but also across our region as a whole. The region is changing rapidly and will grow exponentially. This study is just the beginning. We will need to remain informed about how our communities are changing in order to continue to respond appropriately. For example, will predictions about the income levels of new residents actually materialize? Will transportation changes connect new jurisdictions and new neighborhoods to the region that offer more affordability? In this period of growth, we see this study as a gateway to more questions about our region's future.

- A. Provide support for research and data collection efforts that will support evidence-based decision-making for funders, nonprofits, and public policy-makers.** Potential opportunities for investments include, but are not limited to, efforts designed to:
- Continue efforts to collect and disseminate data on homelessness and housing statistics on a jurisdictional and regional level
 - Identify and evaluate the effectiveness of local and national public policies for ending homelessness and increasing housing security, such as Emergency Rental Assistance Program (ERAP), Rapid Re-housing, Transitional Housing, Permanent Supportive Housing (PSH), Tenant Opportunity to Pur-

chase Act (TOPA), District Opportunity to Purchase Act (DOPA), rent control, inclusionary zoning, proffer, and public land policies⁵

- Identify and share trends in homelessness and housing
- Review the outcomes of HUD's Rental Assistance Demonstration program, and explore how the lessons learned could be applied to local jurisdictions
- Assess the capacity of nonprofit service delivery systems to address needs in our region (e.g., collect and analyze data pertaining to nonprofits' geographic service areas, ability to meet demand for services, revenue sources, portfolios, nonprofit development pipelines, and future projects)

⁵ Proffers are fees paid by developers in exchange for a desired zoning change on a development project. Public land policies set priorities for the development of land owned by the government.

CONCLUSION

The development of *Housing Security in the Washington Region* and the crafting of these ideas and opportunities for funders is just the beginning. Additional work to address housing security in our region is needed. As we look to the future, it is anticipated that additional work may include further and more in-depth analysis with a focus on regional and/or national best practices; investment strategy development; and opportunities for aligned investment, collaboration, communications, and advocacy.



Photo: Matt Johnson

APPENDIX A: DEFINITIONS AND TERMINOLOGY

For the purpose of *Housing Security in the Washington Region* and the accompanying Funder's Guide, the following continuum and definitions were used:

HOUSING SECURITY CONTINUUM

Shelter—Includes emergency and winter shelters for homeless people on an on-demand basis. Shelters are intended to be a temporary, short-term solution before transitioning to a more permanent housing option.

Transitional housing—Short- to medium-term accommodations (typically less than two years) for homeless individuals. It may also include services to assist households in moving to permanent housing.

Permanent Supportive Housing (PSH) —A model that provides permanent, fully-subsidized housing in combination with supportive services, such as substance abuse treatment, case management, and job training to chronically homeless individuals and families with barriers to achieving

independence, such as mental illness, substance abuse, or HIV/AIDS.

Affordable Rental and Affordable Homeownership—

- Special population housing (e.g., veterans, seniors, physically challenged)
- Resident support services
- Production and/or preservation of affordable housing units
- Affordable homeownership programs (e.g., Tenant Purchase and First-Time Homebuyers)

HOMELESS CATEGORIES

Homeless—Those currently without permanent housing, including both sheltered and unsheltered homeless.

- **Sheltered homeless**—Those residing in shelters, safe havens, or transitional housing.
- **Unsheltered homeless**—Those living on the street or in places not meant for human habitation, such as abandoned buildings, bridges, parks, and campsites.

Chronically homeless—An adult with a disabling condition who has either been continuously homeless for at least a year or has had at least four episodes of homelessness in the past three years. The chronically homeless may be sheltered or unsheltered.

Note: People in permanent supportive housing are not considered homeless for the purpose of this study.

HOUSEHOLD TYPES

Adult-only households—Single homeless adults.

Family households—Homeless families consisting of at least one adult and one child under 18 years.

OTHER SHELTER AND HOUSING SYSTEM DEFINITIONS

Homelessness Prevention/Intervention—Includes emergency shelter, transitional housing, rapid rehousing, foreclosure prevention, housing counseling, legal services, emergency assistance for rent/mortgage, and supportive housing.



Photo: Matt Johnson

Income Levels—The U.S. Department of Housing and Urban Development (HUD) defines extremely low income households as those with income at or below 30 percent of the area median, very low income households as those with income between 30 and 50 percent of the area median, and low income households as those with income between 50 and 80 percent of the area median. HUD annually

determines and publishes the medians for Metropolitan Statistical Areas (MSAs). The Washington MSA includes the District of Columbia; Calvert County, Charles County, Frederick County, Montgomery County, and Prince George's County in Maryland; and Arlington County, Clarke County, Fairfax County, Fauquier County, Loudoun County, Prince William County, Spotsylvania

County, Stafford County, Alexandria City, Fairfax City, Falls Church City, Fredericksburg City, Manassas City, and Manassas Park City in Virginia.

Low Income Housing Tax Credit (LIHTC)—A federally (IRS) authorized program that is administered at the state level, which allows developers of qualified affordable housing projects to sell tax credits to investors (which reduces their federal tax liability) in exchange for capital to fund the acquisition, rehabilitation, and new construction of affordable rental housing.

Rapid Re-housing—A set of programs that grew out of the Housing First approach to provide housing and temporary financial assistance to quickly end a period of homelessness by moving into permanent housing. The National Alliance to End Homelessness (2014) identifies three core components of a Rapid Re-housing program: housing identification, rent and move-in assistance, and case management and services. Rapid Re-housing can also refer to a specific HUD grant program, The Homelessness Prevention

and Rapid Re-housing Program, which provides financial assistance and services to prevent individuals and families from becoming homeless and to help those who are experiencing homelessness to be quickly re-housed and stabilized. Rapid Re-housing can be a particularly effective strategy for persons who become homeless due to short-term economic crises.

Tenant Opportunity to Purchase Act (TOPA)—District of Columbia law that mandates landlords to offer a unit or units to the existing rental tenant(s) for sale before selling to a third party.

District Opportunity to Purchase Act (DOPA)—District of Columbia law that mandates landlords with five or more units (25 percent of which must be affordable households with income at or below 50 percent of AMI) to offer the units to the District for sale before selling to a third party. The District does not exercise this right in cases where tenants are exercising their TOPA rights.

Note: See *Housing Security in the Washington Region* for a more complete set of definitions.

APPENDIX B: SOURCES OF HOUSING INFORMATION IN THE WASHINGTON REGION

(Note: This is not a comprehensive list.)

DISTRICT OF COLUMBIA

DC Fiscal Policy Institute
<http://www.dcfpi.org>

DC Affordable Housing Alliance
<http://www.smartergrowth.net/dc/dc-affordable-housing-alliance/>

Neighborhood Info DC
<http://www.neighborhoodinfo-dc.org/dcpreservationcatalog/dcpreservationcatalog.pdf>

Latino Economic Development Center
<http://www.ledcmetro.org/advocacy/campaigns>

The Way Home—A DC campaign launched in 2014 to end chronic homelessness
<http://thewayhomedc.org/miriamskitchen/>

The Coalition for Nonprofit Housing and Economic Development
<http://www.cnhed.org/policy-advocacy/policy-approach/>

MARYLAND

Nonprofit Montgomery
<http://nonprofitroundtable.org/montgomery>

Montgomery County Affordable Housing Conference
<http://www.affordablehousingconference.org/>

Housing Policy Update in Montgomery County
<http://montgomerycountymd.gov/dhca/director/housingpolicy.html>

Montgomery Housing Partnership
<http://mhpartners.org/housing-facs.htm>

Housing Initiative Partnership—HIP
www.hiphomes.org

Prince George's Housing Report
<http://www.smartergrowth.net/resources/building-stronger-communities-csg/>

VIRGINIA

Northern Virginia Affordable Housing Alliance
<http://www.nvaha.org/index.html>

Housing Virginia
www.HousingVirginia.org

National Low Income Housing Coalition
<http://nlihc.org/sites/default/files/oor/2014-OOR-VA.pdf>

The Virginia Housing Coalition
<http://www.virginiahousingcoalition.org/wp-content/uploads/2013/03/PRESS-RELEASE-2013-Out-of-Reach.pdf>
<http://thevirginiahousingcoalition.org/>

Virginia Coalition to End Homelessness
www.VCEH.org

REGIONAL

Housing Association of Nonprofit Developers
<http://www.handhousing.org/resources/>

Metropolitan Washington Council of Governments
www.mwcog.org

