

# AFFORDABLE HOUSING AND HOMELESSNESS

## PROGRAM DEVELOPMENT

Council Work Session  
July 1, 2014

# Presentation Overview

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- Affordable Housing Stakeholders Group
- Affordable Housing Stakeholders Recommendations
  - Office of Affordable Housing
  - Affordable Housing Fund
- Office of Homelessness Prevention and Intervention

# Affordable Housing Stakeholders

## Purpose and Meetings

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### □ Charge

- Design a successful set of programs to address the need for affordable rental housing in Lexington.

### □ Meetings

- April 30<sup>th</sup>
- May 14<sup>th</sup>
- May 28<sup>th</sup>
- June 11<sup>th</sup>
- June 25<sup>th</sup>

# Affordable Housing Stakeholders

## Membership

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- Chris Ford: 1<sup>st</sup> District Councilmember
- Bill Farmer: 5<sup>th</sup> District Councilmember
- Todd Johnson: Home Builders Association of Lexington
- Lisa Ball: Ball Homes
- Jeff Fugate: Downtown Development Authority
- Irene Gooding: LFUCG Grants and Special Programs
- Janice James: Hope Center
- Norman Franklin: Urban League
- Harry Richart: Former PNC President
- Mark Davis: First Presbyterian Church
- Rick McQuady: Former KHC Executive Director
- Barry Holmes: Lexington Housing Authority
- Charlie Lanter: LFUCG Homelessness Coordinator

# Affordable Housing Stakeholders

## Tasks

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- ❑ Establish Mission Statement for Office of Affordable Housing
- ❑ Establish goals for Office of Affordable Housing
- ❑ Composition and duties of Board
- ❑ Duties and skills of Director
- ❑ Recommend programs supported by fund
- ❑ Recommend application and review process
- ❑ Recommend long-term funding amount and mechanisms

# Office of Affordable Housing

## Purpose and Mission

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### □ **Affordable Housing**

- Housing is considered affordable when safe, quality housing is available at 30% of gross household income or less.

### □ **Mission Statement**

- To facilitate the preservation, production, and provision of safe, quality, affordable housing through coordination with public and private partners, investment in strategic opportunities, and policy development.

# Office of Affordable Housing

## Goal and Targets

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### □ **Goal**

- Every household in Lexington has access to safe, quality, affordable housing.

### □ **Targets**

- Programs are targeted based on income level. This income level is expressed as a percentage of area median income.
- The current median family income for the Lexington-Fayette County Metropolitan Statistical Area (MSA) is \$67,800.
- Lexington's programs will serve households up to 80% of Area Median Income (AMI).

# Office of Affordable Housing

## Accountability

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### □ **Community Metrics**

- Housing Market Conditions (Median Income and Market Rate Rents)
- Households Served by All Affordable Housing Programs
- Overall Housing Quality (Code Enforcement Violations and other Data)

### □ **Affordable Housing Fund Metrics**

- Units preserved, produced, or provided by Area Median Income level (Annual and Cumulative)
- Units preserved, produced, or provided by geographic Area (Annual and Cumulative)
- Affordable housing allocation amounts and dollars leveraged (Annual and Cumulative)
- Unit inspection results (Annual and Cumulative)



# Office of Affordable Housing

## Affordable Housing Board Membership

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- Council Member
- Council Member
- Homelessness and Emergency Housing
- Social and Support Services
- Affordable Housing Management
- Grants Administration or Philanthropic Giving
- Housing Construction
- Commercial and/or Mixed Use Development
- Property Leasing or Rental Housing
- Real Estate Management
- Financial or Capital Management
- Financial or Capital Markets
- Affordable Housing Financing

# Office of Affordable Housing

## Affordable Housing Board Duties

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- ❑ Establish policies and procedures for the operation and management of the Affordable Housing Fund.
- ❑ Oversee and manage financial and administrative actions of the Affordable Housing Fund.
- ❑ Monitor and evaluate the performance of the Office of Affordable Housing.
- ❑ Establish annual funding goals and priorities for housing preservation, production, and provision utilizing Affordable Housing Funds.
- ❑ Annually review, rank, prioritize, and approve funding proposals from eligible applicants.
- ❑ Establish a Technical Assistance Advisory Group to assist the Board and staff with evaluation of funding proposal feasibility and underwriting.
- ❑ Perform housing studies and housing needs assessments on an on-going basis, including a formal needs assessment at least once every five years.
- ❑ Submit annual reports on the activities of the Affordable Housing Fund to the Mayor, the Urban County Council, and the community.

# Office of Affordable Housing

## Affordable Housing Staff Duties

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- Serves as the point of contact for affordable housing at the city.
- Engages stakeholders in the community regarding affordable housing and affordable housing programs.
- Advertises and promotes affordable housing programs and funding availability.
- Develops program materials and provide technical assistance to potential applicants.
- Evaluates and ranks all funding proposals in conjunction with the Technical Assistance Advisory Group.
- Conducts research on overall affordable housing needs in Lexington.

# Office of Affordable Housing

## Affordable Housing Staff Duties

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- Coordinates with the Division of Planning, the Division of Grants and Special Programs, the Office of Homelessness Intervention and Prevention, and other divisions and outside agencies on affordable housing solutions.
- Coordinates with other Divisions within the Department of Planning, Preservation, and Development on expedited review of projects.
- Monitors implementation and compliance of projects and coordinates with other divisions and outside agencies as necessary for inspections, verification of rent restrictions, loan repayment, and other aspects of compliance monitoring.
- Works with Office of Homelessness and Division of Grants and Special Programs to develop a 5-year strategic plan to address affordable housing.
- Performs other duties as assigned by the Board.

# Affordable Housing Fund

## Mission Statement

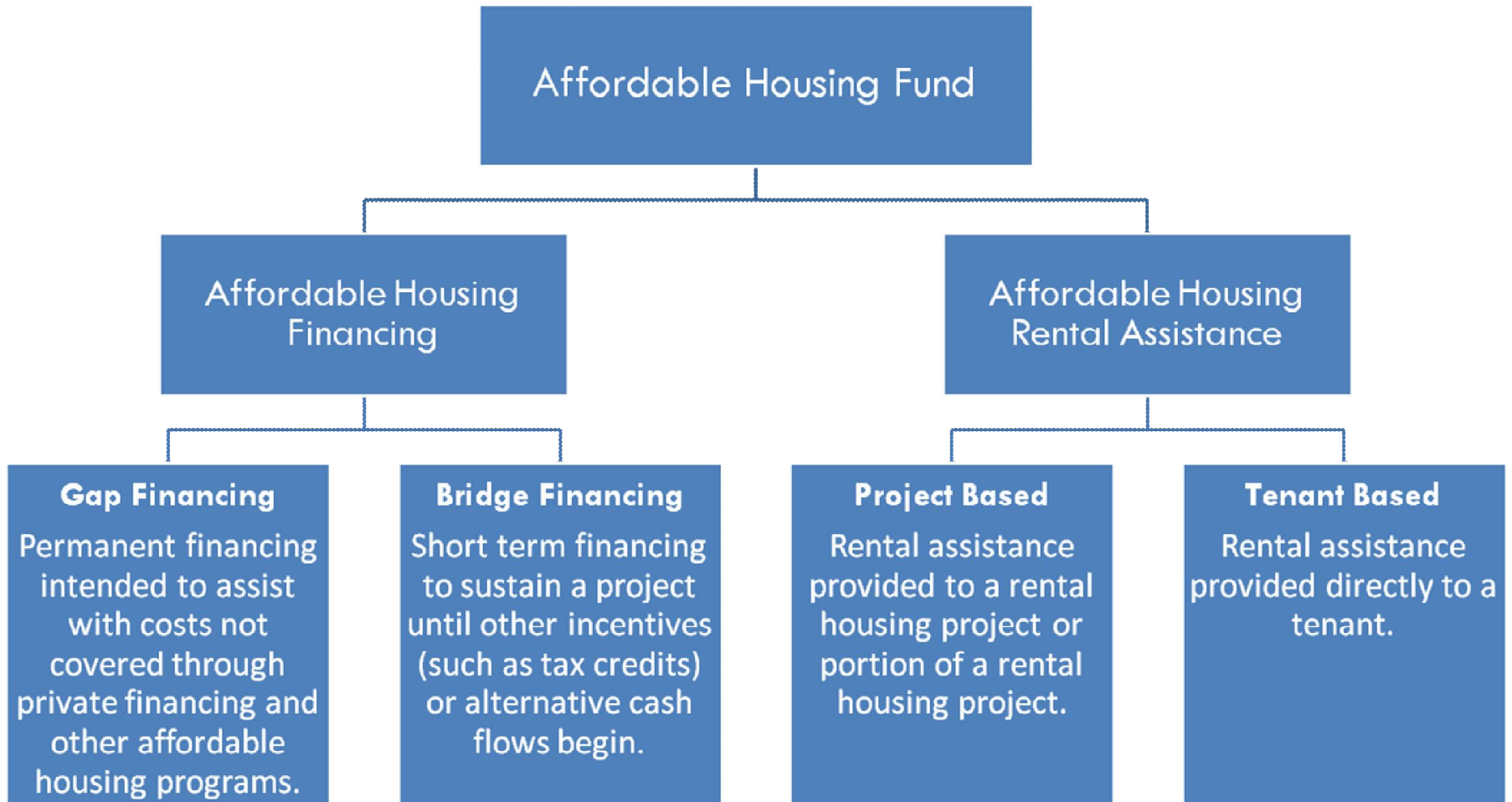
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The mission of the Affordable Housing Fund is to leverage public investment to preserve, produce, and provide safe, quality, affordable housing.

# Affordable Housing Fund

## Programs

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# Affordable Housing Fund

## Eligible Activities

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- ❑ Acquisition of property and/or rental housing
- ❑ Site development
- ❑ Construction of rental housing
- ❑ Rehabilitation of rental housing
- ❑ Permanent financing costs (including down payment and closing costs)
- ❑ Construction financing costs
- ❑ Reduction of existing debt
- ❑ Matching funds for other grants
- ❑ Technical assistance directly related to creating a rental housing project
- ❑ Developer fees (up to 15% of each project)
- ❑ Administrative costs, permits, fees, taxes, and other soft costs associated with rental housing development
- ❑ Project and tenant based rental assistance

# Affordable Housing Fund

## Requirements

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- ❑ Must meet Affordable Housing Standards (building codes, maintenance requirements, Secured by Design, etc.); at least one annual inspection required.
- ❑ Must remain affordable to the target population; annual report of unit affordability required.



# Affordable Housing Fund

## Evaluation Criteria

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- ❑ **Capacity of Development Team**
  - ❑ Prior Experience
- ❑ **Targeting Plan**
  - ❑ Population Served (targets established by Board)
- ❑ **Project Design**
  - ❑ Energy Efficiency
  - ❑ Maintenance Costs
  - ❑ Community Priority Projects (targets established by Board)

# Affordable Housing Fund

## Evaluation Criteria

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### □ **Location**

- Access to Services
- Transportation Options
- Housing Dispersion
- Community Priority Areas (targets established by Board)
- Neighborhood Stabilization Areas (targets established by Board)

### □ **Readiness to Proceed**

- Feasibility

### □ **Financial Design**

- Leveraging

# Affordable Housing Fund

## Annual Funding

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- **Annual Funding:**

- \$2,000,000

- **Review:**

- Funding will be reviewed every five years to coincide with the housing needs assessment, comprehensive plan, and consolidated plan.

# Affordable Housing Fund

## Funding Mechanisms

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- **Annual General Fund allocation with reassessment of funding level at each needs assessment**
  - ▣ The needs assessment will occur every five years.
  
- **Annual General Fund allocation with automatic annual adjustment**
  - ▣ Funding would automatically adjust based on a specific metric such as Consumer Price Index (CPI), LFUCG General Fund, individual LFUCG revenue streams, and/or other national or local metrics.

# Office of Affordable Housing

## Other Affordable Housing Programs

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- **LFUCG Fee Waiver**
  - ▣ Waiver of LFUCG fees for affordable housing projects.
- **Expedited Review**
  - ▣ Affordable housing projects will receive expedited review through the planning and development process.
- **Land Bank & Land Trust**
  - ▣ To be explored by Director of Affordable Housing and Board in collaboration with other stakeholders.
- **Planning Solutions**
  - ▣ To be explored by Director of Affordable Housing and Board in collaboration with other stakeholders.

# Office of Affordable Housing

## Timeline

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# Office of Affordable Housing Coordination

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# Office of Homelessness Prevention and Intervention

## Mission Statement

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The Office of Homelessness Prevention and Intervention coordinates the recommendations contained within the Mayor's Commission on Homelessness Report and provides planning, coordination, advocacy, and awareness about the changing needs and gaps of homelessness services within Lexington.



# Office of Homelessness Prevention and Intervention

## Administration

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- **Director of Office for Homelessness Prevention and Intervention**
  - Full-time, coordinate efforts and response (day shelter ordinance, collect/report data, improve communication/collaboration)
- **Emergency Shelter Funding**
  - Move from Social Services to OHPI
- **Innovative and Sustainable Solutions Fund**
  - Begins with \$500,000; ongoing funding through committed funding source (same as AHTF)

# Office of Homelessness Prevention and Intervention

## Administration

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- ❑ **Homelessness Prevention and Intervention Board**
  - ❑ Separate from AHTF Board – different mission, skills, membership
  - ❑ Serves as advisory body to OHPI on issues such as day shelter ordinance, safety matters, new programming.
  - ❑ 13-member body comprised of two Council Members, multiple providers, at least one current or formerly homeless individual
  - ❑ Governs Innovative & Sustainable Solutions Fund

# Office of Homelessness Prevention and Intervention

## Funding and Projects

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- ❑ **Innovative and Sustainable Solutions Fund – \$500,000 for FY15**
  - ❑ Funds projects in support of the Mayor's Commission on Homelessness Report and ongoing needs assessment
  - ❑ Housing First, universal intake/data collection, 24-hour shelter, street outreach, mental health court, HMIS
  - ❑ Projects to leverage additional dollars and must show sustainability beyond initial investment – NOT ongoing funding for activities such as shelter operation

# Office of Homelessness Prevention and Intervention

## Funding and Projects

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### □ **Emergency Shelter Funding**

- Move current emergency shelter funding to OHPI
- Approximately \$800,000 annually – No New Funding
- Separate application process annually
  - Reduces risk that an emergency shelter project won't be funded.
  - Maintains accountability through application and reporting
  - Assigns homelessness funding within the same office for ease of coordination/collaboration

# Office of Homelessness Prevention and Intervention

## Accountability

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- Monthly reporting to HPI Board
- Annual report to Council and community
- Tracking of key indicators to document progress

**January 2014 – Lexington had  
566 people in Emergency Shelters**

- 187 of them Chronically Homeless
- Homeless individual with a disabling condition homeless for one year or more
- Homeless individual with a disabling condition homeless four times or more in the past two years

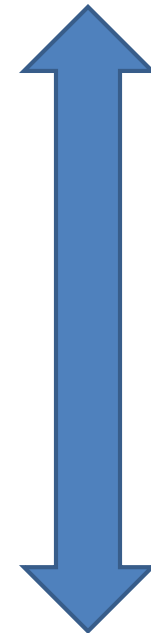
# Office of Homelessness Prevention and Intervention

## Housing Scale

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Thriving	Non-Subsidized housing of choice (home, condo, apartment of size and quality choice)
Safe	Non-Subsidized limited choice housing (low or moderate income homeowner or renter with limited size and quality choice)
Stable	Safe and secure subsidized housing (Section 8; subsidized rental; public housing; permanent living arrangement with others)
<b>PREVENTION LINE</b>	
Vulnerable	Safe and secure transitional housing (60 days or less); temporary living arrangement with others; unaffordable ownership or rental
In-Crisis	Safe shelter limited to 30 days or less; unsafe shelter; substandard ownership or rental; homeless

**Independence**  
AHF Solution



**OHPI Solution**  
**Dependence**

**Goal is a continuum of public and private programming to move households up the scale**

# Office of Homelessness Prevention and Intervention

Communications/Outreach/Other

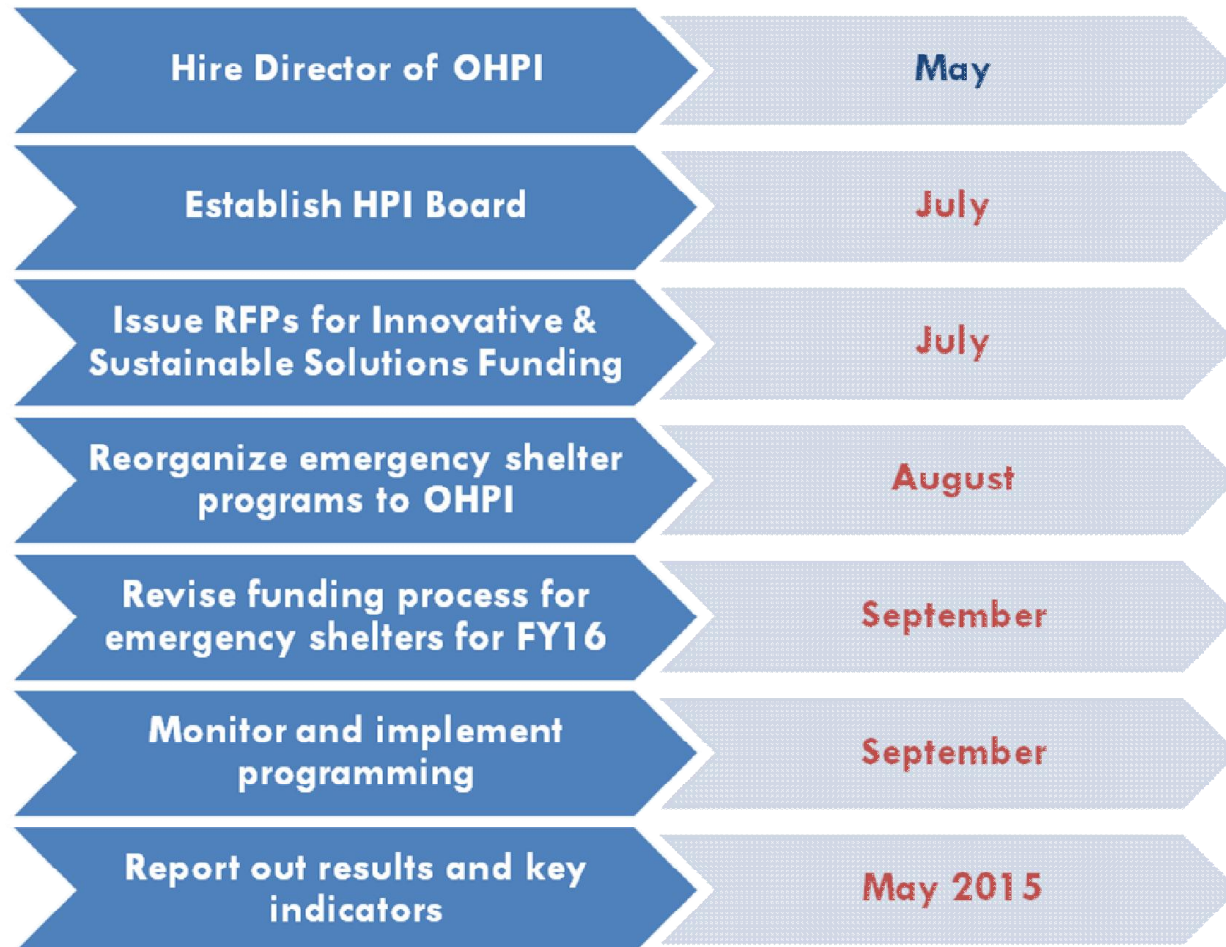
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- Outreach, messaging via Web, social media, public presentations (raise awareness/recruit support)
- Resource Development – grant writing
- Homeless and Housing Summit – Annual event to bring homeless and housing community together to discuss solutions
- Planning and Needs Assessment

# Office of Homelessness Prevention and Intervention

## Next Steps

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**Questions?**