DISABILITY HOUSING NETWORK

2012 County Housing Plan: County Boards and Housing Corporations

Analysis and Summary
August 2013

Prepared by Disability Housing Network

PART ONE: EXECUTIVE SUMMARY

The 2012 County Housing Plan Analysis and Summary report represents the third year DHN has analyzed housing information submitted by County Boards and Housing Corporations as they plan for future housing needs. The plan was completed in 55 of Ohio's 88 counties and represents a significant increase over the 27 plans completed in both 2010 and 2011. Beginning with the SFY's 2013-2014 Biennium Capital Budget, the Department of Developmental Disabilities began requiring County Boards of DD and Housing Corporations to jointly develop and submit a four-year housing plan to access the Community Capital Assistance funds.

CONTEXT
The purpose of the Model Housing Plan is to provide a framework by which County Board staff and Housing Corporation staff can discuss current specialized housing operations, needs and options for future housing. It is intended to also aid the development of future operational plans and budgets.

DHN developed this tool in collaboration with the Department of Developmental Disabilities and DHN members, representing both Housing Corporations and County Boards.

ANALYSIS
Based on the 55 plans submitted, DHN has developed a series of conclusions listed below.

INITIAL CONCLUSIONS

Priorities for development:

In both 2011 and 2012, the highest priority for Counties was the development of three-four person units (51% of expected development between years 2012-2015). In 2012, the second highest priority was the development of one person units (28%).

In the 2012 plans, County Boards expected to prioritize development for the following population groups: multiple-diagnosed individuals, those residing with aging caregivers, and former residents of Developmental Centers.

Priorities for repair:

Counties most often identified the following typical maintenance and repair/replacement priorities for 2012 and 2013: painting, flooring, roofs and bathroom renovations/accessibility. In 2010 and 2011 housing plans, the most common priorities were: painting, flooring, and HVAC replacement.

Direct and Indirect subsidies by County Boards:

The data indicates medium and large-size Housing Corporations are more likely to receive rental subsidy and vacancy payment than small-size Housing Corporations. Housing Corporations that are of small and medium-size are significantly more likely to receive indirect subsidy support such as office space, administrative, maintenance and professional staff.

Although various subsidies exist in our system ranging from in kind services (loaned staff) from county boards to subsidies paid by the Boards to partner housing corporations, there is room for additional study on whether there is a direct correlation between the subsidy needed for operations and the subsidy provided by the County Board. An earlier national study by the Technical Assistance Collaborative indicated that in order to provide housing for people with significant disabilities, substantial subsidies are required because of the low income of the individuals served.

Future challenges facing the special needs housing industry:

Counties identified the challenge of housing development to accommodate people with accessibility needs, challenging behaviors and criminal histories as priority concerns. Rent subsidies and availability of funding for future development and modifications was identified through many of the plans as well. With potential changes to current funding sources, it is important to begin exploring rental subsidy options and other financing opportunities.

Next Steps

Besides the policy implications of some of the data included in this report, there are additional next steps DHN is recommending for future implementation of this research and analysis process.

1. As the DODD continues to downsize both public and private congregate facilities, DHN would like to assist the DODD with the inclusion of a comprehensive community housing development plan as part of the strategy for downsizing larger residential settings.

2. DHN will continue to educate Housing Corporations and County Boards about existing development funding opportunities although many of these programs are experiencing significant cuts.

3. For future consideration, should we consider the idea of creating a subsidy in combination with housing? With the scarcity of Section 8 vouchers, should Counties and the State consider providing a supplemental voucher for people that can rent on the private market? One of the biggest issues in scattered site rental housing is the lack of a comprehensive rental subsidy program. Housing subsidy vouchers may have a two-fold impact, providing housing corporations with additional funding and providing individuals with the option to rent on the open market. For less sophisticated housing corporations, vouchers would allow the County to use the private market instead of developing their own housing.

PART TWO: SUMMARY OF RESPONSES

1. ***The chart below lists the Counties that submitted a housing plan in 2012, the number of houses managed by the housing corporation and number of tenants living in those homes. The properties were purchased with Community Capital Assistance funds and other housing development resources.***

   Housing Corporations submitting plans by size:
   Small (< 15 properties) - 66%
   Medium (16-74 properties) - 29%
   Large (> 75 properties) - 5%

   The responses reflect that Housing Corporations manage between one and 506 properties, and have between two and 1173 tenants residing in those properties. Two of the reporting counties have two Housing Corporations on master contract with the County Board of DD.

County	***Number of homes***	***Number of residents***
Allen	18	42
Ashland	11	37
Auglaize	11	29
Belmont	10	20
Brown	2	7
Butler	51	115
Champaign	15	36
Clark	39	85
Clermont	2	2
Clinton	1	3
Coshocton	11	21
Crawford	10	25
Cuyahoga	101	376
Darke	6	14
Defiance	15	28
Delaware	35	67
Erie	13	30
Fayette	10	33
Franklin	506	1173
Geauga	16	58
Greene	30	59
Guernsey	5	10
Hamilton 1	36	97
Hamilton 2	4	16
Hardin	10	20

County	*Number of homes*	*Number of residents*
Harrison	3	5
Henry	11	25
Highland	8	16
Lake	14	39
Lawrence	17	34
Licking 1	11	35
Licking 2	7	21
Lucas	39	73
Marion	18	37
Mercer	6	16
Miami	11	25
Monroe	1	3
Montgomery	62	236
Morgan	8	21
Morrow	5	10
Muskingum	6	8
Noble	2	2
Ottawa	34	49
Pickaway	8	17
Pike	11	22
Richland	17	39
Scioto	14	24
Seneca	16	22
Shelby	7	27
Summit	78	253
Trumbull	13	39
Union	13	27
Vinton	9	11
Warren	27	64
Wood	28	142
Total	**1472**	**3745**

2. *Do you currently have any properties for sale? Why are they for sale?*

Of the 55 Housing Corporations, five indicated they currently have homes for sale. The reported reasons for selling the homes include:

- neighborhood safety issues
- too costly to renovate or make accessible
- insufficient square footage
- age of housing

3. ***How do you determine rent in your homes?***

In 2011 and 2012, the two most common processes for determining rent were:

- Charge 30% of a person's income (31% of Housing Corporations used this method)
- Based on a formula developed by the Housing Corporation (16% of Housing Corporations used this method)

Other methods included charging rent based on FMR (fair market rent), actual costs, square footage, and the other remaining responses varied.

4. What is the per person rent or rent range for your homes?

The 55 Housing Corporations reported per person monthly rents ranging between $0 and $936, an increase over last year's per person range of $0 to $664. In 2012, 51% of per person rents were between $200 and $400 a decrease from the 63% in this range in 2011. The median rent of the 54 reporting counties is $307 per month/per tenant.

5. Who is responsible for providing or paying for the following expenses? The following chart indicates the percentage of Housing Corporations that charge fees to the following:

Expenses	Housing Corp	Tenant	County Board
Extermination	87%	11%	2%
Fire Alarm	80%	18%	2%
Lawn Care	68%	27%	5%
Snow Removal	52%	43%	5%
Trash	35%	63%	2%
Recycling	32%	68%	0%
Water/sewer	31%	68%	1%
Electric	10%	88%	2%
Gas	7%	91%	2%
Phone	0%	98%	2%
Cable/Internet	0%	98%	2%

In the last three years, there has been little or no change in the responsible party for each of the above expenses. The responses are similar to the property management industry as a whole. In multi-unit properties, water/sewer, trash and recycling expenses are more often paid by the management company and rolled into the rent. In rental single family homes, residents often pay these expenses directly.

6. ***Estimate the percentage contribution of various sources of income to your Housing Corporations revenue.***

In 2012, the average Housing Corporation received the following percentage of their revenue from:

- Tenant paid rent- 78%
- Other sources (HUD 811, HUD Section 8 vouchers, etc.)- 11%
- County Board Operating Subsidy- 6%
- County Board Rent Subsidy- 5%

From 2011 to 2012, the largest change occurred in the County Board Rent Subsidy income item. The percentage of this source dropped from 9% to 5% of an average housing corporations revenue.

7. ***Estimate the percentage contribution of various sources to the Housing Corporation's development revenue for acquisitions.***

Community Capital Assistance funds have significantly impacted the development opportunities for Housing Corporations serving people with developmental disabilities. The average Housing Corporation's development revenue comes primarily through the Ohio Department of DD Community Capital Assistance program. In 2012, the average Housing Corporation received the following percentages of their development revenue from:

- Community Capital Assistance- 60.96%
- Private mortgages- 15.89%
- County Board of DD funds- 15.54%
- Other sources including NSP dollars, HOME, Grants, HUD 811, CDBG/CHIP, Tax Credit Equity-7.61%

8. ***What direct or indirect subsidies are received from the County Board?***

County Boards subsidize Housing Corporations in many different ways. The most common subsidies paid by County Boards of DD include:

- Rental Subsidy to Tenant- 35% of respondents received this subsidy with a reported annual average per person of $1846 or $153.83/mo.

- Payment for Vacancies- 42% of respondents received this subsidy with a wide variance of when the vacancy subsidy is implemented.

Examples include: after 30 days, until filled, per bedroom, and $300 per month.

- Professional Staff Support- 29% of respondents received this subsidy with a reported annual value between $1,800 and $90,000. The average annual professional staff subsidy is $26,233.

- Maintenance Staff Support- 24% of respondents received this subsidy with a reported annual value between $500 and $192,760. The average annual maintenance staff subsidy is $22,639.

- Office Space for Housing Corporation Staff– 27% of respondents received this subsidy with a reported annual value ranging between $500 and $30,000.

- Administrative Staff Support- 24% of respondents received this subsidy with a reported annual value between $3,600 and $82,000. The average annual administrative staff subsidy is $17,462.

- Cash Maintenance Subsidy- 22% of the respondents received this subsidy with a reported annual value between $1000 and $130,000 per year.

Of the 55 counties, 9% reported the Housing Corporation did not receive any financial or in-kind support from the County Board of DD.

9. *Does your Housing Corporation administer a rent subsidy program on behalf of the County Board? If so, how many individuals participated in 2010?*

Of the fifty-five submitted County Housing Plans, only11% of the Housing Corporations administered a rent subsidy program on behalf of the County Board. The number of people served by these Housing Corporations' rent subsidy program is from 6-435 and the range of annual per person subsidy provided by the county board is $1200-$5,400 or $100-$450/mo.

10. *Does your Housing Corporation have sufficient capital reserves?*

Of the 54 responses to the question, 61% indicated the Housing Corporation has sufficient reserves for capital improvements.

11. *What percentage of your annual budget, including in kind services, are the contributions made by the County Board to the*

Housing Corporation for operations, rent subsidy, and development?

The average percentage of County Board contributions to a Housing Corporations annual budget is 16%, with 21 of the 55 County Boards contributing between 10-39% of the Housing Corporations annual budget.

12. The following is the percentage of Housing Corporations anticipating completing the following types of repairs over the next two years, from highest to lowest:

Flooring Replacement: 87%
Painting: 80%
Roof Replacement: 69%
Bathroom Repair/Modification: 67%
Window Replacement: 65%
HVAC Replacement: 65%
Driveway Repair/Replacement: 63%
Gutter Replacement: 59%
Appliance Replacement: 57%
Ramps Replacement: 57%

13. Indicate the number of projects you anticipate developing in years 2012 through 2015 with CCA or other sources of funds.

In the four year period, 2012 through 2015, the reporting 54 Housing Corporations plan to develop 425 properties spread relatively evenly over each of those years. Of the 425 properties, the percentage of properties expected to be developed in each of the following categories are:

3-4 person property: 51%
1 person property: 28%
2 person property: 16%
Licensed, 4 or more: 5%

14. Housing Corporations are planning to develop housing for the following population groups:

Of the development planned for the four year period, the following is the percentage expected for each of the following population groups:

Former Residents of a DC: 19%
Children of Aging Caregivers: 17%
Multi-diagnosed (e.g. mental health): 17%
Acute Behavior Issues: 13%

Aging out of Children Services: 10%
Former Residents of ICF-DD: 10%
Ex-Offenders: 7%
Medically Fragile: 7%

15. Is your Housing Corporation planning to develop respite care?

In the period between 2012 and 2015, 30% of Housing Corporations expect to develop property for respite care. In 2011, 15% planned to develop respite care housing.

16. How many individuals required emergency respite care in the last 12 months?

Of the 51 responses to the question:

- 27% of Counties reported there were no individuals requiring emergency respite care
- 55% of Counties served between 1-10 people
- 18% of Counties served between 12-50 people.

These percentages fluctuated very little from the 2011 analysis. In 2012, the total number of people in the reporting counties requiring emergency respite equaled 402.

17. Indicate the types of funds you expect to use in the next four years in developing housing and completing capital improvement projects.

Of the 51 responses to the question, below is the percentage of Housing Corporations that expect to develop with the following resources:

Community Capital Assistance: 94%
County Board Funds: 57%
HOME/CDBG/NSP (administered by local, state and federal): 39%
CHIP (administered by State Dept. Dev.): 33%
HDGF (administered by State Housing Finance Agency): 6%
Hard Debt: 6%
Federal Home Loan Bank Grant: 4%
Misc. (Ohio Finance Fund, Housing Corp funds, Tax Credit, etc.): 14%

18. ***Indicate the vacancy rate for housing purchased with any funding source (at the time of completing the County Housing Plan). The vacancy was based on the number of "openings" for each house.***

Of the 51 responses to the questions, the following is the breakdown of vacancy across Ohio:

0% Vacancy: 18 Housing Corporations
1-5% Vacancy: 10 Housing Corporations
6-10% Vacancy: 10 Housing Corporations
11-20% Vacancy: 11 Housing Corporations
Above 20% Vacancy: 2 Housing Corporations

Based on the reporting 51 counties, the vacancy rate in Ohio is 7%. (*In the affordable housing industry, multi-family properties are typically underwritten with a 7% vacancy rate).* Small and medium size Housing Corporations had the highest number of 0% vacancy rates.

19. How long did it take your organization to complete the County Housing Plan?

In 2011 and 2012, the average time to complete the County Housing Plan document was 6 hours. The six hours included information gathering, meeting time and completing the document.

20. What are the future challenges facing special needs housing in your county? Some of the responses are included below:

- Sufficient service dollars for supports
- Development of single person units
- Affordability for people with SSI Income
- Multiple providers working at a single site
- Availability of rental assistance
- Availability of capital dollars
- Sufficient Capital Reserves
- Provider staff taking ownership for the care of the houses on a daily basis
- Housing corporations are challenged with finding affordable housing options for people with severe behavioral challenges, criminal histories or for those at high risk for offending behaviors
- Housing for children with intensive behavioral needs not able to live with parents and medically fragile population
- New sources for capital to develop affordable housing
- Housing located where public transportation is available
- Sufficient operating income
- Locating existing one floor plan housing to accommodate 3-4 people
- The availability of funds to address capital improvements of older housing stock
- Increased need for accessible units