



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of February 23, 2008**

DATE: February 23, 2008

SUBJECT: Housing Grant for Needy Persons

C. M. RECOMMENDATION: Advertise for a public hearing on March 27, 2008 on amendments to Chapter 44 of the Arlington County Code, Housing Grants for Needy Persons, effective July 1, 2008, to:

1. Adopt an increase in the maximum assets allowed to receive a Housing Grant from \$35,000 to \$340,000.
2. Adopt a policy change to extend to elderly and disabled households the maximum allowable rent for large households.

ISSUE: Should the County Board adopt the above changes to Chapter 44 of the Arlington County Code, Housing Grants for Needy Persons, to expand eligibility for Housing Grants?

SUMMARY: These recommendations are consistent with the Board-approved Elder Readiness Implementation Plan goal of providing affordable, appropriate and accessible housing options. Increasing the maximum assets for Housing Grants to \$340,000 is specifically recommended in the plan. The second recommendation will enable elderly and disabled persons with larger households to receive an appropriately larger rent standard.

BACKGROUND: Chapter 44 of the Arlington County Code authorizes the Housing Grants for Needy Persons program. This program provides rental assistance for elderly, disabled and working families with minor children. Grants are calculated by factoring household size, income and rent expense.

The Elder Readiness Implementation Plan includes a recommendation to expand the maximum asset limit for Housing Grants to that of the Homeowners Grant program. The current Housing Grant \$35,000 maximum asset level for renters has not increased since 1986. Increasing the asset limit to \$340,000 will update this eligibility standard and make it consistent with the asset limit for the Homeowner Grant program. Increasing the asset limit will allow more elderly renters to qualify for a Housing Grant. Since the elderly tend to live on fixed incomes from pensions and Social Security, with limited earnings from assets, the increased asset limit increase will make housing more affordable for seniors. Elderly renters tend to have higher out of pocket

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medical expenses, which are not factored into their eligibility, and which place an additional demand on their income and assets.

Households qualifying for a Housing Grant as elderly or disabled are currently restricted to a maximum allowable rent standard based on one or two bedroom units. Working family households receive a maximum allowable rent standard for two or three bedrooms, depending on the number of household members. The one or two bedroom limit for elderly and disabled persons was based on an assumption that such households consist of single adults, married couples or other non-related adults. In practice, staff have observed that families qualifying as elderly or disabled are often raising related children. Allowing larger elderly and disabled households to receive a Housing Grant based on the three bedroom maximum allowable rent standard will make housing more affordable for low income seniors and disabled persons.

**Housing Grant
Maximum Allowable Rent Standards (current)**

Maximum Allowable Rent Standard	Aged/Disabled Single person or married couple	Aged/Disabled Two or more persons	Working Family Up to 4 members	Working Family 5 or more members
One Bedroom	\$984	-	-	-
Two Bedroom	-	\$1,154	\$1,154	-
Three Bedroom	-	-	-	\$1,573

FISCAL IMPACT: The Housing Grant program has an FY 2008 budget of \$3,778,515. In FY 2007, the Housing Grant program under spent its budget by \$267,723. The Housing Grant program is managed to remain within budgeted funding. The proposed changes will likely lead to increased demand for Housing Grants. Should it become necessary to limit expenditures, the program has a targeted admission policy.

Chapter 44

HOUSING GRANTS FOR NEEDY PERSONS*

* **Cross References:** Real estate assessment, Ch. 20; relocation assistance in real property acquisition, Ch. 37; real estate tax relief for the elderly, Ch. 43.

§ 44-1. Appropriation of board of social services.

§ 44-2. Method of making appropriations.

§ 44-3. Eligibility requirements established by director of the department of human services and approved by the county manager.

§ 44-4. Administrative regulations.

§ 44-1. Appropriation of board of social services.

The county board may, from time to time, make appropriations to the director of the department of human services in his capacity as the board of social services, pursuant to Section 63.1-51 of the Code of Virginia (1950), as amended, for the purpose of providing funds for housing grants for needy persons.

(Ord. No. 83-28, 10-15-83; Ord. No. 86-13, § 2, 7-1-86; Ord. No. 92-28, 7-12-92)

§ 44-2. Method of making appropriations.

Appropriations shall be made only after the county board has been advised of the eligibility qualifications which have been established by the director of the department of human services and approved by the county manager, and this chapter has been amended by specifically recognizing the income and net worth qualifications for each category of recipient and the method for determining the grant to be made to each category.

(Ord. No. 86-13, § 2, 7-1-86; Ord. No. 92-28, 7-12-92)

§ 44-3. Eligibility requirements established by director of the department of human services and approved by the county manager.

The director of the department of human services, in his capacity as the board of social services, has adopted the following income and net worth criteria for qualification for housing grants and the following method of determining the amounts of the grants, to be effective January 1, 2001, which have been approved by the county manager:

- (1) *Maximum incomes.* The estimated gross annual income of applicants for one (1) year from the date of the first day of their most recent earning period shall not exceed eighty-five (85) percent of the HUD Housing Choice Voucher (Section 8) income level, based on fifty (50) percent of area median income, by household size. The income used in determining eligibility shall be that which best reflects earnings in the current and subsequent months.
- (2) *Annual rent.* Annual rent shall be used for determining the amount of grant for qualified renters. Annual rent will be based upon twelve (12) times the monthly rent as of the date that application is made.
- (3) *Determination of grant:*
 - (a) A grant shall be the amount by which a household's annual allowable rent, as set forth in subsections 1. and 2. of this paragraph, exceeds forty (40) percent of its net annual income. Allowable rent shall be determined by using the lesser of a household's actual rent obligation or an amount up to one hundred (100) percent of the HUD Housing Choice Voucher rent maximum as used by the Arlington County Section 8 office, as determined by the county manager.
 1. Elderly or disabled. In the case of qualifying elderly or disabled persons or families, there shall be allowed a deduction from their household's annual income the greater of (i) seven hundred fifty dollars (\$750.00) for each child or (ii) twenty (20) percent of income earned from employment. The amount of the

grant shall be computed on the basis of the resulting net income figure. The amount of the grant shall be determined by using the lesser of the allowable rent based on the HUD Housing Choice Voucher maximum for a one-bedroom dwelling unit or the actual rent obligation for a single person or married couple or, the Housing Choice Voucher maximum for a two-bedroom dwelling unit or actual rent obligation for related household members who are not spouses For a five (5) or more person household the HUD Housing Choice Voucher rent maximum for a three-bedroom dwelling shall be used.

2. Families with children. In the case of persons with minor children, there shall be allowed a deduction from their household's annual income the greater of (i) seven hundred fifty dollars (\$750.00) for each child or (ii) twenty (20) percent of income earned from employment. The amount of the grant shall be computed on the basis of the resulting net income figure. For such persons with minor children, the amount of the grant shall be determined by using the lesser of their actual rent or the allowable rent, based on the HUD Housing Choice Voucher maximum, as follows:
 - a. For a two- to four-person family with minor children the HUD Housing Choice Voucher rent maximum for a two-bedroom dwelling shall be used; and
 - b. For a five (5) or more person family with minor children the HUD Housing Choice Voucher rent maximum for a three-bedroom dwelling shall be used.
3. An eligible household's grant shall not exceed seventy-five (75) percent of the lesser of its actual rent expense or the rent maximum.
4. The county manager may adjust the rent maximum when periodic adjustments are made to the HUD Housing Choice Voucher rent maximum, up to an amount that does not exceed that standard.

Households receiving general relief, temporary assistance to needy families (formerly aid to families with dependent children) and all others receiving benefits under the refugee resettlement program are excluded from eligibility, except for households which are receiving temporary assistance for needy families in which the head of household is either employed (working a minimum average of sixty (60) hours per month) or is enrolled in and scheduled to complete within four (4) months, a training program approved by the department of human services that has a placement rate of at least seventy (70) percent.

- (4) For determination of grants for households which are receiving a grant in December 2000 and which would no longer be eligible based on subsection (3) of this section,
 - (a) A grant shall be determined by multiplying the amount by which a household's annual allowable rent, as set forth in subsections 1. and 2. of this paragraph, exceeds thirty (30) percent of its gross annual income by a payment rate factor as set forth in subsection (b) below.
 1. *Elderly or disabled.* In the case of qualifying elderly or disabled persons or families, the amount of the grant shall be determined by multiplying the payment rate by the amount determined by subtracting thirty (30) percent of the gross annual income from the amount of annual rent paid or the maximum allowable rent of six thousand eight hundred eighty-eight dollars (\$6,888.00) for single persons or married couples or eight thousand one hundred twelve dollars (\$8,112.00) for related adults who are not spouses, whichever is less. The payment rate will be determined based upon household income and size according to the formula set forth in subsection (b) below.
 2. *Families with children.* In the case of persons with minor children, a deduction of seven hundred fifty dollars (\$750.00) shall be allowed for each child, and the amount of the grant shall be computed on the basis of the resulting net income figure. For such persons with minor children, the amount of the grant shall be determined by multiplying the payment rate by the amount determined by subtracting thirty (30) percent of the net

annual income from the amount of annual rent paid or the maximum allowable rent, whichever is less. The payment rate will be determined based upon household income and size according to the formula as set forth in subsection (b) below. The maximum allowable rent for:

- a. A two- to four-person family with children is eight thousand one hundred twelve dollars (\$8,112.00); and
- b. A five- or more person family with children is ten thousand one hundred seventy-six dollars (\$10,176.00).

Households receiving general relief, temporary assistance to needy families (formerly aid to dependent children) and all others receiving benefits under the refugee resettlement program are excluded from eligibility, except for households which are receiving temporary assistance to needy families in which the head of household is either employed (working a minimum average of sixty (60) hours per month) or is enrolled in and scheduled to complete within four (4) months, a training program approved by the department of human services that has a placement rate of at least seventy (70) percent.

(b) Payment rate tables will be established to determine grant amounts as follows:

- 1. For each household size, up to eight (8) persons, multiply the maximum allowable gross annual income, as defined in section 44-3(1) by 0.35.
- 2. The first income range in each table shall be determined by multiplying 0.65 times the maximum allowable gross annual income established for each household size; as defined in section 44-3(1). To determine the amount of each subsequent income range divide the amount determined in paragraph 1. above by one (1) less than the total number of payment rate ranges for each size household:

Household Size	Number of Ranges
1 to 4	13
5 to 6	14
7 plus	15

- 3. Households whose income is 0.65 times the established maximum income level or less shall have a payment rate factor of 0.60. Each range above this income level shall have this factor reduced by 0.03.

(c) *Supplemental payment.* A rent-income ratio for each applicant shall be computed in the following manner to determine eligibility for the supplemental payments:

- 1. Calculate the grant using the formula detailed in section 44-3(4)(a);
- 2. Determine the adjusted rent by subtracting the grant from the lesser of the applicant's maximum allowable rent or actual rent;
- 3. Determine the "rent-income ratio" by dividing the applicant's adjusted rent by his gross annual income;
- 4. If the applicant's rent-income ratio is 0.43 or lower, the applicant receives no supplemental payment; and
- 5. If the applicant's rent-income ratio is above 0.43, the applicant shall receive a supplemental payment equal to the amount by which the adjusted rent exceeds forty-three (43) percent of the applicant's gross annual income; provided, however, that in no event shall a household eligible under this program pay less than thirty (30) percent of its income for rent.

(5) *Maximum net worth.* For qualifying renters, the total net worth of the applicant and all relatives residing

with the applicant shall not exceed ~~thirty-five thousand dollars (\$35,000.00)~~. three hundred forty thousand dollars (\$340,000).

- (6) Effective January 1, 2001, any household qualifying under section (b) and (c) of subsection (4) above who loses eligibility shall no longer qualify under these sections.

(7-1-77; 1-1-78; 12-5-78; 6-28-80; 9-13-80; 5-26-81; Ord. No. 82-20, 7-1-82; Ord. No. 83-26, 11-1-83; Ord. No. 83-28, 10-15-83; Ord. No. 84-32, 10-13-84; Ord. No. 85-20, 7-1-85; Ord. No. 86-13, 7-1-86; Ord. No. 87-15, 7-1-87; Ord. No. 87-20, 7-1-87; Ord. No. 88-15, 7-1-88; Ord. No. 89-8, 7-1-89; Ord. No. 92-28, 7-12-92; Ord. No. 00-21, 9-9-00; Ord. No. 02-24, 11-16-02)

§ 44-4. Administrative regulations.

A copy of the detailed administrative regulations adopted by the county manager shall be kept on file as a matter of public record with a copy of this chapter. Such regulations may among other things, provide for the establishment of waiting lists and priorities for certain classes of persons (such as, but not limited to, the homeless) where the county manager or designee determines that budgetary restraints make it reasonably necessary to limit the number of recipients. Such regulations may also provide for the reduction in the amount of any class or category of grant provided for in this chapter by up to five (5) percent, under terms and conditions set forth in the regulations, where the county manager or designee determines that budgetary restraints make it reasonably necessary to limit the amount of the grants in order to serve a larger number of recipients.

(7-16-74; 10-12-74; 12-20-75; Ord. No. 86-13, 7-1-86; Ord. No. 92-28, 7-12-92; Ord. No. 00-21, 9-9-00; Ord. No. 04-15, 6-12-04)