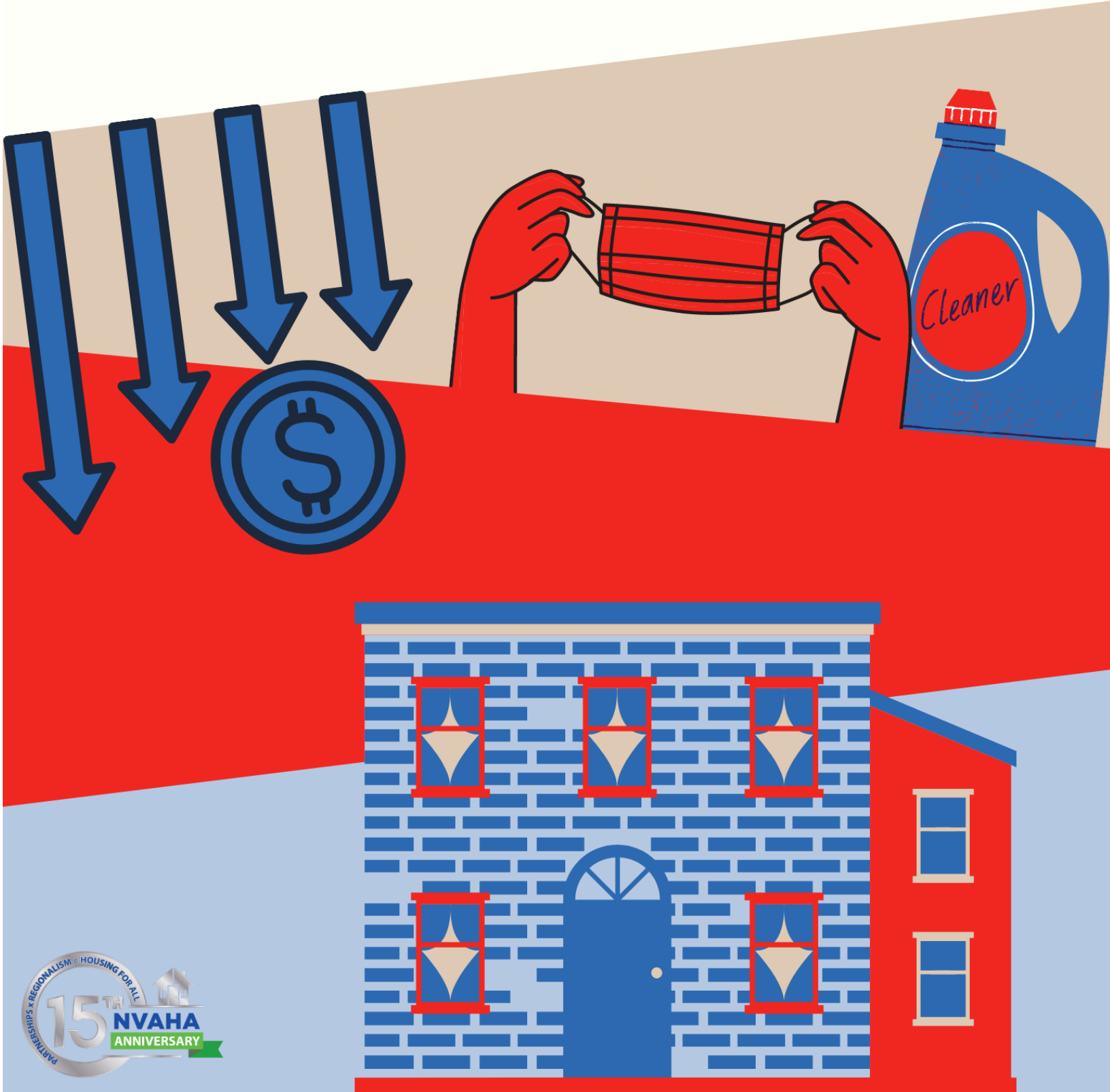


Northern Virginia Affordable Housing Alliance COVID-19 Impact Survey: Phase III Results



Executive Summary

Between May-October 2020 the Northern Virginia Affordable Housing Alliance (NVAHA) conducted a series of three surveys assessing the impact of the COVID-19 pandemic on the operations, staff and clients of affordable housing developers and homeless and other human service providers in the Northern Virginia region. This report summarizes the results of the third and final survey, administered in October 2020. In addition to continuing to track outcomes measured in the prior two surveys – including impact on revenue, expenses, staff, and residents and clients – the final survey featured additional questions related to contingency planning and long-term financial sustainability through the end of the COVID-19 pandemic and beyond.

Organization Characteristics On October 16, the survey was sent to 35 organizations operating across the City of Alexandria, and Arlington, Fairfax, Loudoun and Prince William Counties. Seventeen organizations completed the survey before it closed on November 6 – a 48.57% response rate. More than half (52.94%) of respondents represented non-profit affordable housing developers. In contrast to Phases I and II, two for-profit affordable housing developers participated in the Phase III survey, bringing a new perspective to the results. Respondents owned or managed a total of 62,176 affordable units nationwide, and more than 6,176 affordable units in the state of Virginia and the DC-Maryland-Virginia (DMV) region.

Organizational Impact The top-four sources of COVID-19-related revenue loss were: cancellation of a meeting or other revenue-generating event, loss of rental income, and reductions in both individual donations and philanthropic grant funding. A majority (70.59%) of participating organizations also reported increased cleaning and safety-related expenses. These findings are consistent with the results from Phases I and II of the survey. The percentage of respondents who report laying off staff and/or reducing staff hours or salaries appears to be increasing over time. More than two-thirds of respondents reported meeting with their Board or senior staff to plan for the long-term financial impact of the pandemic over the next 12 to 18 months. Respondents are anticipating continued revenue loss coupled with increased expenses, increased demand for services and reduced staff capacity. Respondents also indicated a need for additional COVID-19-related aid funding, beyond the funds their organizations have already received.

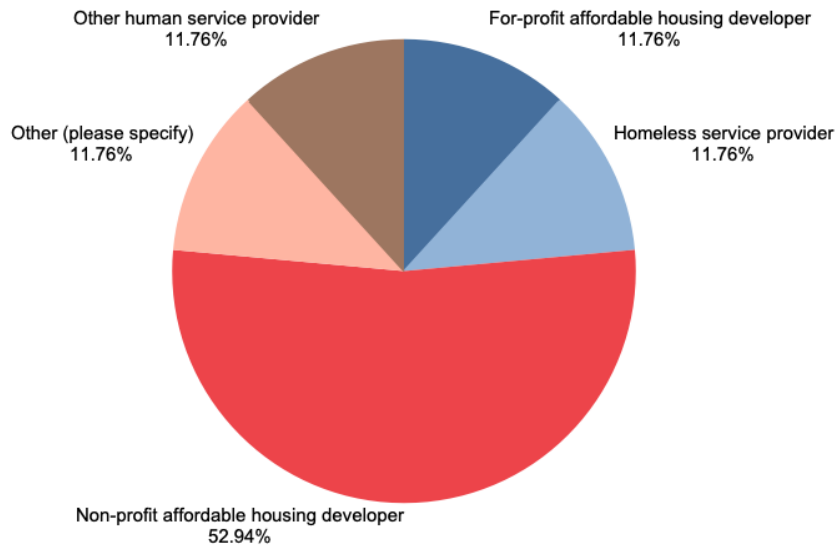
Impact on Residents and Clients The majority of respondents reported providing direct services to affordable housing residents and/or clients. Respondents most frequently reported COVID-19-related disruptions to services relating to food delivery/access and assistance with employment/aid applications. This is concerning, as food access and employment were among the top-ranked resident concerns in Phases I and II of the survey, and financial/basic needs assistance (including help paying for food and housing costs) and unemployment were among the top-ranked resident/client concerns in Phase III.

Impact on Rental Income/Access to Rental Assistance The mean percentage of residents unable to pay their rent in the months of July-Sept. increased to 24.9%, compared with 13.12% in the months of May and June. The majority of participating organizations reported offering some form of rental assistance to residents/clients, with direct financial assistance and waived late fees being the most common forms of rental assistance offered. The mean percentage of residents who received government-based rental assistance increased in Phase III compared with Phase II of the survey, while the mean percentage of residents who received rental assistance from non-profit sources decreased slightly. The mean percentage of residents unable to access any form of rental assistance also increased in Phase III compared with Phase II of the survey. Reported barriers to accessing rental assistance were consistent with the

barriers identified in Phase II of the survey, and included overly complex/bureaucratic application processes, inability to meet eligibility requirements, fear of applying for public assistance among undocumented residents, and communication and language barriers.

The results from this survey suggest that organizations are concerned about continuing to meet an increased demand for services in the face of revenue loss, increased expenses and reduced staff capacity due to the pandemic. The residents and clients served by our region's affordable housing and homeless service providers are concerned about meeting basic needs, including paying for food and housing costs, and unemployment. The percentage of residents unable to pay their rent is increasing over time and, unfortunately, barriers continue to impede access to rental assistance. Together, the results from all three surveys will be used to develop a series of recommendations that will be shared with local government officials to inform budget and policy considerations in 2021.

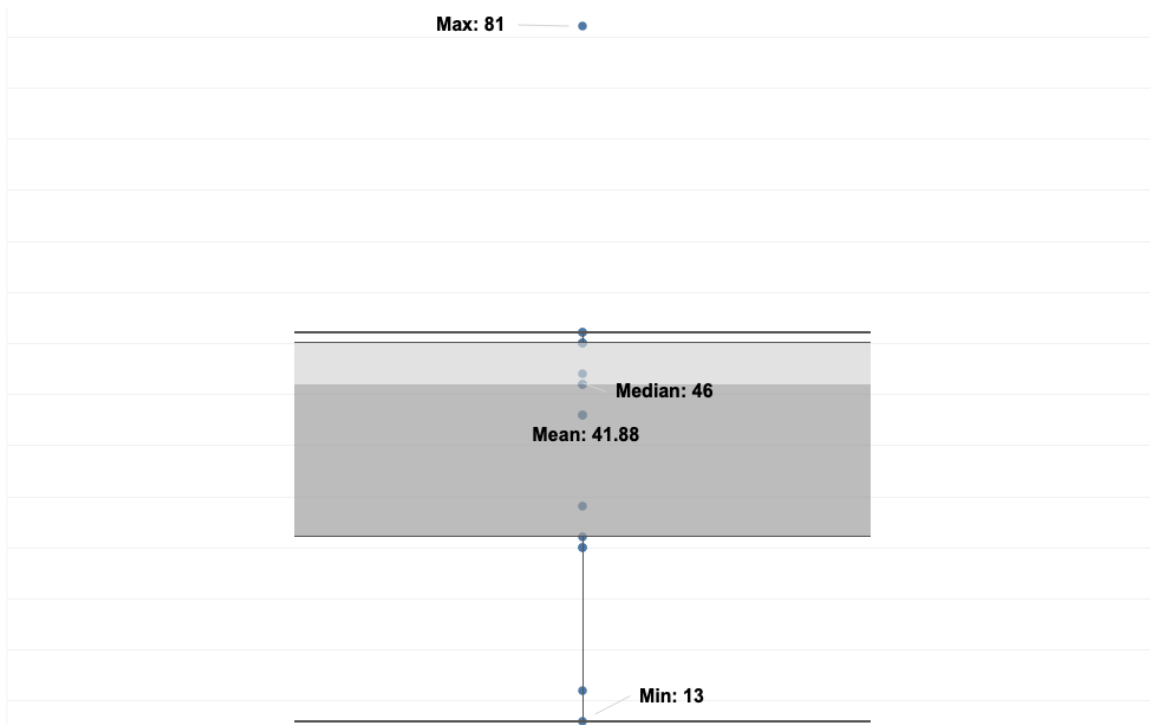
Section I: Organization Characteristics
Primary Organization Function



N = 17, Missing = 0

As in Phases I and II of the survey, the majority of respondents (52.94%) represented non-profit affordable housing developers. In contrast to Phases I and II, two for-profit affordable housing developers (11.76%) completed the survey bringing a new perspective to the Phase III results.

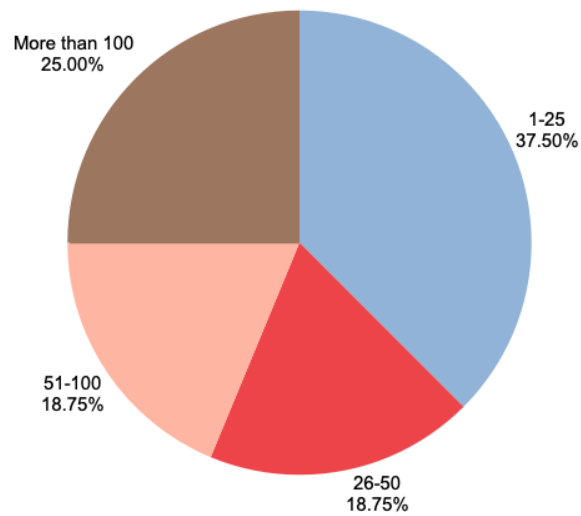
Organization Age



N = 17, *Missing* = 0

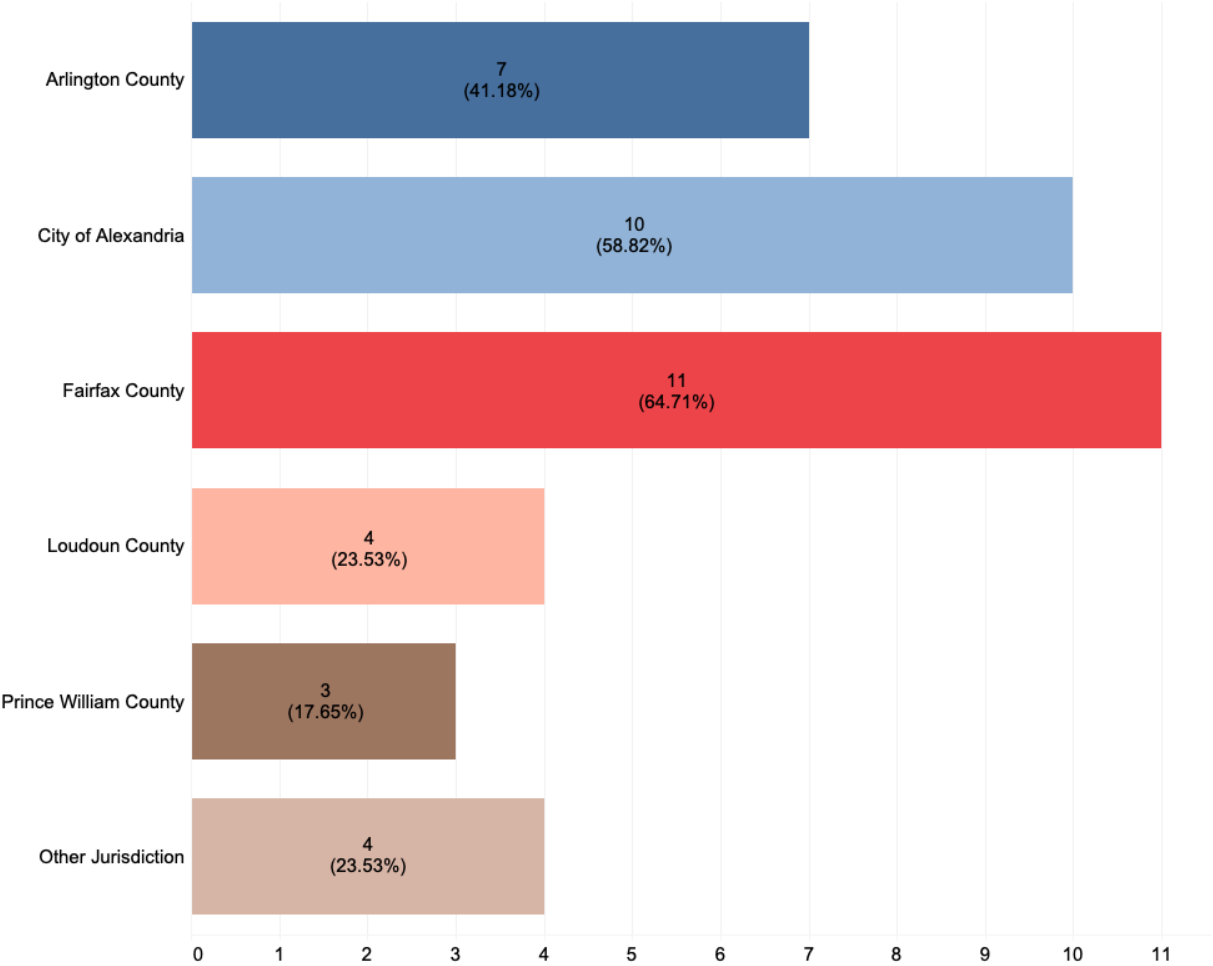
The mean age of the participating organizations was 41.88 years, falling directly in between the mean age in Phase I (38.83 years) and Phase II (43.38 years). As in Phases I and II, the majority of participating organizations (56.25%) had 50 or fewer employees (see below).

Organization Size



N = 16, *Missing* = 1

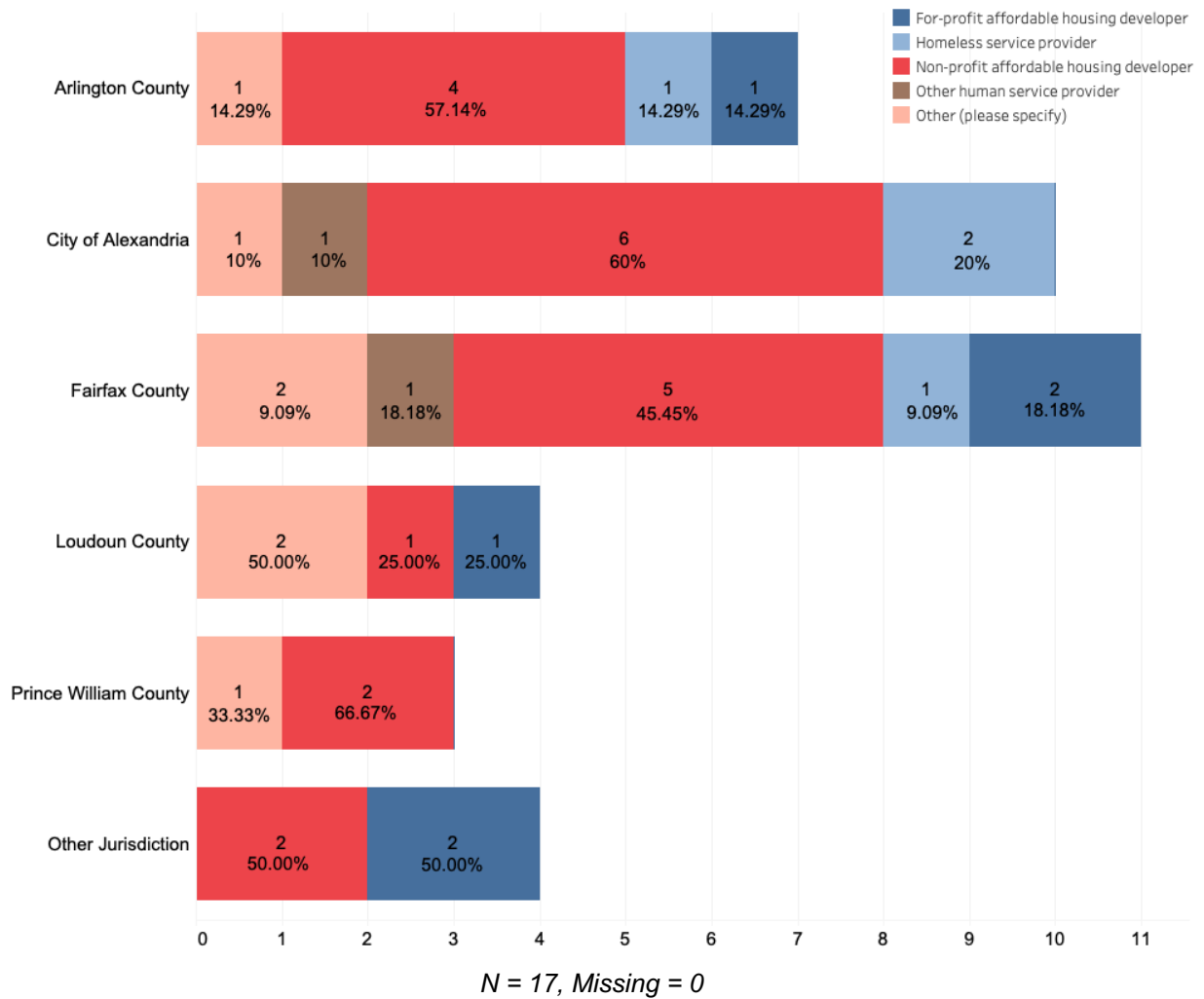
Jurisdictions Where Participating Organizations are Active



N = 17, Missing = 0

Nearly half (47.06%) of respondents were active in only one jurisdiction (a slightly higher percentage than previous surveys). In Phases I and II of the survey, participating organizations that were active in “other jurisdictions” outside of Northern Virginia, were active either in other parts of the state or in Baltimore and suburban Maryland. In Phase III, two organizations that were active in “other jurisdictions” owned and operated units in multiple states nationwide. While this brought a broader perspective to the results of the Phase III survey, it also skewed the results in regard to some outcomes (e.g., number of units owned/managed, average percentage of residents unable to pay rent and access to rental assistance). In subsequent questions, when appropriate, organizations operating nationwide were excluded to provide estimates specific to Virginia and the DMV region.

Organizations in Each Jurisdiction by Primary Function



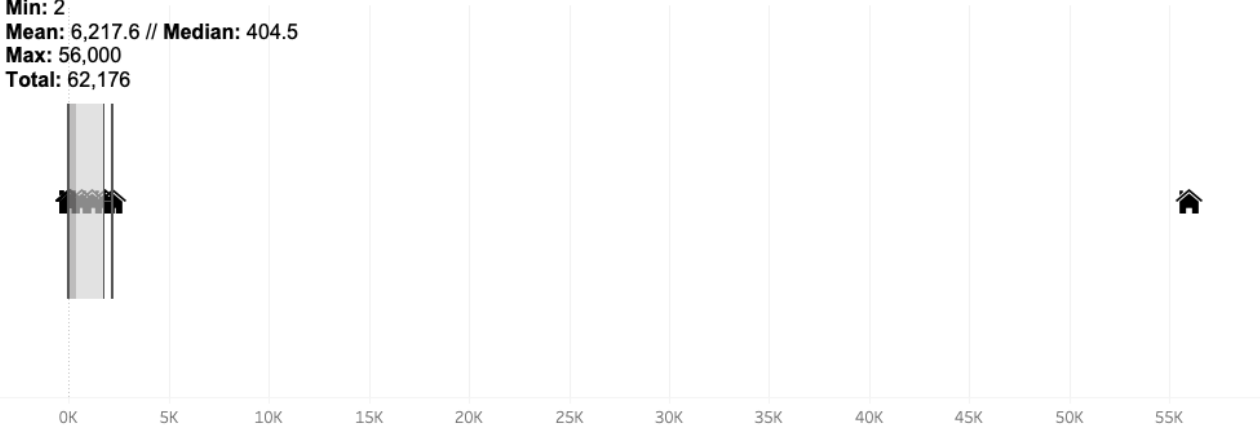
As in Phases I and II, non-profit affordable housing developers made up the largest share of participating organizations in most jurisdictions. An exception to this trend was Loudoun County, where a majority of organizations preferred to self-identify their primary function.

Property Management

Number of Units Owned/Managed: Nationwide

N = 10, Missing = 7

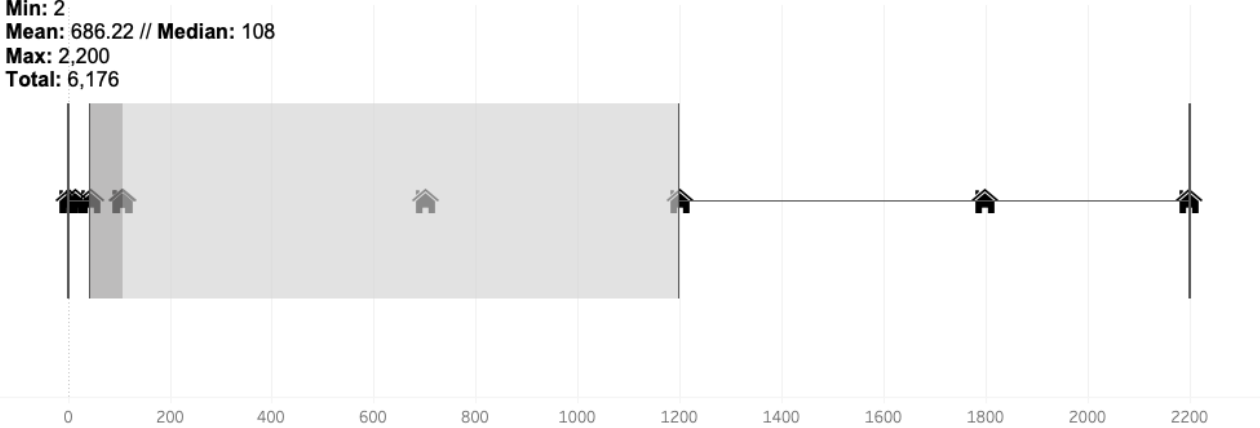
Min: 2
 Mean: 6,217.6 // Median: 404.5
 Max: 56,000
 Total: 62,176



Number of Units Owned/Managed: Virginia & DMV Region Only

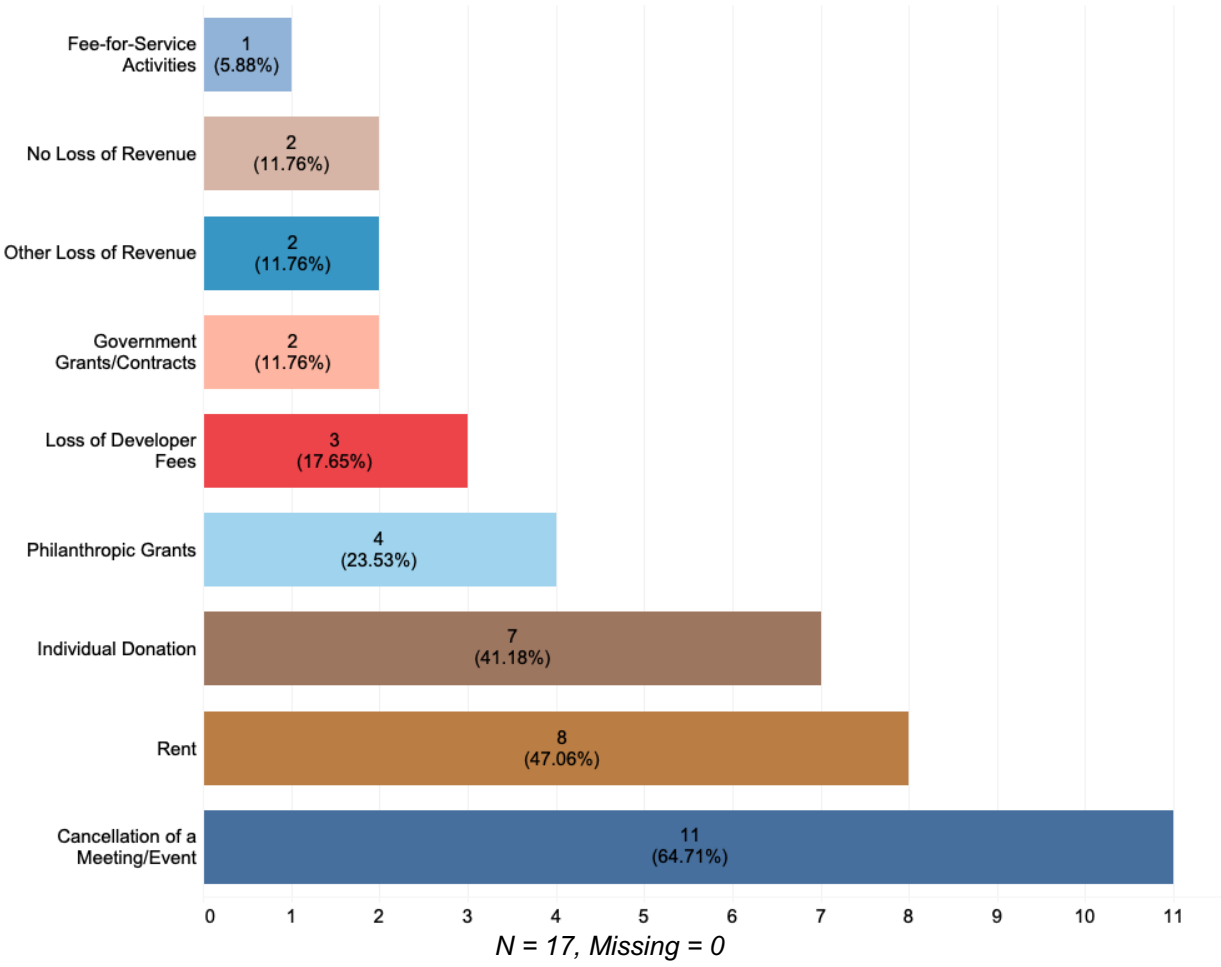
N = 9, Missing = 8

Min: 2
 Mean: 686.22 // Median: 108
 Max: 2,200
 Total: 6,176



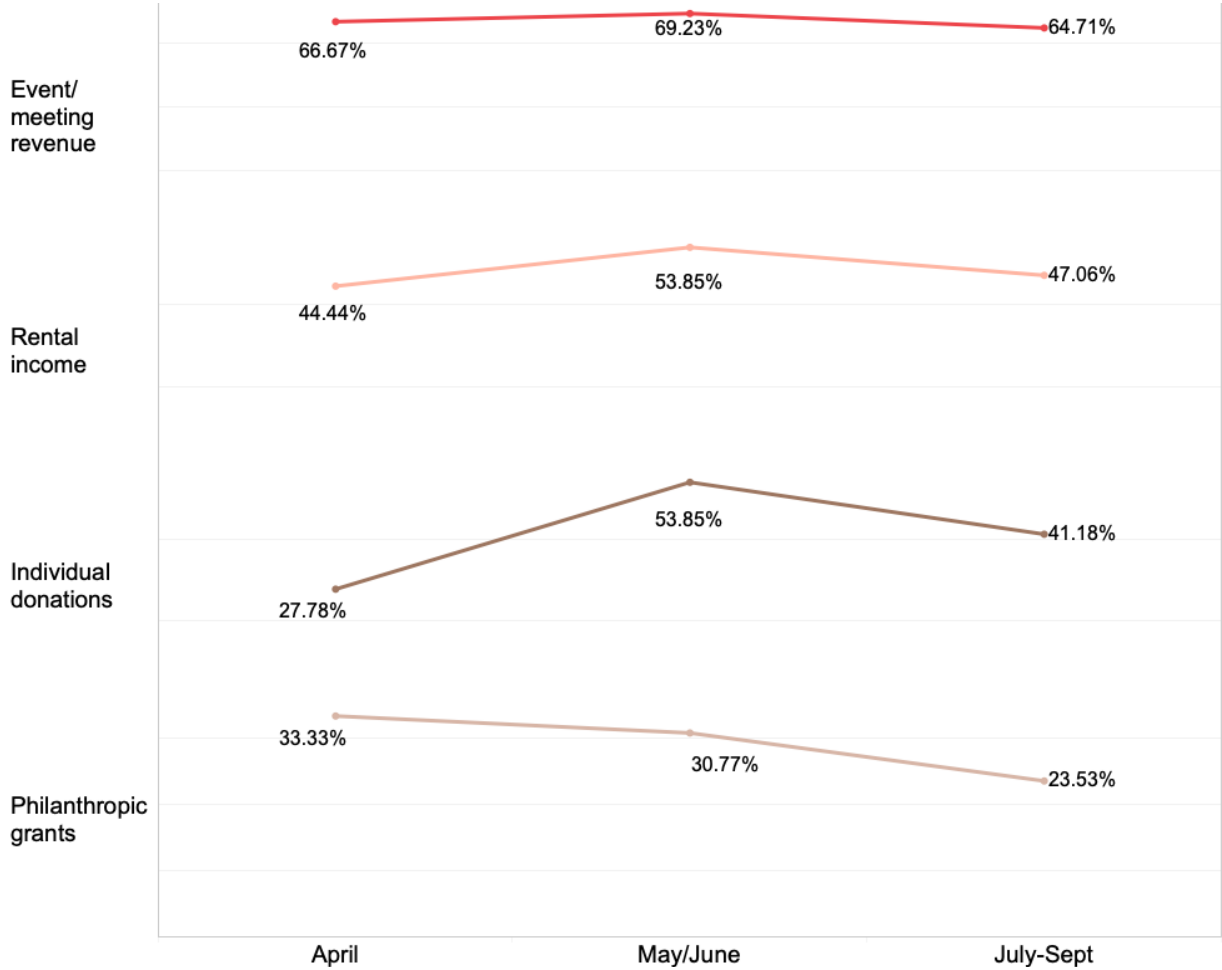
In total, respondents represented approximately 62,176 affordable units nationwide – a significant increase compared with Phase I (approx. 13,895 affordable units) and Phase II (approx. 12,813 affordable units). This increase was due to the participation of one large organization representing 56,000 units *nationwide*. After removing this outlier to focus on organizations whose activities are limited to Virginia and the DMV region, the number of affordable units represented dropped to 6,176. It should be noted that this latter total is likely an underestimate, as it excludes an unknown number of Virginia-based units owned by the organization with a nationwide footprint. In the absence of a reliable means of estimating the number of Virginia-based units owned/managed by this national organization, we elected to present two estimates – one including all units nationwide and a conservative estimate representing only the state of Virginia and the DMV region.

Section II: Organizational Impact
Loss of Revenue Due to COVID-19 in July – Sept.



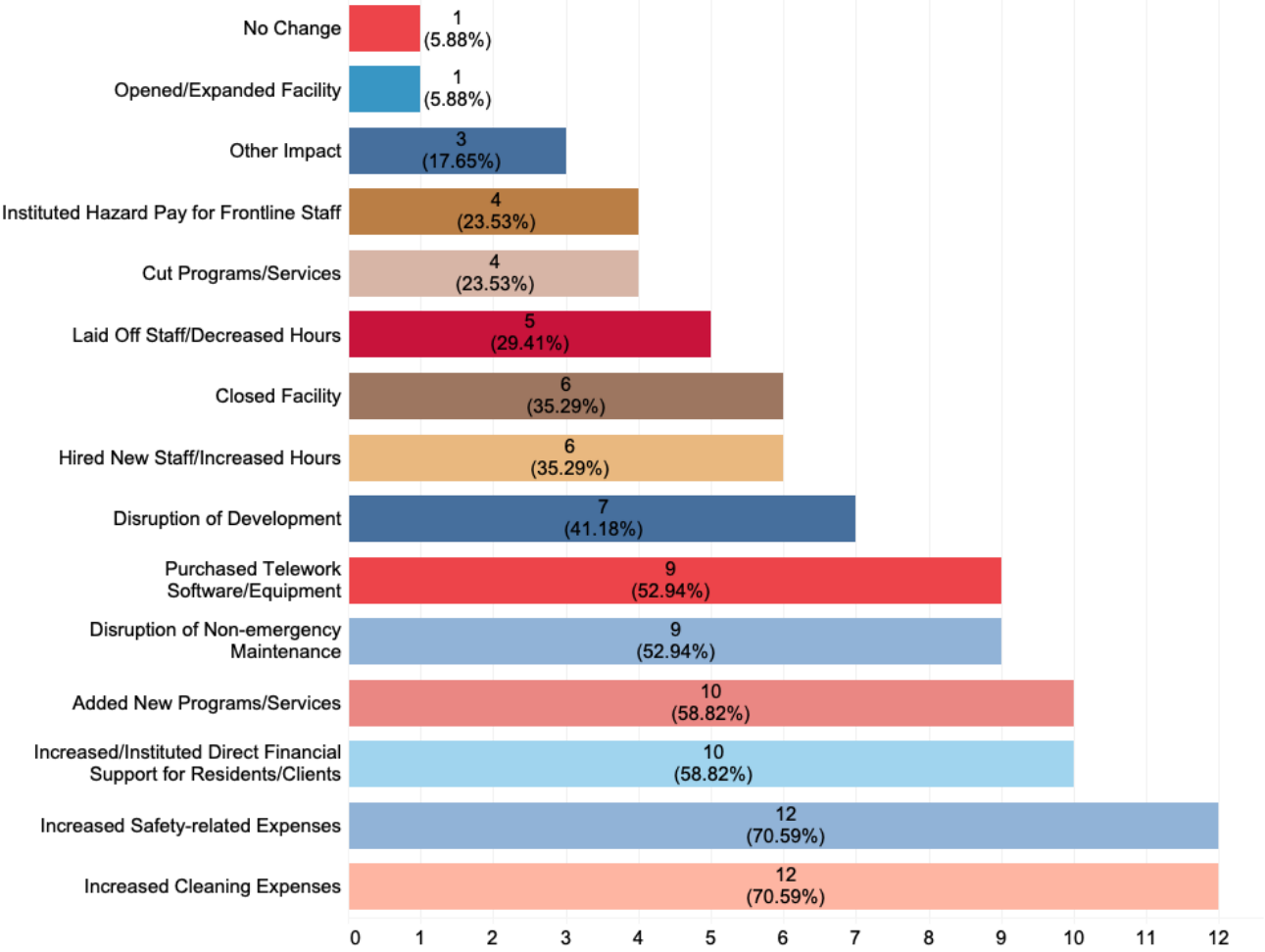
The top-four sources of COVID-19-related revenue loss in Phase III of the survey were: cancellation of a meeting or other revenue-generating event, loss of rental income, and reductions in both individual donations and philanthropic grant funding. These were also the top-four sources of COVID-19-related revenue loss in the prior two phases of the survey. The graph on the following page depicts the change in the percentage of respondents that reported loss of revenue from each of these four sources across all three phases of the survey.

Percentage of Respondents Reporting Revenue Loss by Source, Over Time



April: N = 18, Missing = 1
May/June: N = 13, Missing = 0
July-Sept.: N = 17, Missing = 0

Other COVID-19-related Impact



N = 17, Missing = 0

The top sources of non-revenue-related impact were increased cleaning and safety-related expenditures. This finding is consistent with Phase II of the survey. Questions on the impact of the pandemic on cleaning and safety-related expenses were introduced in Phase II based on the results from Phase I when 88.89% of respondents identified a need for donations of cleaning supplies and personal protective equipment (PPE), and 55.56% reported increased operating costs resulting from the pandemic.

Staff Impact

“Staff [are] working increased hours and running new programs to address needs created by [the] pandemic with inability of relief or additional staff capacity.”

“We have increased workload but are operating with a skeleton crew. The major concern is how we will continue to serve 5x our normal operations on less funding.”

The percentage of respondents who laid off staff or decreased hours as a result of the pandemic (29.41%) increased slightly compared with Phase II (23.08%, two organizations reported lay-offs and one organization reported both lay-offs and a reduction in staff hours/salary). Reduction in staff hours was not assessed in Phase I, but the percentage of organizations who reported laying off staff was 11.11%.

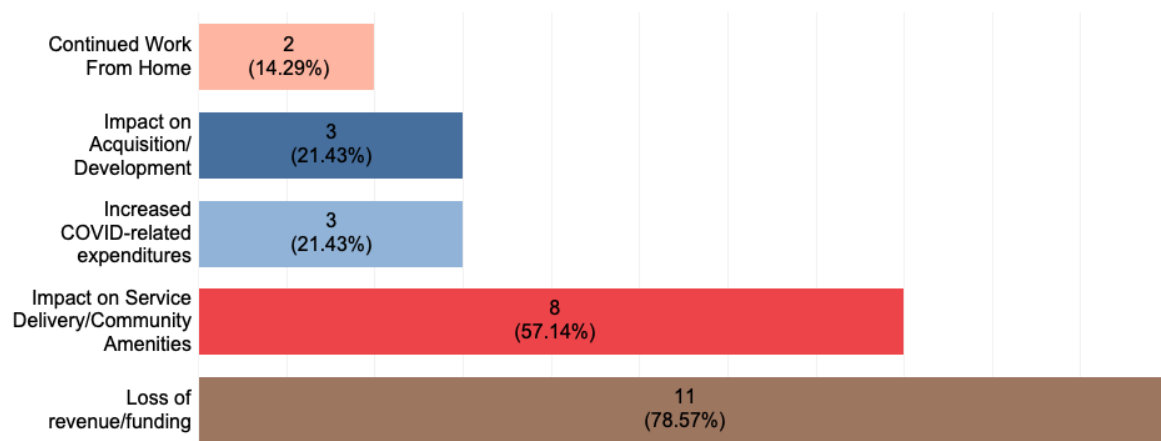
When asked about staff members' needs and concerns related to the COVID-19 pandemic, respondents (N = 14, Missing = 3) indicated that staff are experiencing burnout, as well as stress and anxiety over job security, organizational stability, reduced funding and staff capacity, and their ability to continue to meet the growing demand for services. Staff are also worried about their own health and safety, and the health and safety of the residents/clients they serve.

Anticipated Impact in the Next 12-18 Months

“There will [be] a decrease in funding sources to run programs at increased capacity due to COVID-19. There is increased need for service, but no funding.”

“Current funding sources end at the end of the year. In January, we will need new outlets for funding to continue to operate at the current capacity, which is 5x our normal workload. Without the additional funding, we will have to adjust program delivery and the number of people we are able to serve will be significantly decreased.”

“We anticipate that clients will be staying in shelter longer and when they do find permanent housing will be paying rental assistant for a longer term due to lack of jobs and no childcare.”



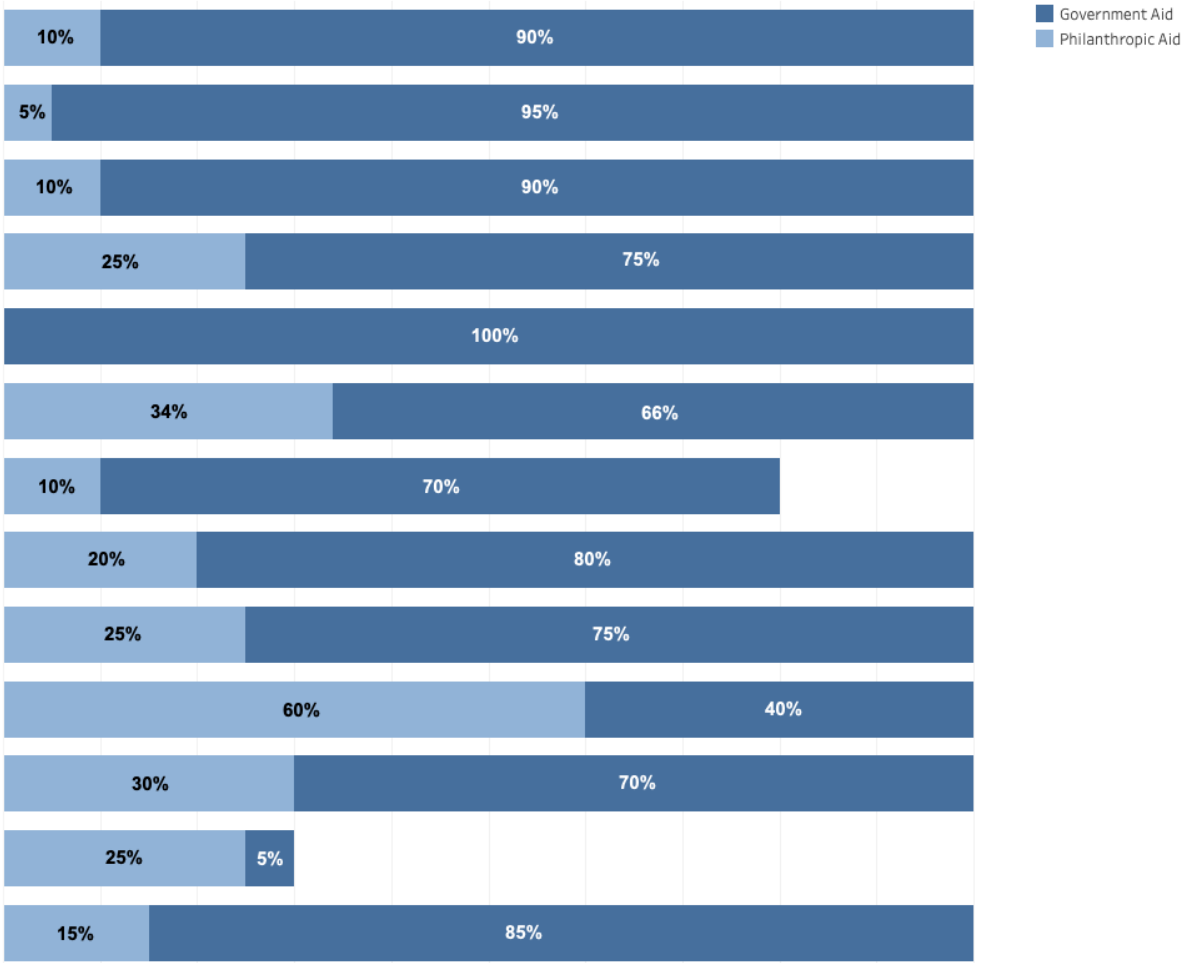
N = 14, Missing = 3

Roughly two-thirds (68.75%, N = 16, Missing = 1) of respondents indicated that their board/senior staff had met to plan for the long-term impact of the pandemic over the next 12 to 18 months. This was an increase compared with the percentage of respondents (38.46%, N = 13, Missing = 0) who had a 12 to 24-month contingency plan in place in Phase II of the survey.

When asked what revenue, operational and other changes are anticipated in the next 12 to 18 months as a result of the pandemic, 78.57% of respondents reported an anticipated loss of revenue. Many also noted that this loss coincides with an increased need for services among residents and clients, and increased COVID-19-related spending. One organization did identify a potential positive impact: increased opportunities for acquisition and new development. Other comments related to affordable housing development were negative, noting the likely loss or delay in receipt of developer fees, and that deals will be tighter moving forward.

COVID-19-related Aid Funding

Percentage of Aid Received from Government vs Philanthropic Sources

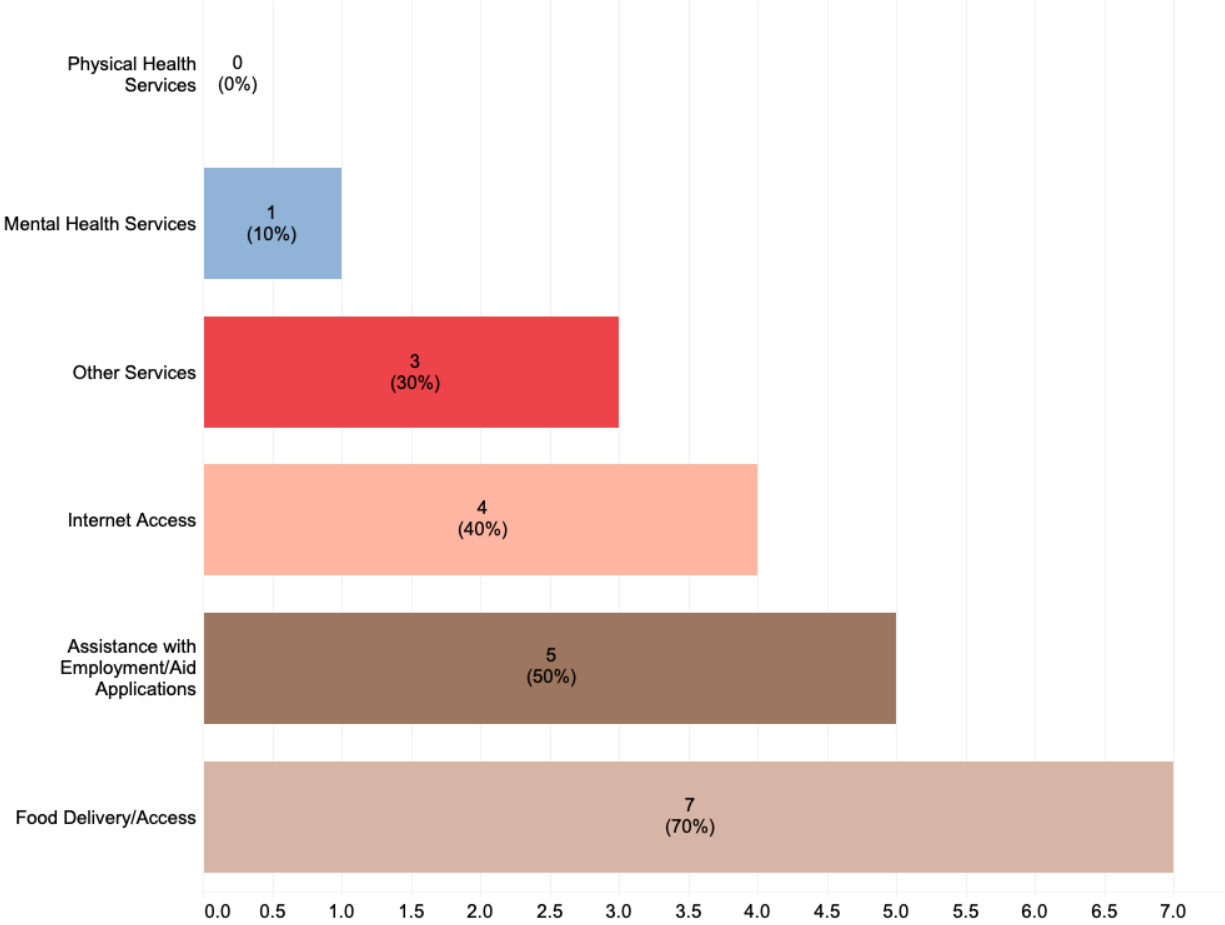


N = 14, Missing = 3

The majority of respondents (85.71%) received the bulk of their COVID-19-related aid funding from government sources. This is consistent with the results from Phase II, when 91.67% of respondents received the majority of their COVID-19-related aid funding from government sources. Two respondents reported percentages of government and philanthropic aid that totaled less than 100%, suggesting they received additional COVID-19-related aid funding from alternate sources.

71.43% of respondents (N = 14, Missing = 3) disagreed or strongly disagreed that the aid their organizations received is sufficient to mitigate the **long-term** financial impact of the COVID-19 pandemic. This is a significant jump compared with the percentage of respondents (23.07%, N = 13, Missing = 0) who disagreed or strongly disagreed that the aid their organizations received was sufficient to mitigate the **short-term** financial impact of the COVID-19 pandemic in Phase II of the survey.

Section III: Resident/Client Impact
Impact on Service Delivery

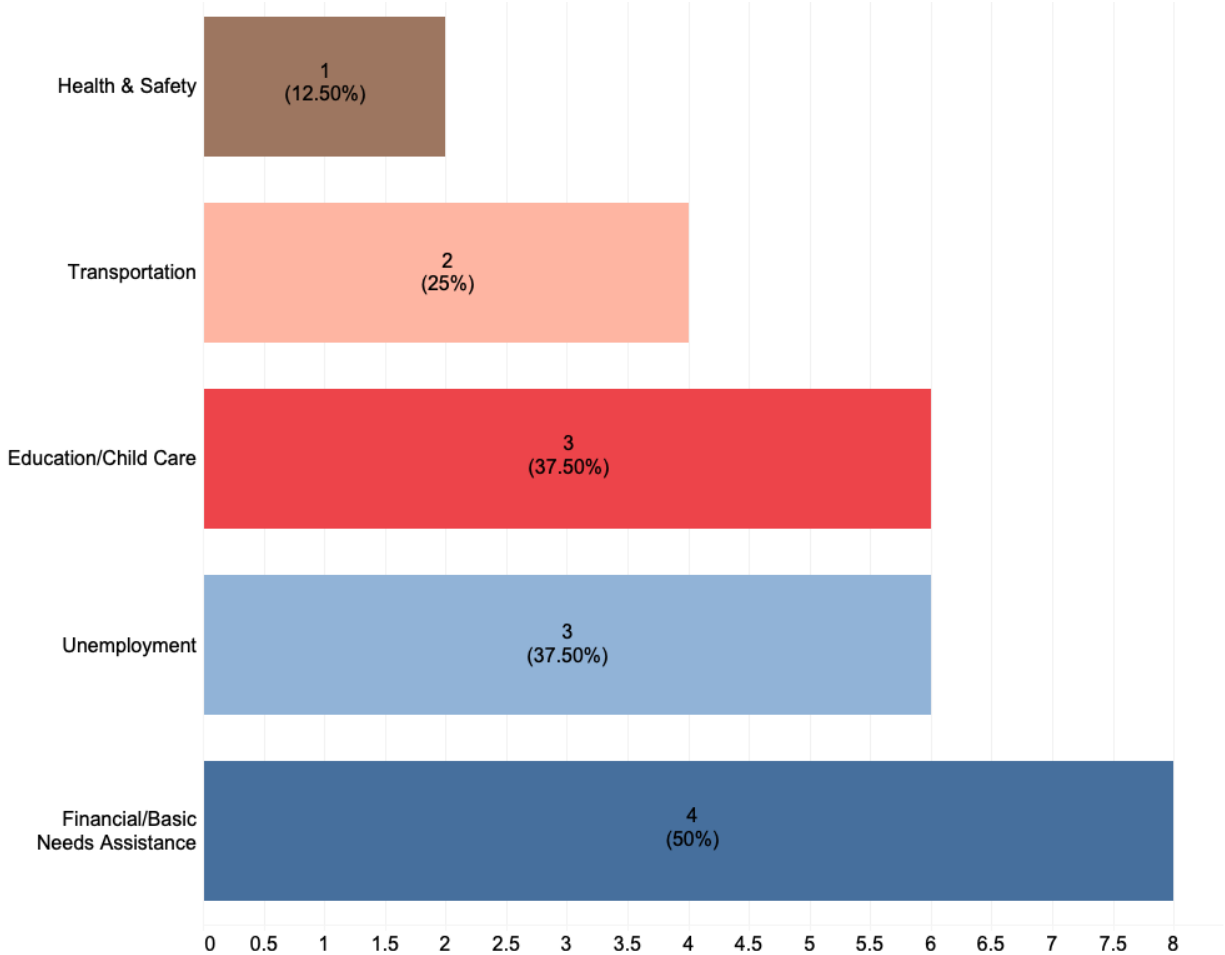


N = 10, Missing = 7*

**Representing approx. 5,461 affordable units in the state of Virginia and the DMV region.*

87.5% of respondents (N = 16, Missing = 1) reported providing direct services to residents and/or clients. Of these respondents, 10 (71.43%) reported how the COVID-19 pandemic has affected service delivery. The majority of respondents reported an impact on food delivery/access (70%) and half (50%) reported an impact on the ability to assist with employment/aid applications. This is concerning, as food access and employment were among the top-ranked resident concerns in Phases I and II of the survey. “Other” disrupted services identified by respondents via write-in response included child care/youth services (N = 2, 20%), property management/unit maintenance (N = 2, 20%) and inability to safely operate community spaces (N = 1, 10%).

Resident/Client Needs & Concerns



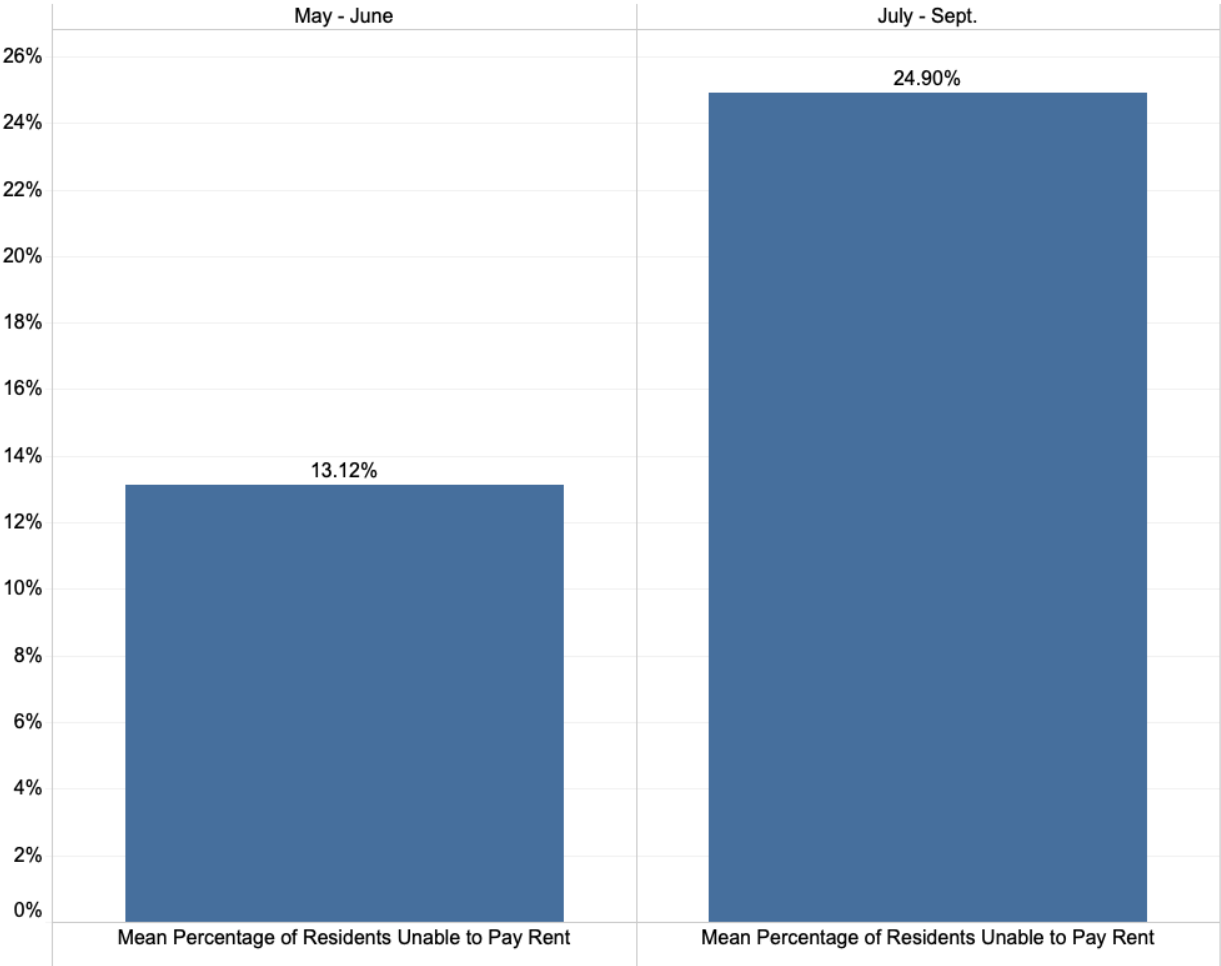
*N = 8, * Missing = 9*

** Representing approx. 2,061 affordable units in the state of Virginia and the DMV region.*

Financial/basic needs assistance (including help paying for food and housing costs) was the most frequently reported concern among residents and clients (50%), followed by unemployment (37.5%) and education/child care (37.5%). Housing stability, food access and unemployment were also the top-ranked resident needs/concerns in Phases I and II of the survey. These concerns may be exacerbated by the disruption of services related to food access and assistance with employment and aid applications (see above). Similarly, concerns over children’s education may be exacerbated by the disruption of organizations’ ability to provide internet access to residents/clients (e.g., via shared computers in a common space).

Section IV: Rental Income

Percentage of Residents Unable to Pay Rent*

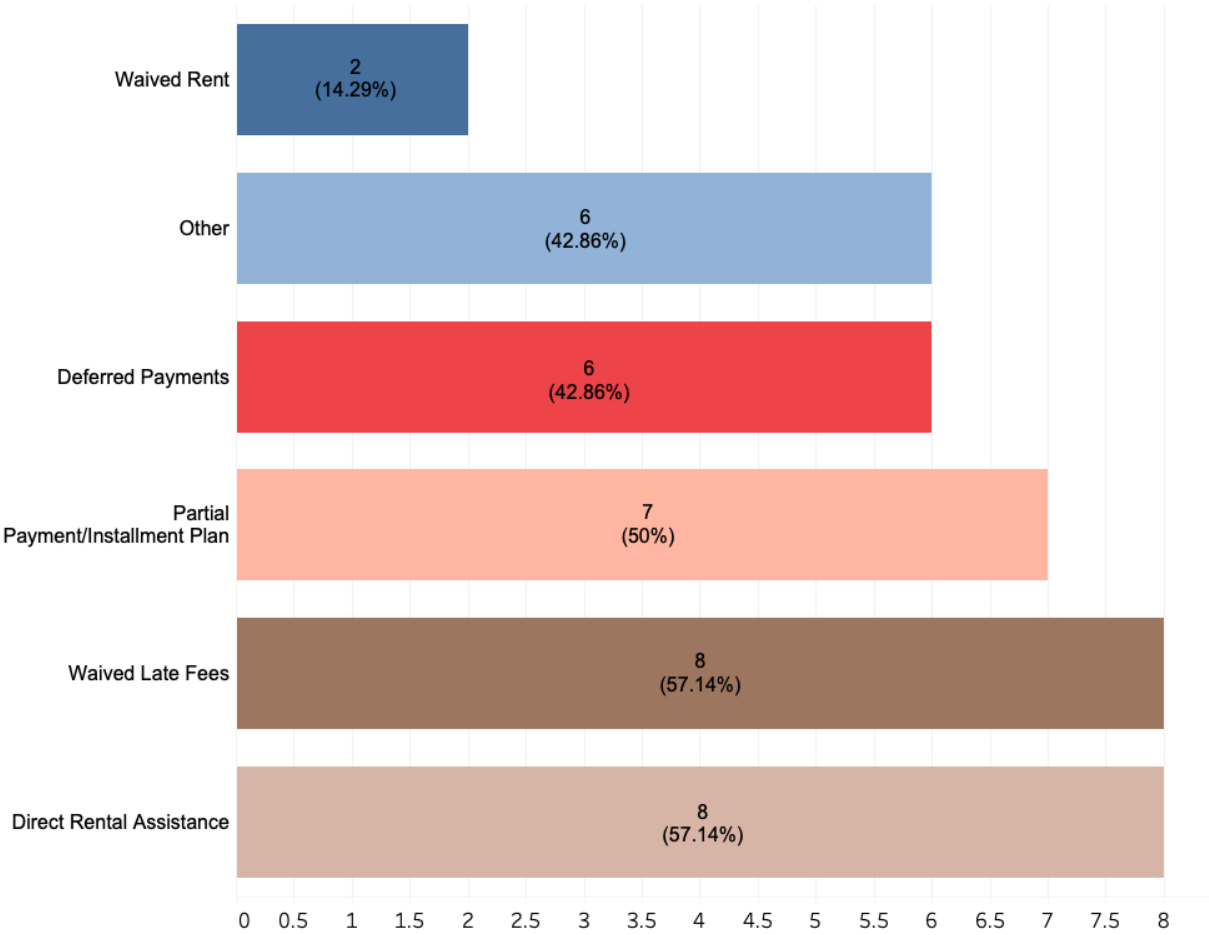


*May/June: N = 8, ** Missing = 5*
*July-Sept.: N = 10, *** Missing = 7*
*** Representing approx. 12,813 affordable units*
**** Representing approx. 6,176 affordable units*

Respondents representing rent-collecting organizations were asked what percentage of the residents they serve were unable to pay their rent in July-Sept. There was a notable increase in the mean percentage of residents unable to pay their rent in the months of July-Sept. (24.9%) compared with May and June (13.12%). This increase occurred despite the increased availability of rental assistance following the launch of the state Rent and Mortgage Relief Program (RMRP) in June.

* Averages represent only responses from rent-collecting organizations serving the state of Virginia and the DMV region.

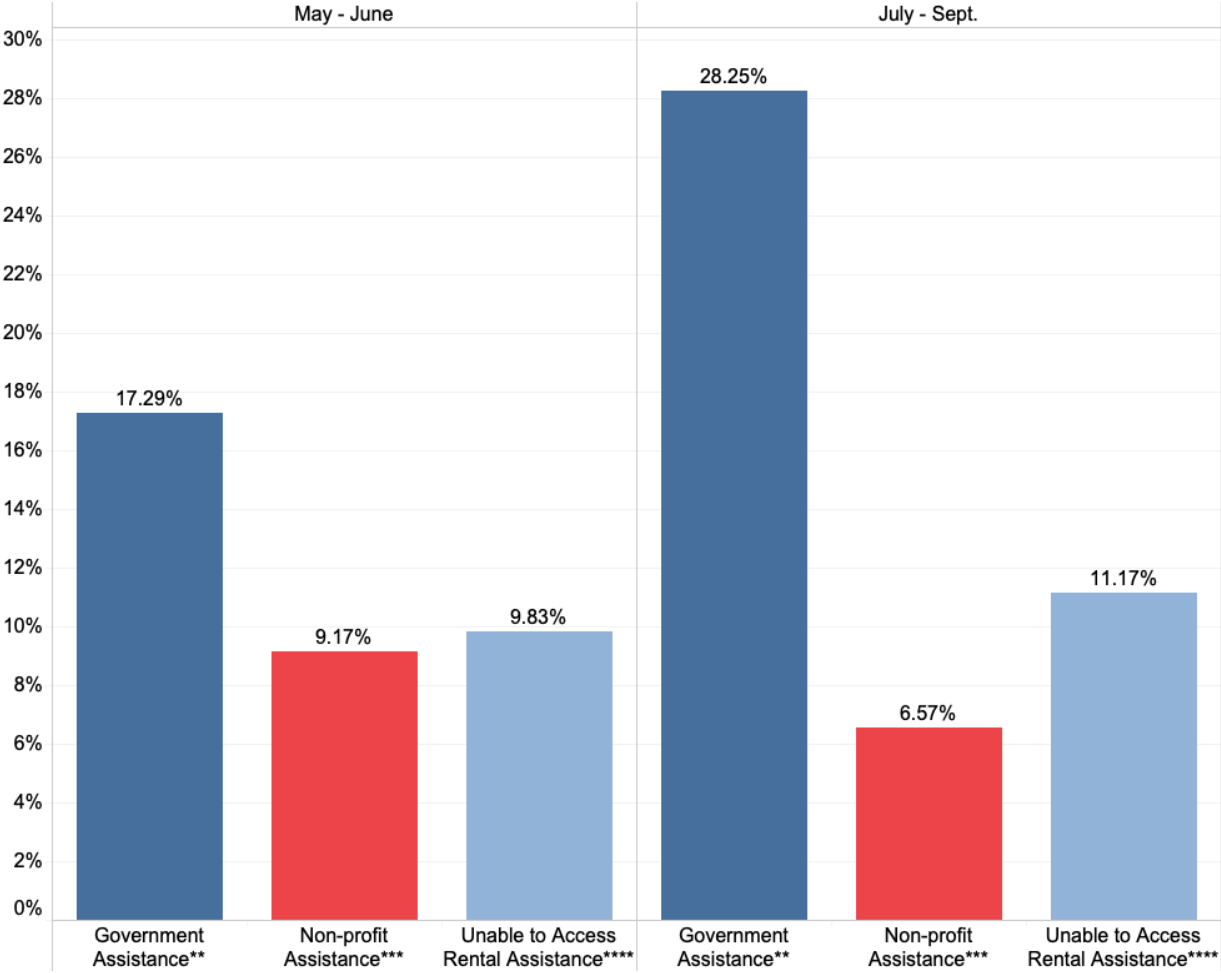
Rental Assistance Offered by Participating Organizations



N = 14, Missing = 3
 *Representing approx. 62,176 affordable units nationwide /
 At least 6,176 affordable units in the state of Virginia and the DMV region*

82.35% of respondents reported offering some form of rental assistance to residents (compared with 69.23% in Phase II). The most common forms of assistance were direct financial support (57.14%) and waived late fees (57.14%). This is consistent with the results from Phase II. Waiving rent entirely (14.29%) remained the least common form of organization-based rental assistance. Other forms of assistance identified by respondents via write-in response included help applying for state or local government assistance, assistance with security deposits and mortgage payments (for homeowners), and utilities assistance.

Mean Percentage of Residents Able to Access Rental Assistance *

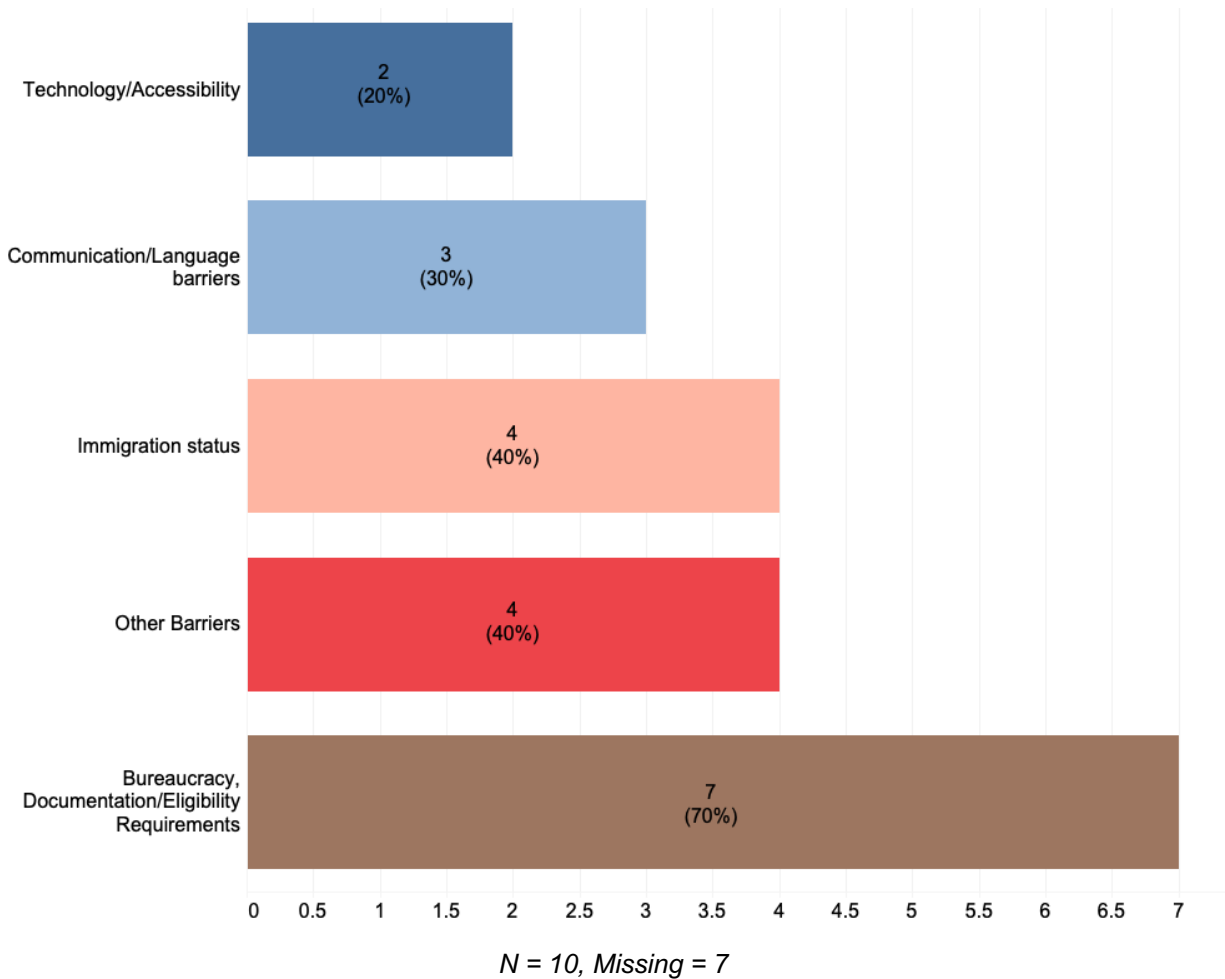


** *May/June: N = 7, Missing = 6 (representing approx. 12,781 affordable units)*
July-Sept.: N = 8, Missing = 9 (representing approx. 4,976 affordable units)
 *** *May/June: N = 6, Missing = 7 (representing approx. 5,281 affordable units)*
July-Sept.: N = 7, Missing = 10 (representing approx. 4,962 affordable units)
 **** *May/June: N = 6, Missing = 7 (representing approx. 12,080 affordable units)*
July-Sept.: N = 6, Missing = 11 (representing approx. 4,917 affordable units)

Respondents representing rent-collecting organizations were asked what percentage of the residents they serve received rental assistance from government and non-profit/philanthropic sources, and what percentage of the residents they serve were unable to access rental assistance. Both the mean percentage of residents who received government assistance (28.25%) and the mean percentage of residents unable to access rental assistance (11.17%) increased in July-Sept. compared with May and June, while the mean percentage of residents who received non-profit/philanthropic assistance fell from 9.17% to 6.57%.

* Averages represent only responses from rent-collecting organizations serving the state of Virginia and the DMV region.

Barriers to Accessing Rental Assistance



Respondents were asked to identify what barriers the residents/clients they serve faced when accessing rental assistance. The barriers to accessing rental assistance reported in Phase III of the survey were consistent with what was reported in Phase II, including overly complex/bureaucratic application processes, inability to meet eligibility requirements, fear of applying for public assistance among undocumented residents, and communication and language barriers. “Other barriers” identified by respondents included residents waiting to apply for assistance until federal/state eviction moratoria are lifted, lack of awareness that assistance is available, pride, ‘mental health tunneling’ and uneven funding across jurisdictions.