



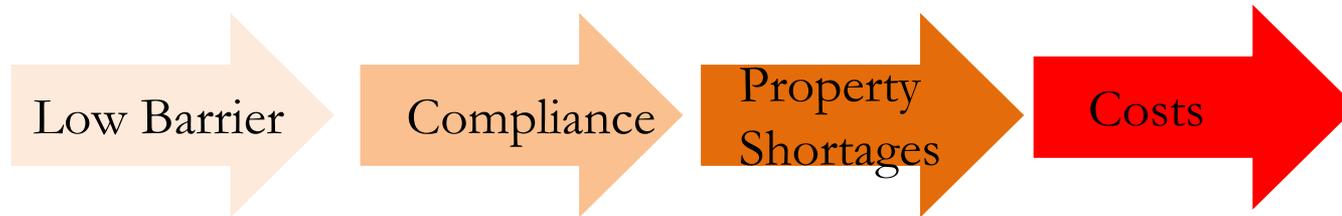
# VOA's Challenges as an Affordable Housing Provider



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# Affordable Housing Provider Challenges



**Low Barrier:** Grantors requiring low barrier access to housing

**Compliance:** Compliance requirements ever increasing costs

**Property Shortages:** Due to housing shortage, providers are forced to take on master leases - rents are at market rates

**Costs:** All these challenges have ever increasing, unsustainable costs, including property insurance

## Insurance Costs Since FY2019

**FY19** \$63,835 last year of fire claim - Philadelphia Ins  
**FY20** 38,153 no claims - Philadelphia Ins  
**FY21** 83,093 no claims - Philadelphia Ins (approx 217% increase)  
**FY22** 240,951 two claims, one fire, one water - Philadelphia Ins  
**FY23** 135,220 out to market - new carrier - Nonprofit Alliance  
**FY24** 140,304 no claims - Nonprofit Alliance (approx 4% increase)

*FY25 projected \$160,722 - out to market, but staying with Nonprofit Alliance*

## Coverage Uncertainty

VOA has had carriers non-renew twice in the last 3 years:

- **FY22 Philadelphia non-renewed due to two separate claims in FY21. We went out to market, but no other carrier would quote our organization. Then, Philadelphia decided to provide us with a quote in the 11th hour, and our premium increased triple-fold.**
- **FY24 Great American Insurance non-renewed for one of our LIHTC properties. We have had no claims, but our broker communicated to us that this carrier was getting out of the property coverage portfolio altogether.**

## Results of VOA's Affordable Housing Challenges:

- VOA has reduced our Permanent Supportive Housing (PSH) portfolio by 20% (48 units) due to increased costs of rent, insurance, utilities, etc.
- Damages for our PSH units has increased by 44% over the past three years due to high acuity individuals referred to the program and damages they caused to the units. VOA did not turn in to insurance in some instances for fear of being non-renewed.
- Over \$270K spent in maintenance and repairs in FY24 to date.
- Landlords requiring renters insurance - VOA had to provide on behalf of tenant. This cost is not reimbursed by grants and often comes from the general fund.
- It is getting harder to find units to lease due to landlord recognition of damages and overarching cost to their properties.



Thank you



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