



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Elizabeth H. Tyler, FAICP, Community Development Director

FROM: John A. Schneider, Manager, Grants Management Division

DATE: December 17, 2010

SUBJECT: **Homeless Housing Best Practices**

Description

Attached to this memorandum is an overview of a research project regarding a Homeless Housing Best Practices Study conducted by University of Illinois at Urbana-Champaign students (FAA 391). The instructors for the course, Abbilyn Harmon and Sang Lee will provide a summary of the student report to the Urbana Community Development Commission during a Special Meeting on December 21, 2010. A printout of the final report will be distributed to CDC immediately prior to the meeting.

Background

FAA 391 students were directed to conduct research regarding best practices for housing homeless persons. The research focused on three specific programs: Housing First, Emergency Family Housing and Permanent Supportive Housing, which are strategies used in various communities throughout the United States to assist the homeless population.

These strategies may be utilized by the City of Urbana and Urbana HOME Consortium, in addition to strategies formulated from the results of the Regional Housing Study, in preparing Annual Action Plans during the coming years.

Memorandum Prepared By:

John A. Schneider
Manager, Grants Management Division

ATTACHMENT: Draft Homeless Housing Best Practices Overview

Date: December 17, 2010

From: Abbilyn Harmon and Sang Lee, FAA 391 Instructors

Subject: Homeless Housing Best Practices Study

I. Introduction

The homeless housing best practices study was conducted from mid-October through mid-November, 2010. FAA 391 students conducted this study with the intent to produce a best practices report that details three distinct homeless housing programs. FAA 391 is a University of Illinois course that focuses on merging research with community needs to produce positive social change. In past years, this course has worked with homeless service providers and homeless advocacy groups in both East St. Louis and Champaign-Urbana. These partnerships developed out of requests for assistance and identification of needs within the community. This year's work stemmed from meetings in Summer 2010 with City of Champaign staff, who identified a community-wide focus on housing. FAA 391 instructors have expertise in affordable housing generally and homeless housing programs specifically. Additionally, one of the instructors regularly attends meetings of the Champaign County Council of Service Providers to the Homeless. This group routinely identifies needs within the community, aiding in the course instructors' capacity for tailoring the homeless housing programs to the needs within the community, with regards to homelessness.

The purpose of the December 21, 2010 presentation to the City of Urbana Community Development Commission is two-fold. First, we hope to educate members of City of Urbana Community Development Commission about potential programs that would meet needs within our community. Specifically, we have focused on successful programs in cities of comparable characteristics and demographics, and will introduce these programs to CDC members as replicable practices. Within these program case studies, the following areas will be detailed: 1) characteristics of the city in which the program exists, 2) key attributes of the housing program organization, 3) local governmental role in the project, and 4) funding of the program. Whenever possible, we have selected newer programs to learn more about how organizations are working within the contemporary funding climate.

Our second goal in presenting these programs is to stimulate a conversation across the community, including the Cities of Urbana and Champaign and key homeless/housing organizations, about developing additional housing for the most impoverished members of our community. While we are not advancing a specific agenda for housing, we are conscious of the role that preliminary research plays in creating new opportunities within the community. We hope that discussing various housing options on December 21 will be a first step in the process of creating more housing. We met with the City of Champaign on December 7, with the intent to begin a community-wide conversation. To move into a more actionable phase, FAA 391 students will be continuing their research around affordable housing options through work with the Homestead Corporation in Spring 2011 to identify a specific affordable housing project for the Champaign-Urbana community.

II. Background

The following programs were identified through conversations with the Champaign County Council of Service Providers and City of Champaign staff about the needs of the Champaign-Urbana community. Each program type addresses a specific homeless subpopulation, but they also address specific housing needs within the subpopulations. Homelessness is a complex issue in any community, and one of the most difficult pieces to understand is the diverse nature of the population and the specific needs of the different subpopulations. We have paid particular attention to subpopulations that are currently underserved in the community in an attempt to fill out our community's continuum of housing services.

A. Housing First

While a great number of homeless services have been developed over the last 25 years, street homelessness remains a persistent and troubling issue in our community. In response to this issue, we propose Housing First, an innovative supportive housing model that specifically targets chronically "street" homeless individuals with mental illness. The Department of Housing and Urban Development defines "chronic homelessness" with several characteristics including, "unaccompanied (single adult), disabled, and homeless continuously one year or more". Housing First is the only program of its kind to accept chronically homeless individuals exclusively, and to accept individuals with co-occurring disorders, such as mental illness and substance abuse. Its services are designed to meet the needs of a particularly vulnerable homeless population that has been ineffectively served by other programs.

The purpose of Housing First programs is to provide services and a living arrangement that prepares clients to successfully move into permanent housing on their own, and thus alleviate chronic homelessness for the individual. According to a 2005 best practices study by the Ward Family Foundation¹, 56.4% of residents that leave the program go on to affordable permanent housing with subsidy, supports, both, or no subsidy or supports. This means that more than half the chronically homeless, mentally ill individuals are getting the services they need and being placed in permanent housing.

Local government is needed to facilitate the funding and placement of the Housing First program. The support of the local government agencies was crucial to gain the funding from local CDBG funds and identifying other appropriate funds to assist with building the facility. Other sources of funding included HUD's Supportive Housing Program, state and county funds for mental illness programming, and private donations. Support also ensured proper zoning placement of the facility that allowed residential use of a building that may not have originally been intended for multi-family housing. The population served by Housing First programs is one that is highly stigmatized, and given this fact, it is critical that local government supports the development of the project. Making sure that community members are educated about the quality and effectiveness of Housing First programs is essential in the process of development.

B. Emergency Family Housing

Housing for homeless families has been identified as a need by the Champaign County Council of Service Providers to the Homeless, as well as an overwhelming number of survey responders in the recent Regional Housing Study conducted in Champaign County. In response

¹ "Safe Haven Programs: Analysis of Strategies and Operating Practices." Ward Family Foundation, Inc. July 2005. www.wardfamilyfoundation.org/shp.shtml

to this need, we have researched a number of successful models of emergency family housing in communities like Champaign-Urbana.

In Evansville, IN, the Ozanam Family Shelter provides families with three meals a day. Each family is also given an individual case manager that works with them. There are no time limits placed on the stay, but the average stay is about 38 days. During their stay, families are encouraged, but not required, to participate in certain programming. These programs include: life skill workshops, job assistance counseling, parenting classes, activities for children, help with school work as well as referrals for medical and psychiatric assistance.

The shelter accommodates intact families, couples with children, single fathers and single mothers. They cannot accommodate single men. In this shelter, there are eighteen total rooms; seventeen of the rooms are family rooms that are capable of housing between 2-9 family members. The eighteenth room is used to house up to six single women. Rooms are designed to look like homes with furniture such as bunk beds, cribs, desks, dressers, etc. The families all share common areas including living rooms, reading/recreation rooms, laundry facilities and a community kitchen. Families come to the shelter and are matched with rooms that best fit their needs.

The staff consists of a board of directors as well as many administrative staffers and family advocates. The shelter is staffed with House Managers, who help the shelter's day-to-day functions. The shelter is staffed 24/7. The shelter also relies on the help of volunteers from time to time to assist with cleaning, rearranging furniture, etc.

In Evansville, the city government supports the initiative to end homelessness and works with the shelter on a few different levels. While the city government is not *directly* involved in funding, staffing or maintaining the shelter, they are indirectly involved in a number of ways. The city government provides a lot of funding to local community partners that, in turn, support Ozanam's efforts. These Community partners include, but are not limited to: DFC (Drug Free Communities), DSS (Department of Social Services), other local homeless shelters, medical facilities, mental health facilities, including Southwestern Indiana Mental Health, religious foundations and other community and social agencies. These agencies provide not only funding, but staff support, maintenance and upkeep as well as case management.

Funding for Ozanam comes from a wide range of sources. Federal and state grants account for 30% of the total costs. The shelter receives Community Development Block Grants from the state. The rest of the funding is through donations from religious charities, individuals, foundations, businesses and their community partners. This effort required widespread support from the community, including the city government.

C. Permanent Supportive Housing

Our community is familiar with SRO-style housing, following the successful development and operation of Homestead Apartments, This type of building houses multiple tenants that live in individual rooms. The rooms at Homestead Apartments include private kitchenettes and bathrooms. SROs fill an important housing role in the community, as they are the cheapest form of permanent housing and therefore are essential for people of extremely low-income.

Since the development of Homestead Apartments, funding lines have shifted toward a type of housing model titled "permanent supportive housing," or PSH. PSH is a specific type of housing for people who face difficulty obtaining or retaining appropriate stable housing. This homeless subpopulation may have chronic health conditions, such as substance abuse,

HIV/AIDS, and/or mental illness, but may also simply be poor and unable to afford stable housing. The federal government recognizes the link between housing and services, arguing that tenants cannot stay housed if they do not have access to services, and inversely, if they do not have housing they cannot access necessary services. Therefore, in the PSH model, services are offered on-site even though tenants are not required to utilize them. This model is, in fact, the same model that Homestead Apartments has used since it opened. This combination of housing and supportive services has been proven to be less expensive than having the at-risk population alternate between hospitals, institutions, and emergency housing shelters. However, the funding lines today recognize that many different people can benefit from the PSH model, not just individuals. By including a range of unit sizes, from SROs to four-bedroom family units, PSH is more flexible and better able to address the specific needs of the tenants while still remaining cost-effective for both the tenants and the communities that support them.

As one example of the mixed-unit style of development, the New Hollands Apartments Building in Danville, IL illustrates an innovative approach to PSH. This project has several unique attributes. These include having access to the apartment units by entering the homeless shelter which is two blocks away and is operated by Crosspoint Human Services. The amenities of the apartment has two on site laundries, 2 community rooms, an enclosed park with a child playground, barbeque grills, benches/chairs and tables for seating. Security is provided by electronic proximity access cards, electronic coin card for operating all laundry machines, closed circuit cameras recording tenant and visitor conduct on the property. There is adjacent parking and covered bike racks available. Public transportation and school buses pick-up and deliver just outside the front door. It is within walking distance of Vermillion County and City of Danville government services; medical, legal, and accounting services; museums; post office; grocery and other retail stores. The property manager is onsite throughout the week and there is a live-in maintenance person who addresses repairs as they occur 24/7. There is a monthly resident council meeting that enables the family in meeting their new neighbors and become involved in maintaining the quality of their new home and neighborhood.

Funding for New Hollands Apartment came from twelve different sources, representing the creative approach that must be taken to develop a project of this magnitude. From the Illinois Housing Development Authority they were given HOME funds of \$1,802,140. Enterprise Community Investment gave money through Tax Credit Equity of 9% with \$2,864,679 and historic tax credits of \$1,166,063. From the Enterprise Community Investment Reserves of 9% or \$177,150 was given. The Enterprise green grant gave \$46,000. The Federal Home Loan Bank of Chicago has an affordable housing program gave \$184,000. The Illinois Clean Energy funded \$211,402. The foundation of the Illinois Clean Energy had \$200,000 in grants to help cover the LEED design process and a portion of \$243,000 for the geothermal engineering and drilling. For the donation of the building \$214,00 was given from the Illinois Donation Tax Credits. The city of Danville's Community Development Block Grant gave \$135,000 with \$35,000 towards a predevelopment grant. The developers gave \$249,816.31 and a deferred developer fee of \$43,500. Equity out of Escrow at 9% gave \$166,500. First Midwest bank purchased the historic tax credits and Enterprise Community Investment was responsible for the 9% low income housing tax credits.

III. Conclusion

The three programs highlighted in this memo, Housing First, Emergency Family Housing, and Permanent Supportive Housing, are attempts to provide housing for community

members with the highest risk of becoming or remaining unhoused—single adults with limited resources, chronically homeless with mental illness and/or substance abuse, and families with children. The success of any of these programs is foremost dependent upon the support of the local government, and a commitment to work with existing organizations to develop more housing. With the municipality as a partner in the establishment of the programs, service providers were better able to locate local funding options and identify appropriate sites for the facilities (sometimes rehabilitation projects). To boot, their job was made easier by the municipality also acting as advocates of the program in general. The local government's knowledge of the community needs and capacity of local service providers is vital to identifying the appropriate vendor to create and manage these programs. Lastly, given the decreases in federal investment into housing programs over the past decade, local governments have had to become more innovative and take on a more active role in facilitating programming to meet pressing housing needs in the community.