



**Funding Strategies for Permanent Supportive Housing  
for a Re-entry Population:**

**A Funding Brief Related to the  
Austin/Travis County  
Corporation for Supportive Housing Texas Re-entry  
Project Recommendations**

**July, 2010**

Prepared by the Austin/Travis County Re-entry Roundtable

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## **DOCUMENT MAINTENANCE**

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# Austin/Travis County Re-entry Roundtable

*Building Successful Strategies for  
Offender Re-Entry in Austin/Travis County, Texas*

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The **Austin/Travis County Re-entry Roundtable (A/TCRRT)** was established in April of 2004 and is a collaborative association of interdisciplinary and diverse stakeholders committed to addressing the complex issue of offender re-entry and former offender reintegration in our community. The A/TCRRT promotes systemic change at the local and state level to enhance public safety by advancing the success of offenders returning to, and in, Travis County.

The issues of offender re-entry and reintegration affect every citizen of every community. Undertaking a comprehensive plan for systemic changes geared toward long-term improvements requires that a community consider not only its values and its available resources but its most closely held beliefs about the rights of its people to safe communities, basic needs, economic and social justice, healthy children and families, education and social welfare. A/TCRRT believes that through an inclusive community process of identifying our values, stimulating dialogue on difficult subjects, establishing clear goals, seeking/re-allocating/leveraging resources and holding ourselves accountable for positive outcomes, we can improve the quality of life in the Austin/Travis County community for all of our citizens. Having created a replicable process, we contribute to opportunities for the same in other communities throughout the state and country through active partnerships and collaboration. Most importantly, we can make significant progress towards advancing public safety by breaking the vicious cycles of crime and delinquency that destroys generations of families and jeopardizes the security of the community.

# INTRODUCTION

**WHAT IS PERMANENT SUPPORTIVE HOUSING?** Permanent supportive housing (PSH) is permanent, affordable housing linked to a range of support services that enable vulnerable tenants, especially the long-term homeless, to live independently and participate in community life. Corporation for Supporting Housing (CSH) believes that a supportive housing unit is:

- Available to, and intended for, a person or family whose head of household is homeless or at risk of homelessness and experiencing mental illness, other chronic health conditions including substance use issues, and/or multiple barriers to employment and housing stability;
- Where the tenant pays no more than 30%-50% of household income towards rent, and ideally no more than 30%.
- Where the tenant has access to a flexible array of comprehensive services, including medical and wellness, mental health, substance use management and recovery, vocational and employment, money management, coordinated support (case management), life skills, household establishment, and tenant advocacy;
- Where use of services or programs is not a condition of ongoing tenancy;
- Where the tenant has a lease or similar form of occupancy agreement and there are no limits on a person's length of tenancy as long as they abide by the conditions of the lease or agreement; and
- Where there is a working partnership that includes ongoing communication between supportive services providers, property owners or managers, and/or housing subsidy programs.<sup>1</sup>

Persons exiting the criminal justice system contribute significantly to the growing number of homeless individuals throughout the United States. Supportive housing has proven itself the most cost effective strategy to end homelessness.<sup>2</sup>

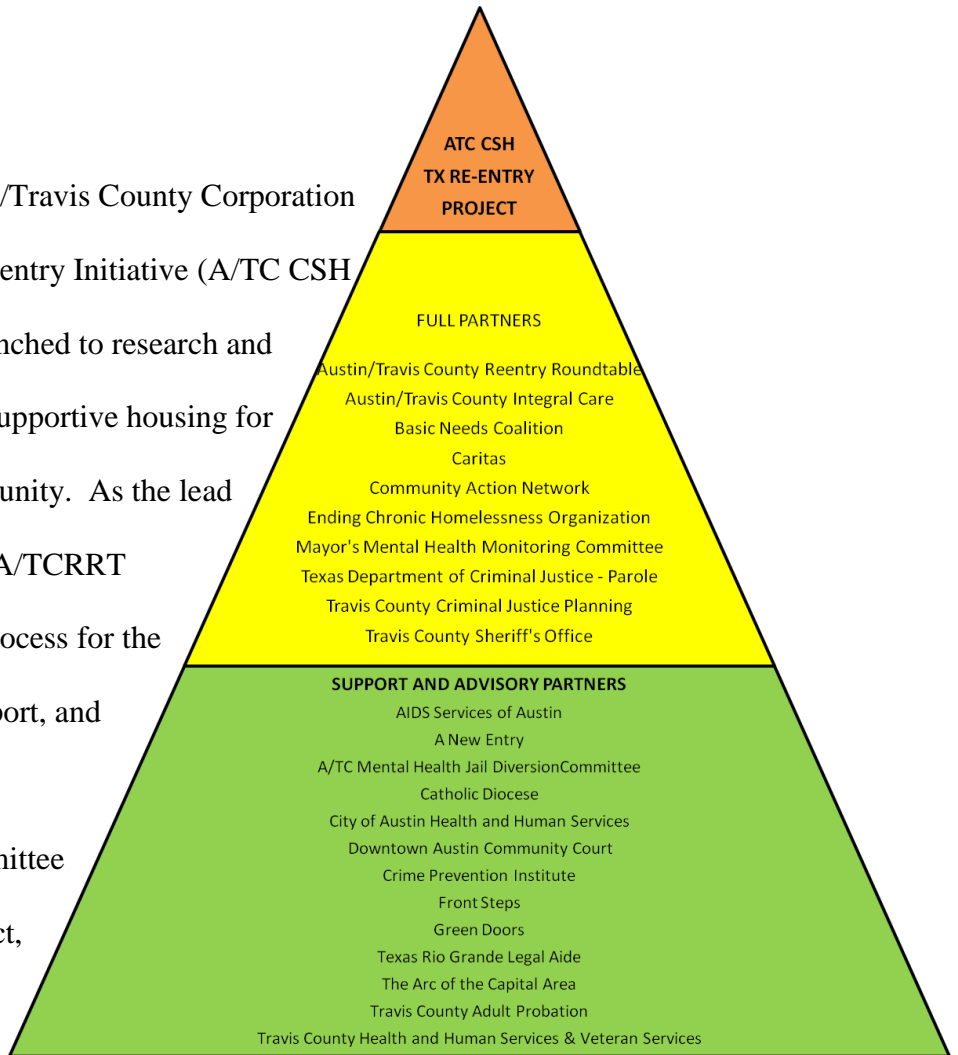
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<sup>1</sup> "Permanent Supportive Housing Program and Financial Model for Austin/Travis County, Texas", Corporation for Supportive Housing, February, 2010, Page 4.

<sup>2</sup> Ibid, Pg 4.

**BACKGROUND:**

Phase I: In April 2009, the Austin/Travis County Corporation for Supportive Housing Texas Re-entry Initiative (A/TC CSH Texas Re-entry Initiative) was launched to research and identify strategies for permanent supportive housing for a re-entry population in our community. As the lead agency for Phase I of the project, A/TCRRT oversaw the consensus building process for the three levels of partners (Full, Support, and Advisory) with different roles and responsibilities. A Steering Committee was established to guide the project, a consultant was hired to facilitate



the process, and three work groups were formed to address the project goals. Throughout the course of the project, 133 individuals participated—representing forty-two different organizations. The goals of Phase I of this project included:

- Strengthen housing planning partnerships;
- Determine scope of the issue related to the need for PSH for a re-entry population; and,
- Develop recommendations for PSH for a re-entry population.

Consensus was reached to define the re-entry population as persons being released from a correctional setting or currently involved in a criminal justice program, having a disability (including mental illness, chemical dependency, physical, or intellectual or developmental disability), homeless—or will be homeless—at release or during program participation, and are in—or returning to—Austin, Travis County, Texas. As a result of the key findings described

below, the initiative recommended extending the targeted re-entry population to include persons with co-occurring disorders, functional impairments, high rates of hospitalization, and a high need for income stability services.

**A/TC CSH Texas Re-entry Initiative---  
Re-entry Population Defined As:**

- 1) Persons being released from a correctional setting or currently involved in a criminal justice program; and
- 2) Has a disability (including mental illness, chemical dependency, physical, or intellectual or developmental disability); and
- 3) Is or will be homeless at release or during program participation; and
- 4) Are in, or returning, to Austin, Travis County, TX.

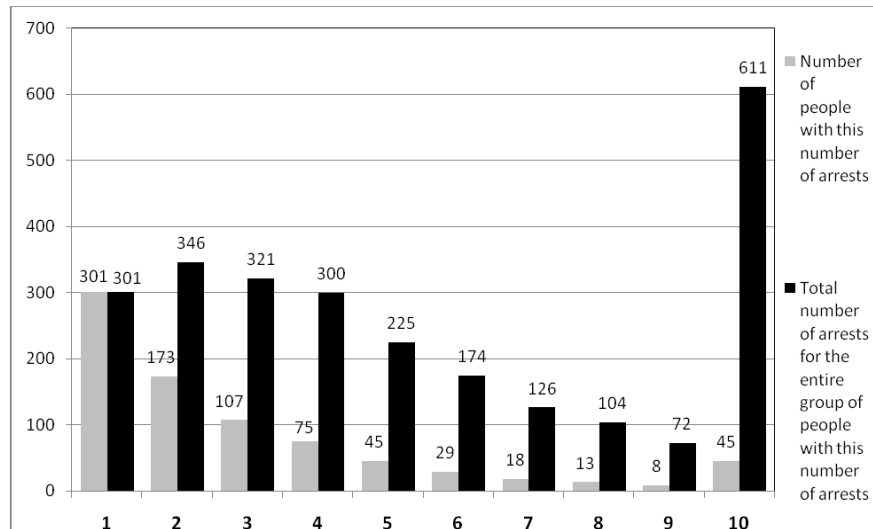
Through a county-wide process of data collection from the tabled chart, the following is a list the initiative’s key findings:

- Conservatively identified 1,088 persons who met the original re-entry population definition in 2008.
- 814 were identified at the Travis County Jail and were identified with multiple barriers:
  - 82% assessed with serious employment barriers
  - 67% assessed with co-occurring disorders
  - 54% had no natural supports
  - 35% assessed with not having the ability to attend to their daily basic needs
  - 19% reported that they had experienced 4+ psychiatric hospital admissions in one year or 6+ in 2 years (and accounted for over 9,300 jail bed days in jail in 2008)
  - Used 54,774 jail bed days in 2008 resulting in jail costs of over \$3 million.

| CJ Setting/Program:                  | Number Homeless of Near Homeless in 2008 |
|--------------------------------------|--|
| Commitment to Change:                | 35                                       |
| Com. Court Frequent Users:           | 177                                      |
| Crime Prevention Institute:          | 3  |
| Project ANEW:                        | 51                                       |
| Project Recovery:                    | 64                                       |
| TC Adult Probation:                  | 6  |
| TC Jail:                             | 814                                      |
| TC Juvenile Probation:               | unk                                      |
| TYC--Travis County                   | unk                                      |
| Sub-total:                           | <b>1150</b>                              |
| Duplicated TC Jail/Com. Cr.          | -51                                      |
| Sub-total:                           | 1099                                     |
| Duplicated TC Jail/Project Recovery: | -11                                      |
| <b>Total Estimated Population:</b>   | <b>1088</b>                              |



Additionally, the data clearly identified smaller groups of individuals with large numbers of repeated arrests, as can be seen in the 2008 Arrests Chart developed by the Data Work Group.



Using the information collected from the Housing Planning Work Group, the Data Work Group, and the Best Practices Work Group, recommendations were developed. The recommendations, which were vetted by partners and community-wide re-entry and housing stakeholders, included developing 100 demonstration units of supportive housing for the re-entry population who are frequent users of the criminal

**Austin/Travis County CSH Texas Re-Entry Initiative  
Recommended Target Population  
For 100 Demonstration Units of Supportive Housing:**

- Persons being released from a correctional setting or currently involved in a criminal justice program, who have a disability (including mental illness, chemical dependency, physical, or intellectual or developmental disability), is homeless—or will be homeless—at release or during program participation, and are in—or returning to—Austin, Travis County, Texas
- With a focus on those persons who have :
  - co-occurring disorders,
  - functional impairments,
  - high rates of hospitalization, and
  - high need for income stability services.

justice/correction systems who typically high users of other systems (i.e., shelter, emergency psychiatric hospitalization, EMS/hospital use, etc.). The following identifies the key recommendations made from the A/TC CSH Texas Re-entry Initiative in February of 2010:

**Primary Recommendations from the A/TC CSH Texas Re-entry Phase 1 Recommendations:**

**Recommendation #1:**

*Develop 100 units as demonstration projects targeting frequent users of correctional/criminal justice systems who are also typically high users of other systems*

**Recommendation #2:**

*Support an array of approaches across the housing continuum with an emphasis on permanent supportive housing. (Low demand housing is recommended for the target population.)*

**Recommendation #3:**

*Consolidate housing planning for special populations.*

**Recommendation #4:**

*Gather and share data related to target population and housing stability that uses common definitions.*

**Recommendation #5:**

*Build effective partnerships to address housing stability and the target population.*

**Recommendation #6:**

*Maximize existing programs.*

**Recommendation #7:**

*Support public policy recommendations that will increase supportive housing for target population.*

**Recommendation #8:**

*Further explore needs of vulnerable population that are frequent users of multiple systems & identify other possible populations for permanent supportive housing.*

Phase II: The focus of Phase II of the A/TC CSH Texas Re-entry Initiative is to develop an Implementation Plan that will facilitate putting the Phase I recommendations into operation. Phase II is being incorporated into the Ending Community Homeslessness Organization (ECHO) as a Housing Planning for Special Populations Committee and the CSH Texas Re-entry Steering Committee expanded to help oversee the planning and implementation efforts. (Attachment I)

**PURPOSE OF THIS FUNDING BRIEF:**

This Funding Options Brief is part of the contractual agreement between Travis County and the A/TCRRT to facilitate the development of the Phase II Implementation Plan to expand opportunities for chronically homeless persons with a disability who are returning from incarceration to Travis County from a TDCJ prison, the TDCJ Travis State Jail, under criminal justice supervision and/or in a criminal justice program in our community. It will:

- ✓ Describe funding strategies,
- ✓ Describe typical funding streams with strengths and challenges of each,
- ✓ Describe/define financing options for the development and operation of permanent supportive housing for the population,
- ✓ Identify current and local funding opportunities, and
- ✓ Identify the best potential options in our community.

This report reflects the work of a collaborative local process and is meant to be a working document to be augmented as opportunities arise.

# FUNDING STRATEGIES AND OPPORTUNITIES

A variety of funding strategies and funding streams for supportive housing, with an emphasis on permanent supportive housing, can be used to create the 100 units for the identified target population. The best practice models demonstrate the capacity to identify and access diverse funding streams and usually employ multiple strategies. Traditional sources of funding include private donations, foundation endowments and discretionary awards. Typical funders were U.S. Housing and Urban Development (HUD), U.S. Department of Health and Human Services (particularly SAMHSA), National Institute for Justice (NIJ), and the Corporation for Supportive Housing (CSH) as well as state public agencies related to corrections, mental health, disability assistance/rehabilitation, and housing. In their 2010 “Permanent Supportive Housing Program and Financial Model for Austin/Travis County”, Texas, CSH identified the potential funding sources for Permanent Supportive Housing as:

- U.S. Dept of Housing & Urban Development (HUD) funding opportunities include:
  - HOME programs, Housing Opportunities for Persons with AIDS (HOPWA), Community Development Block Grant Programs (CDBG), Supportive Housing Programs (SHP)—Supportive Housing for Persons with Disabilities (Sections 811) & Supportive Housing for the Elderly (Section 202), Veterans Affairs Supportive Housing (VASH)
- Department of Veterans Affairs Supportive Housing Program
- Federal Low Income Housing Tax Credits;
- State or Local Programs—Homeless Housing Assistance Program, Housing Trust Fund, State Low Income Housing Tax Credits, Various Bond Financing Programs;
- Federal Home Loan Bank, Affordable Housing Program;
- Federal Economic Stimulus Funds;
- Department of Health and Human Services—Substance Abuse and Mental Health Services Administration(SAMHSA), Medicaid, Temporary Assistance for Needed Families(TANF)
- State mental health or substance abuse agency funds; and
- City/County and other local human services.

It was evident that many national models used their ingenuity to obtain new resources. Skid Row in Los Angeles uses “community sponsors” for all their housing events and in New York

City, Broadway holds benefits for the Fortune Society programs. Many of the programs also own for-profit businesses that produce corporate income while employing their clients.<sup>3</sup>

The following table outlines the strengths and challenges of the primary housing strategies for implementing permanent supportive housing:

| <b>PRIMARY HOUSING STRATEGIES FOR PERMANENT SUPPORTIVE HOUSING</b>  |  |  |
|---|--|--|
| <b>Type</b>   | <b>Strengths</b>   | <b>Challenges</b>  |
| New construction  | <ul style="list-style-type: none"> <li>Ensures long-term, permanent housing</li> </ul>   | <ul style="list-style-type: none"> <li>Lengthy period before occupancy ready</li> <li>Highly competitive funding opportunities</li> </ul>                  |
| Rehabilitating existing units   | <ul style="list-style-type: none"> <li>Ensures long-term, permanent housing</li> <li>Short term period before occupancy ready</li> <li>Less “up-front” investment needed</li> </ul>  | <ul style="list-style-type: none"> <li>Long time period before occupancy ready</li> <li>Highly competitive funding opportunities</li> </ul>                |
| Master Leasing: Third party leases with the property owner and is responsible for tenant selection and collection of rental payments from sub-lessees | <ul style="list-style-type: none"> <li>Immediate housing available</li> <li>Seamless assimilation into a community</li> <li>Minimizes fiscal management of vulnerable tenants</li> <li>Assurance to property owner of timely rental payments</li> <li>Typically longer term – less eviction</li> <li>Better access to provide supports and services</li> </ul> | <ul style="list-style-type: none"> <li>Increased community opposition</li> <li>Less personal empowerment</li> </ul>  |
| Tenant Leasing: Tenant has direct lease with property owner   | <ul style="list-style-type: none"> <li>Immediate housing available</li> <li>Seamless assimilation into a community</li> <li>Reduced community opposition</li> </ul>  | <ul style="list-style-type: none"> <li>Typically short term</li> <li>Uneven housing quality</li> <li>Subject to landlord screening and criteria</li> </ul> |

Due to current financial environments at the federal, state and local levels, it is clear that we will need to carefully consider all options and develop plans that allow us the flexibility to use a variety of sources of funding and the opportunity to use our ingenuity.

<sup>3</sup> “ATC CSH TX Re-entry Initiative Final Report”, February, 2010

## FUNDING TYPES

There are three key sources of financing/funding needed in order to build viable, sustainable projects – capital, operating, and services. The following sections provide an overview of these sources as well as identifying the strengths, challenges and opportunities these sources provide to develop the 100 demonstration units of supportive housing for the targeted re-entry population recommended in Phase 1 of the A/TC CSH Texas Re-entry Initiative.

### CAPITAL OR DEVELOPMENT FUNDING:

Capital" or "Development" funding is defined as those sources that may be used to fund “bricks and mortar” or costs associated with *acquiring, creating and/or rehabilitating housing*

*units*. These costs can be classified as “hard costs (i.e., land acquisition, construction and rehabilitation work, improvements such as sewers, utilities, etc) or “soft

“Capital” or “development” funding is defined as those sources that may be used to fund “bricks and mortar” or costs associated with acquiring, creating and/or rehabilitating housing units.

costs” (i.e., architectural services, appraisals, engineering, legal costs, fees and permits, rent-up costs, etc.) Development funding is generally offered in the form of either a loan (may be deferred, residual receipts, or low interest); grants; or equity (wherein the source anticipates a return of some sort on their investment). We anticipate that we will need to identify capital funding strategies in the development of some of the 100 unit goal for either new construction or rehabilitation of existing units. CSH estimates a cost of \$85,000 per one bedroom unit for new construction or existing site rehabilitation and produced the following chart to describe the capital sources for these strategies.<sup>4</sup>

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<sup>4</sup> “Permanent Supportive Housing Program and Financial Model for Austin/Travis County, Texas”, Corporation for Supportive Housing, Feb. 2010.

## Sources for Capital Funding for 100 Units of Supportive Housing For Target Re-entry Population

| Source:  | Control of:  | Funds For:   | Targets:  | Who is Eligible to Apply:   | Link to more info:   |
|--|--|--|---|---|--|
| Low Income Tax Credit (LIHTC)                                | State---TX Dept. of Housing and Community Affairs (TDHCA)      | New construction or undergo substantial rehabilitation of residential units  | Low to moderate income residents  | Owners and investors in qualified affordable multifamily residential developments   | <a href="http://www.tdhca.state.tx.us/multifamily/htc/index.htm">http://www.tdhca.state.tx.us/multifamily/htc/index.htm</a><br><br><a href="http://www.tdhca.state.tx.us/multifamily/htc/faqs.htm#q1">http://www.tdhca.state.tx.us/multifamily/htc/faqs.htm#q1</a> |
| State Housing Trust Fund                                     | State---(TDHCA)  | Loans, grants assistance to acquire, rehab, develop affordable housing   | Very low income, rural and special populations                          | Units of government, public housing authorities, nonprofit organizations and for-profit organizations   | <a href="http://www.tdhca.state.tx.us/hhf/index.htm">http://www.tdhca.state.tx.us/hhf/index.htm</a>  |
| Fed Home Loan Bank Affordable Housing Program (FHL Banks)    | 12 regional banks, created by Congress                         | Loans, grants assistance to acquire, rehab, develop affordable housing   | Funded with 10% of FHL Banks' net income                                | Units of government, public housing authorities, nonprofit organizations and for-profit organizations   | <a href="http://www.fhlbanks.com/programs_affordhousing.htm">http://www.fhlbanks.com/programs_affordhousing.htm</a>  |
| City of Austin: Rental Housing Development Assistance (RHDA) | City--NHCD--Austin Housing Finance Corporation                 | Acquisition, rehabilitation, pre-development, new construction, and debt relief for the development of rental housing projects | Low income households and special needs populations                     | Nonprofit and for-profit developers   | <a href="http://www.ci.austin.tx.us/ahfc/default.htm">http://www.ci.austin.tx.us/ahfc/default.htm</a>  |
| City of Austin HOME Investment Partnerships (HOME) HUD       | City--NHCD--Austin Housing Finance Corporation                 | Delivery of reasonably priced housing programs   | Low and moderate income residents                                       | Individuals   | <a href="http://www.cityofaustin.org/ahfc/default.htm">http://www.cityofaustin.org/ahfc/default.htm</a>  |
| COA -- CDBG  | City of Austin--NHCD   | Housing, infrastructure and social services  | Low and moderate income residents                                       | State, local and other government entities  | <a href="http://www.cityofaustin.org/ahfc/default.htm">http://www.cityofaustin.org/ahfc/default.htm</a><br><br><a href="http://www.hud.gov/offices/cpd/communitydevelopment/programs">http://www.hud.gov/offices/cpd/communitydevelopment/programs</a>             |
| COA-- General Obligations (GO) Housing Bonds                 | City---NHCD---Austin Housing Finance Corporation--City Council | acquisition, rehabilitation, construction, debt relief, or "rent buy-down"   | transitional, assisted and rental housing                               | Non-profits, non-sectarian organizations; Community Housing Development Organizations   | <a href="http://www.ci.austin.tx.us/ahfc/gobonds.htm">http://www.ci.austin.tx.us/ahfc/gobonds.htm</a>  |
| HUD-- Continuum of Care                                      | ECHO   | Housing and services to meet the specific needs of people who are homeless   | Prioritizes funding capital and operating costs (over support services) | States, local & other governments (PHA's), private nonprofit organizations, and community mental health associations that are public nonprofit organizations. | <a href="http://www.hud.gov/offices/cpd/homeless/programs/coc">http://www.hud.gov/offices/cpd/homeless/programs/coc</a><br><br><a href="http://www.caction.org/homeless">http://www.caction.org/homeless</a>   |

## Strengths/Challenges/Opportunities of Capital Funding Sources

| Source:  | Strengths   | Challenges  | Opportunities   |
|--|---|---|---|
| <b>State:</b>  |   |   |   |
| Low Income Tax Credit (LIHTC)  | <ul style="list-style-type: none"> <li>Local developers have previously had success in this process.</li> </ul>   | <ul style="list-style-type: none"> <li>Highly competitive process and currently seeing few projects a year funded</li> <li>Only \$3.9 million allocated to region</li> <li>Weak market</li> </ul>                 | <ul style="list-style-type: none"> <li>Funds could target operationalizing permanent supportive housing for chronically homeless, special needs populations</li> </ul>  |
| State Housing Trust Fund   | <ul style="list-style-type: none"> <li>Flexibility</li> </ul>   | <ul style="list-style-type: none"> <li>Highly competitive process with only 1-2 projects funded each year</li> </ul>  | <ul style="list-style-type: none"> <li>Funds can be used for many of the state's crucial programs like supportive housing.</li> <li>Set aside for "Rental Housing Development Fund for Unique Housing Needs"</li> </ul>                     |
| Fed Home Loan Bank Affordable Housing Program (FHL Banks)  | <ul style="list-style-type: none"> <li>Largest private sources of grant funds for affordable housing in US</li> <li>Multiple uses; i.e., down payments, rehab, incentives for investment</li> </ul> | <ul style="list-style-type: none"> <li>Limited number of local participating members with experience in successful applications</li> </ul>  | <ul style="list-style-type: none"> <li>Possible expansion based on previous projects; i.e., Mary Lee Foundation</li> </ul>  |
| <b>City of Austin:</b>   |   |   |   |
| Rental Housing Development Assistance (RHDA)   | <ul style="list-style-type: none"> <li>The "one-stop-shop" for the City to determine appropriate funding source</li> </ul>  | <ul style="list-style-type: none"> <li>On a first come, first serve basis</li> </ul>  | <ul style="list-style-type: none"> <li>NHCD is currently reassessing all funding options to help city focus on developing 350 psh units</li> </ul>  |
| City of Austin HOME Investment Partnerships (HOME) HUD   | <ul style="list-style-type: none"> <li>Diversity</li> </ul>   | <ul style="list-style-type: none"> <li>Being used for home repair, home ownership</li> </ul>  | <ul style="list-style-type: none"> <li>NHCD is currently reassessing all funding options to help city focus on developing 350 psh units</li> </ul>  |
| Community Development Block Grant  | <ul style="list-style-type: none"> <li>Flexible money</li> </ul>  | <ul style="list-style-type: none"> <li>Competitive demands</li> </ul>   | <ul style="list-style-type: none"> <li>NHCD is currently reassessing all funding options to help city focus on developing 350 psh units</li> </ul>  |
| General Obligations (GO) Housing Bonds   | <ul style="list-style-type: none"> <li>City has \$16 million remaining</li> <li>Can provide funds to acquire, construct or rehab units</li> </ul>   | <ul style="list-style-type: none"> <li>Funding may be offered on a "first in, first out" basis meaning that we would need a developer lined up quickly who would be willing to develop these psh units</li> </ul> | <ul style="list-style-type: none"> <li>In March 2010, the City Council passed a resolution prioritizing the development of 350 units of psh in the next 4 years</li> <li>City is beginning to make plans for a 2012 bond package</li> </ul> |
| HUD--Continuum of Care (Shelter + Care, Supportive Housing Program, Section 8 Moderate Rehabilitation SRO Program) | <ul style="list-style-type: none"> <li>Current focus on utilizing funding for capital costs</li> <li>Current CofC plan does include re-entry as a special population</li> </ul>                     | <ul style="list-style-type: none"> <li>Limited amount of this funding can be used for supportive services</li> <li>Highly competitive yearly process</li> </ul>   | <ul style="list-style-type: none"> <li>Opportunity for a PSH bonus each year that could fund up to 20 additional PSH units</li> </ul>   |

Low Income Housing Tax Credits: The Low Income Housing Tax Credit (LIHTC or Tax Credit) program was created by the Tax Reform Act of 1986 for low- and moderate-income households, and has been in operation since 1987. Each state's Qualified Allocation Plan (QAP) determines if specific target populations or project types are prioritized for tax credit allocation.



In 2009, the allocation for our region had an allocation of \$3.9 million with generally no more than one or two of the tax credit awards in the region go to Austin, which makes for an extremely competitive market and a classic case of demand outweighing supply.<sup>5</sup>

- **Opportunity:** As a result of the increase in Low Income Housing Tax Credits in 2009 by the Texas Department of Housing and Community Affairs, this is an opportunity for the City to operationalize permanent supportive housing for chronically homeless, special needs populations since local developers have recently been successful in this process.

State Housing Trust Fund: The Texas Housing Trust Fund is administered by the Texas Department of Housing and Community Affairs (TDHCA) and provides loans, grants, or other comparable forms of assistance to finance, acquire, rehabilitate, and develop decent, safe, and sanitary affordable housing. Eligible applicants may include local units of government, public housing authorities, nonprofit organizations and for-profit organizations. TDHCA supports projects that target very low income, rural and special needs populations.

- **Opportunity:** Because of the Trust Fund's flexibility, it can be used for many of the state's crucial programs like supportive housing.
- **Opportunity:** The 81st Legislative Session appropriated a significant increase to the State Housing Trust Fund (HTF), nearly doubling the prior biennial appropriation. For 2010-2011, the HTF will expend \$21,827,750 of which \$2.0 million is set aside for the “Rental Housing Development Fund for Unique Housing Needs” however, according to TDHCA), this set aside is pending final funding approval---it was cut in the recent 5% cuts. These funds will be programmed based on input generated from the rental development, disability and supportive housing communities. Also set aside in the 2010-2011 Plan is a \$750,000 Affordable Housing Match program that is available based on a regional allocation formula for projects needing match to leverage other funds.<sup>6</sup> Although this would only provide up to about \$190,000 per biennium or \$95,000 per year

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<sup>5</sup> “Affordable Housing Program”, FHL Banks. Accessed 28 April 2010. <http://www.fhlbanks.com/programs/affordhousing.htm>

<sup>6</sup> “Funding Sources and Background”, Texas Department of Housing and Community Affairs.. Accessed 28 April 2010. <http://www.tdhca.state.tx.us/htf/background.htm>

for the Austin's region, TDHCA has the option to redistribute unallocated funds to regions with a high demand.

Federal Home Loan Bank Affordable Housing Program (AHP): FHL Banks contribute 10% of their net income to affordable housing through the Affordable Housing Program (AHP). This competitive grant program is the largest source of private sector grants for housing and community development in the country. Member banks partner with developers and community organizations seeking to build and renovate housing for low- to moderate-income households. The AHP allows for funds to be used in combination with other programs and funding sources, like the Low-Income Housing Tax Credit. These projects serve a wide range of neighborhood needs many of which target special populations.<sup>7</sup> The majority of the subsidy is available through a competitive application; and, according to the Corporation for Supportive Housing, supportive housing developments generally score very well in these competitions.

City of Austin: RHDA (HTF, HOME, General, etc): The Rental Housing Development Assistance (RHDA) division of the City of Austin's Neighborhood Housing and Community Development Department is the "one-stop-shop" for the City to determine the appropriate funding source for applications. This structure allows the flexibility to maximize resources and meet immediate needs as they arise. Their FY2009-2010 Action Plan includes a total of approximately \$7.6 million dedicated to the development of rental housing exclusive of general obligation bonds, which are described below. Of this, approximately \$3.7 million corresponds to federal HOME funding, \$1M to the local Housing Trust Fund, \$1M to Community Development Block Grant funds, \$800,000 to local capital improvement funds, and \$1.2M to the University Neighborhood Overlay program. These funds represent an important source of regular capital

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<sup>7</sup> "Affordable Housing Program", FHL Banks. Accessed 28 April 2010.  
[http://www.fhlbanks.com/programs\\_affordhousing.htm](http://www.fhlbanks.com/programs_affordhousing.htm)

funding for permanent supportive housing. Rental development might be appropriately further emphasized in future program years, particularly while the homeownership market remains soft.<sup>8</sup>

Austin: GO Bonds: In 2006, Austin voters approved \$55 million in general obligation bonds for affordable housing, with 60%, or \$33 million, of that dedicated to rental development. Of the total amount, approximately \$11 million remains. In February, 2010, the A/TCRRT provided current housing data and requested the Austin City Council to address our community's highest priority needs for deploying the remaining GO housing bonds to operationalize permanent supportive housing units for our most vulnerable populations. In March, 2010 the City Council unanimously passed a resolution directing the City Manager to work with the City's Director of Neighborhood Housing and Community Development, the Director of Health and Human Services, and governmental/private-sector community stakeholders to develop a comprehensive strategy by October 2, 2010, to construct and operationize 350 permanent supportive housing units over the next four years for the County's most vulnerable populations.

- **Opportunity:** In March 2010, the Corporation for Supportive Housing issued a full report on a program and financial modeling project that assessed our current needs for permanent supportive housing for all segments of the homeless population. In the report, CSH found that our community's total need for permanent supportive housing is almost 1,900 units and they recommended a short-term production goal of 350 units to be developed in the next four years.

In addition, the CSH report includes the recommendation that 225 of the 350 units serve a chronically homeless/re-entry population, clearly signaling the recognition of the impact this population is having in our community and on our systems. The number of units needed and target population are broken down in the chart below.

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<sup>8</sup> "Permanent Supportive Housing Program and Financial Model for Austin/Travis County, Texas", Corporation for Supportive Housing, Feb. 2010.

**CSH Housing's Recommendations for Population to be served  
by the Development of 350 Units of PSH in the Next Four <sup>10</sup>**

| <b>Units Needed:</b>                            | <b>Target Population:</b>                      |
|---|--|
| <b>1,889</b>                                    | <b>Total PSH units needed in our community</b> |
| <b>Total PSH units within the next 4 years:</b> |  |
| <b>310</b>                                      | <b>Single adults:</b>                          |
| 225   | Chronically homeless/re-entry                  |
| 75  | Chronically homeless/frequent user of shelters |
| 10  | Young adults transitioning from foster care    |
| <b>30</b>                                       | <b>Families with children</b>                  |
| <b>10</b>                                       | <b>For single, unaccompanied youth</b>         |
| <b>350</b>                                      | <b>Total PSH units within next 4 years</b>     |

On June 10, 2010, Austin's Neighborhood Housing and Community Development Office (NHCD) released, and invited feedback, on their Draft FY 2010-2011 Action Plan (<http://www.cityofaustin.org/housing/publications.htm#action>) which describes the community needs, resources, priorities, and proposed activities with regards to housing, community and economic development, and public services. The Action Plan references many of the findings discussed in this funding brief. Local stakeholders, including the A/TCRRT, are currently providing both public and written input with specific recommendations to:

- ✓ Develop 100 of the 350 planned permanent supportive housing units over the next four years as demonstration projects targeting frequent users of correctional/criminal justice systems who are also typically high users of other systems.
- ✓ Recognize the increase in Low Income Housing Tax Credits in 2009 by the Texas Department of Housing and Community Affairs is an opportunity for operationalizing permanent supportive housing for chronically homeless, special needs populations since local developers have recently been successful in this process.
- ✓ Encourage providers to “screen in” rather than “screen out” vulnerable, chronically homeless persons with criminal backgrounds.

HUD Continuum of Care (CoC): The U.S. Department of Housing and Urban Development (HUD) awards Shelter Plus Care (described on Page 24) and Supportive Housing Program funds in response to annual applications submitted through the Austin/Travis County Regional Continuum of Care. A regional CoC strategy promotes the development of housing and

supportive services to assist homeless persons in the transition from streets and shelters to permanent housing and maximum self-sufficiency. The HUD CoC programs provide approximately \$5.0 million annually for capital, operating, rental subsidies, and supportive services funding to the Travis County region. The permanent supportive housing bonus, if awarded in the national competitive process, is \$401,884 per year. The program allows some funds for operating expenses but prioritizes expenditure of funds for capital or rental subsidies over services. Local priorities focus on housing for persons who qualify as chronically homeless and/or are veterans and on permanent supportive housing projects with a strong housing emphasis that moves toward the goal of creating the 350 units in the City Council resolution.

- ***Opportunity:*** The PSH bonus will typically be targeted toward rental assistance, since that amount can be renewed each year; this corresponds to operating subsidies for approximately 20 additional PSH units per year.<sup>9</sup> A conference for potential new providers is now planned to learn more about this funding opportunity.

Neighborhood Stabilization Funds: The Neighborhood Stabilization Program (NSP) is a component of the Community Development Block Grant (CDBG). NSP1 references the NSP funds authorized under the Housing and Economic Recovery Act (HERA) of 2008 and provides grants to all states and selected local governments on a formula basis. In 2009, the City of Austin applied for and was awarded \$2,542,618 in HERA funds with the goal of creating permanent affordable rental housing. These federal funds are being distributed by the Texas Department of Housing and Community Affairs (TDHCA) to rehabilitate housing in targeted areas. After renovating the homes, they will be transferred to local non-profit organizations that will lease them to residents at or below 50 percent of MFI. The program initially targets zip code 78744 (Southeast Austin) and zip code 78758 (Northwest Austin), two areas in Austin that have seen

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<sup>9</sup>“ATC CSH Texas Re-entry Initiative Final Report”, Feb. 2010

the highest number of foreclosures. As of April 1, 2010, four houses are under contract for acquisition.<sup>10</sup>

NSP2 references to the NSP funds authorized under the American Recovery and Reinvestment Act (the Recovery Act) of 2009. NSP2 provides grants to local and state governments, nonprofit organizations and consortiums of nonprofit entities on a competitive basis. The purpose of Title III (Emergency Assistance for the Redevelopment of Abandoned and Foreclosed Homes) of the Recovery Act is to purchase, rehabilitate, resell, or redevelop abandoned and foreclosed homes and residential property in order to stabilize neighborhoods and stem the decline of values of neighboring homes. Travis County received \$2.9 million in NSP2 funds to reinvigorate and stabilize the neighborhoods most impacted by foreclosures and declining home values. Grantees must expend at least 50 percent of each grant within three years and 100 percent within three years of grant award. To date, Austin/Travis County has not targeted NSP funds to permanent supportive housing.<sup>11</sup> Funds can be used to:

1. Purchase and rehabilitate homes to sell, rent or redevelop
2. Create land banks for homes that have been foreclosed upon
3. Demolish blighted structures
4. Redevelop demolished or vacant properties
5. Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties.<sup>12</sup>

Additionally, the Recovery Act also authorized HUD to establish NSP-TA, a \$50 million allocation made available to national and local technical assistance providers to support NSP grantees.<sup>13</sup>

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<sup>10</sup> “Neighborhood Stabilization Program”, City of Austin American Recovery and Reinvestment Act, Accessed May, 2010, <http://www.ci.austin.tx.us/stimulus/nsp.htm>.

<sup>11</sup> “Permanent Supportive Housing Program and Financial Model for Austin/Travis County, Texas”, Corporation for Supportive Housing, Feb. 2010.

<sup>12</sup> Neighborhood Stabilization Program Grants, U.S. Housing and Urban Development. Accessed May, 2010. <http://hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg>

<sup>13</sup> Neighborhood Stabilization Program Technical Assistance. U.S. Housing and Urban Development. Accessed May, 2010. <http://hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/nspta.cfm>

## OPERATING FUNDING:

Operating funding is the costs of operating and/or maintaining the housing or physical component of supportive housing to keep rents affordable to the lowest income households. It is traditionally the most difficult to secure since most funding streams call for new and innovative projects rather than continuing activities, have specific start and end dates, and set goals and action plans which can be evaluated. Operating funding is unrestricted - meaning you are not required to develop directly attributable activities/specifically to get the funding. Operating funding, although difficult to obtain on a long-term basis, is a necessity for project sustainability. In the case of housing, operating subsidies are almost always in direct support of rents that cannot otherwise be paid by clients. The Directory of Operating Grants, by Richard M. Eckstein, annually publishes a list of foundations that support the general, ongoing operating expenses of non-profit entities to continue their activities.

On Worksheet #6 of the “Permanent Supportive Housing Program and Financial Model for Austin/Travis County, Texas” report, CSH specifically identified potential sources and estimated annual operating costs for Austin/Travis County for the recommended 350 units.

| POTENTIAL SOURCES AND ESTIMATES OF YEARLY OPERATING COSTS FOR SUSTAINABILITY |           |                  |         |   |         |                          |
|--|-----------|------------------|---------|---|---------|--------------------------|
| Sources  | Terms     | Leased Units     |         | New Construction and Rehabilitation Units |         | Average Subsidy Per Unit |
|  |           | Fair Market Rent |         | Fair Market Rent                          |         |                          |
|  |           | 0/1 BR           | 2/3 BR  | 0/1 BR                                    | 2/3 BR  |                          |
| Shelter Plus Care Vouchers   | 5 Years   | \$688            | \$1,060 | \$688                                     | \$1,060 | \$8,256                  |
| Public Housing Authority Project-Based Vouchers                              | 10 Years  | \$688            | \$1,060 | \$688                                     | \$1,060 | \$0                      |
| City of Austin: State HHSP   | 19 Months | \$688            | \$1,060 | \$688                                     | \$1,060 | \$8,256                  |
| VASH Tenant Based  | 5 Years   | \$688            | \$1,060 | \$688                                     | \$1,060 | \$8,256                  |
| VASH Project Based   | TBA       | \$688            | \$1,060 | \$688                                     | \$1,060 | \$8,256                  |

Local sources for operating funds, strengths, challenges and opportunities are reflected in the following charts:

**Sources for Operating Funds for the 100 Units of Supportive Housing for the Targeted Re-entry Population**

| Source:   | Control of:              | Funds For:  | Targets:   | Who is Eligible to Apply:   | Link to more info:  |
|---|--------------------------|---|--|---|---|
| Shelter Plus Care Vouchers                      | HUD – Continuum of Care  | Rental assistance for program participants/ administrative costs for assistance   | Hard to serve homeless persons with disabilities   | States, units of general local government and public housing agencies (PHAs). | <a href="http://www.hud.gov/office/cpd/homeless/program/splusc/">http://www.hud.gov/office/cpd/homeless/program/splusc/</a> |
| Supportive Housing Program                      | HUD – Continuum of Care  | Day to day operation of supportive housing facilities   | Hard to serve homeless   | Non profits   | <a href="http://www.hudhre.info/documents/SHPDeskguide.pdf">http://www.hudhre.info/documents/SHPDeskguide.pdf</a>           |
| Public Housing Authority Project-Based Vouchers | Public Housing Authority | <ul style="list-style-type: none"> <li>Rental subsidies</li> <li>New construction/ rehabilitation</li> </ul>                    | Eligible applicants interested in moving into a specific project since assistance is tied to the unit. | Dependent on PHA's written policy and their Revised Administrative Plan       | <a href="http://www.hud.gov/office/pih/programs/hcv/project.cfm">http://www.hud.gov/office/pih/programs/hcv/project.cfm</a> |
| State Homeless Housing and Services Program     | City of Austin - HHS     | Direct Financial Assistance Operations Case Managements   | Diverse homeless populations: Youth, Family, Single Adults, Reentry                                    | Non profits   | No website link   |
| VASH Tenant Based                               | Public Housing Authority | Rental subsidies for landlords  | Chronically homeless veterans  | PHAs partnered with eligible Veteran Affairs Medical Centers                  | <a href="http://www.hudhre.info/index.cfm?do=viewHudVashProgram">http://www.hudhre.info/index.cfm?do=viewHudVashProgram</a> |
| VASH Project Based                              | Public Housing Authority | <ul style="list-style-type: none"> <li>Rental subsidies for owner of units</li> <li>New construction/ rehabilitation</li> </ul> | Same as VASH Tenant-Based  | Same as VASH Tenant-Based   | <a href="http://www.hudhre.info/index.cfm?do=viewHudVashProgram">http://www.hudhre.info/index.cfm?do=viewHudVashProgram</a> |

**Strengths/Challenges/Opportunities of Operating Funding Sources**

| Source:  | Strengths   | Challenges   | Opportunities  |
|--|---|--|--|
| Shelter Plus Care Vouchers<br><br>Supportive Housing Program (CoC) | <ul style="list-style-type: none"> <li>Can include target population</li> <li>Array of housing options</li> <li>Insures supportive services for operating subsidies</li> <li>Disability requirement</li> <li>Primary funding source for operating expense</li> <li>New funding for new projects must be linked to permanent supportive housing</li> </ul> | <ul style="list-style-type: none"> <li>Limited vouchers available</li> <li>Has to comply with PHA regulations regarding criminal justice background</li> <li>High competitive</li> </ul> | <ul style="list-style-type: none"> <li>Additional monies available through Continuum of Care</li> <li>Will encourage Continuum of Care applicants to provide additional permanent supportive housing.</li> </ul> |



**Strengths/Challenges/Opportunities of Operating Funding Sources (con't.)**

| Source:  | Strengths   | Challenges   | Opportunities   |
|--|---|--|---|
| Public Housing Authority (PHA)<br>Project-Based Vouchers           | <ul style="list-style-type: none"> <li>• Rapid method of getting psh operationalized</li> <li>• Units can be designated for specific populations</li> <li>• Long-term affordable housing</li> </ul> | <ul style="list-style-type: none"> <li>• Overcoming “screening out” persons with criminal backgrounds</li> <li>• Requires major PHA policy changes</li> <li>• Requires revising HUD Administrative Plan</li> </ul> | <ul style="list-style-type: none"> <li>• Project base a portion of Housing Choice (Section 8) turnover and set aside for target population</li> </ul>   |
| State Homeless Housing and Services Program (City of Austin - HHS) | <ul style="list-style-type: none"> <li>• Used for permanent supportive housing</li> </ul>   | <ul style="list-style-type: none"> <li>• Expansion of program and target to services</li> <li>• Unclear on funding sustainability (Ends August, 2011)</li> </ul>   | <ul style="list-style-type: none"> <li>• New funding exclusively for permanent supportive housing.</li> <li>• Advocate for continued funding</li> </ul> |
| VASH Tenant Based  | <ul style="list-style-type: none"> <li>• Tenant choice</li> <li>• Flexible</li> </ul>   | <ul style="list-style-type: none"> <li>• Lacks opportunity for strong support system</li> </ul>  | <ul style="list-style-type: none"> <li>• Increased funding, getting 50 new vouchers</li> </ul>  |
| VASH Project Based   | <ul style="list-style-type: none"> <li>• One location for caseworker to assist multiple clients</li> <li>• Easier peer to peer support</li> </ul>   | <ul style="list-style-type: none"> <li>• Locating pool of developers</li> <li>• Get VA to create local project based voucher program</li> </ul>  | <ul style="list-style-type: none"> <li>• Use 50 new vouchers to start a project based voucher program for target population</li> </ul>                  |

HUD’s Shelter Plus Care Program: The Shelter Plus Care (S+C) Program provides rental assistance in connection with supportive services. The program provides a variety of permanent housing choices, accompanied by a range of supportive services funded through other sources for hard to serve, homeless individuals with disabilities and their families. Funding is awarded by HUD through the annual Continuum of Care competition, and provides operating subsidies which must be matched in value by the supportive services provided to participants.

Project-Based Housing Choice Vouchers: Housing Choice Vouchers (formerly known as Section 8 Vouchers) provide rental subsidies funded by the U.S. Department of Housing and Urban Development and administered by local public housing authorities (PHAs). The program serves low income individuals and families, and provides payments to landlords that make up the difference between total rent and amount that a low-income tenant pays, generally between 30% and 40% of their income. Public housing authorities may issue up to 20% of their total Housing

Choice Voucher Pool as project-based vouchers (or attach subsidies to specific units in the community) up to 20% of their total Housing Choice Voucher Pool. HUD allows this set aside under their tenant-based voucher program Annual Contributions Contract (ACC) for project-based assistance (24 CFR, part 983). Since local voucher programs are typically oversubscribed, PHAs generally achieve this set aside by revising their HUD Administrative Plan to funnel a percentage of annual voucher turn-over to a project-based approach. Cities like Seattle, Dayton, Los Angeles, and Portland have successfully used this strategy to target vulnerable populations. As a permanent supportive housing initiative, the Housing Authority of the City of Dallas (DHA) recently announced the availability of up to 300 Section 8 Project-Based Vouchers (PBV) for the homeless or formerly incarcerated. Although this strategy is considered by many to be the most expedient way to get permanent supportive housing units in operation for our targeted re-entry population, implementing it locally poses significant challenges. Historically, both of our local public housing authorities have maintained rigid policies pertaining to providing Section 8 housing for persons with criminal backgrounds and may be resistant to both policy change and revision of their Administrative Plan.

➤ **Opportunity:** A collaboration of housing stakeholders facilitated by the A/TCRRT is currently in the process of working with our local public housing authorities to explore policy and Administrative Plan revisions necessary to pursue this funding opportunity. State of Texas Homeless Housing and Services Program (): In response to a request from the eight largest urban cities in Texas, the 81st Texas Legislature appropriated \$20,000,000 over the 2010-2011 biennium for the HHSP to be administered by the Texas Department of Housing and Community Affairs (TDHCA) prevent and eliminate homelessness. Austin's share of these funds for the biennium was approximately \$1,922,498 of which \$1,670,498 was awarded

through the City of Austin's Health and Human Service Department's competitive process which focused on two primary areas:

1. Services for those who are currently homeless: case management, mental health, substance abuse or other services necessary to move people from homelessness to safe and stable housing and
2. Services for those in permanent supportive housing, including rent subsidies (for new PSH units), case management, mental health, substance abuse, employment or other services to help maintain housing.

As a result, 46 permanent supportive housing units were funded in the FY 2010-2011 biennium, some of which targeted the re-entry population; i.e., Caritas of Austin which provided 10 permanent supportive housing units under the HHSP.

It should be noted that the current budget climate at the state level puts the HHSP allocations in jeopardy. The A/TCRRT and our local collaborators are actively working with statewide partners advocating to safeguard these funds in the next legislative session.

- **Opportunity:** The City of Austin has set permanent supportive housing as a policy priority and Caritas of Austin already has units on the ground navigating challenges we can learn from to serve a segment of the criminal justice population identified in Phase I of the CSH Austin/Travis County Re-entry Initiative. These factors lay the basis to justify requests to increase local HHSP funding to our target population or, in the alternative, prioritize current level funding to permanent supportive housing for the reentry population.

HUD Veterans Affairs Supportive Housing (VASH) Vouchers: The VASH vouchers—distributed in a partnership between the Veterans Affairs Medical Centers and local public housing authorities—assist homeless veterans and their families afford decent, safe, and sanitary housing and are generally tenant-based. Participants of Tenant Based Rental Assistance search for housing to rent from private-market landlords and typically pay between 30 to 40 percent of their income toward rent and the local PHA pays the difference directly to the landlord.

According to guidance released in March 2009 by HUD, PHAs, with the support of the partner VAMC, may request that vouchers be project-based allowing PHAs to attach the voucher assistance to specific rehabilitated or newly constructed housing units or to set aside a portion of units in an existing housing development. The PHA enters into an assistance contract with the owner of the specified units for a specified term. The owner agrees to construct or rehabilitate the units, and the PHA agrees to subsidize the units upon satisfactory completion.<sup>14</sup> The federal government recently approved funding to provide long-term rental assistance for homeless veterans. The Central Texas regions received 70 vouchers in the first round and 70 vouchers in the most recent round of 2010.<sup>15</sup>

- **Opportunity:** An additional 50 vouchers are currently available and stakeholders are exploring the possibility of setting these aside to create the first local VASH project based voucher program targeted to the chronically homeless re-entry population.

## **SUPPORTIVE SERVICES FUNDING:**

Support Services are dedicated assistance and supports for individual needs. Most offenders returning from incarceration, or under criminal justice supervision, face multiple challenges that can affect successful re-entry and reintegration. This is particular true for the target population of the ATC CSH TX Re-entry Initiative who typically has intensive needs such as case management, mental health treatment/therapy, substance abuse counseling, basic life skills, employment/job search training, and behavioral adaptation. The following chart describes the on-site support services available to this vulnerable population at the 13 national sites researched by the Best Practices Work Group of the CSH Austin/Travis County Texas Re-entry Initiative:

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<sup>14</sup> “Veterans Affairs Supportive Housing (HUD-VASH) Fact Sheet”, HUDHRRE.info, Accessed 02 May 2010, <http://www.hudhre.info/index.cfm?do=viewHudVashProgram#activities>.

<sup>15</sup> “Permanent Supportive Housing Program and Financial Model for Austin/Travis County, Texas”, Corporation for Supportive Housing, Feb. 2010.

## SUPPORT SERVICES FOR SPECIAL NEEDS RE-ENTRY POPULATION AT BEST PRACTICE SITES

- 2 sites have intensive wrap-around: Case management; Employment training and job search; mental health and substance abuse counseling/ therapy/ treatment; Group counseling in anger management, thinking errors, basic life skills, housing stabilization
- 3 sites have basic needs wrap-around: Case management, psychiatry, medication supervision, nursing (LPN available 5 days week), money management, a meal plan sessions and group therapy
- 8 have some case management and/or counseling on site
- Most also refer or have some off-site programs

Research shows that supportive housing has positive effects on breaking the cycle of recidivism, homelessness, physical/mental health decomposition and substance abuse relapse. Assuming that operating expenses are adequately funded and agencies have sufficient cash flow to fund supportive services, the costs for supportive housing services vary in established projects, but generally range between \$7,000 to \$13,000 per unit.<sup>16</sup>

Resources for appropriately funding supportive services for special needs populations is particularly difficult in Texas which nationally ranks 46<sup>th</sup> for support service funding and 49<sup>th</sup> in mental health funding per capita. The Corporation for Supportive Housing sets out one or more of the following ways that typical revenue for social services costs are provided:

- *Fee-for-services arrangements*, such as those provided by Medicaid, where providers are reimbursed for specific services. Reimbursement is generally according to a fixed rate (per visit or per day, etc.) and occurs only when an eligible tenant receives the service.
- *Through a publicly-funded contract* under which the organization provides specified supportive services according to an established budget. For example, HUD pays for supportive services in the McKinney Continuum of Care Supportive Housing Program in this manner. This is also how a contract with a local government agency may be structured.
- *Through fundraising from private sources*, such as grants from foundations, corporations, special events or revenues generated from businesses operated by non-profits.

Although not committed, the charts below describe potential supportive housing funding sources for the reentry population in Austin/Travis County.

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<sup>16</sup> Ibid.

**Sources for Supportive Services Funds for the 100 Units of Supportive Housing  
for the Targeted Re-entry Population**

| Source:   | Control of:   | Funds For:  | Targets:   | Who is Eligible to Apply:   | Link to more info:  |
|---|---|---|--|---|---|
| Shelter Plus Care Vouchers                      | HUD – Continuum of Care   | Rental assistance for program participants/ administrative costs for assistance   | Hard to serve homeless persons with disabilities   | States, units of general local government and public housing agencies (PHAs). | <a href="http://www.hud.gov/office/cpd/homeless/program/s/splusc/">http://www.hud.gov/office/cpd/homeless/program/s/splusc/</a>                                     |
| Public Housing Authority Project-Based Vouchers | Public Housing Authority  | <ul style="list-style-type: none"> <li>Rental subsidies</li> <li>New construction/ rehabilitation</li> </ul>                    | Eligible applicants interested in moving into a specific project since assistance is tied to the unit. | Dependent on PHA's written policy and their Revised Administrative Plan       | <a href="http://www.hud.gov/office/pih/programs/hcv/project.cfm">http://www.hud.gov/office/pih/programs/hcv/project.cfm</a>   |
| State Homeless Housing and Services Program     | City of Austin - HHS  | Direct Financial Assistance Operations Case Managements   | Diverse homeless populations: Youth, Family, Single Adults, Reentry                                    | Non profits   | No website link   |
| VASH Tenant Based                               | Public Housing Authority  | Rental subsidies for landlords  | Chronically homeless veterans  | PHAs partnered with eligible Veteran Affairs Medical Centers                  | <a href="http://www.hudhre.info/index.cfm?do=viewHudVashProgram">http://www.hudhre.info/index.cfm?do=viewHudVashProgram</a>   |
| VASH Project Based                              | Public Housing Authority  | <ul style="list-style-type: none"> <li>Rental subsidies for owner of units</li> <li>New construction/ rehabilitation</li> </ul> | Same as VASH Tenant-Based  | Same as VASH Tenant-Based   | <a href="http://www.hudhre.info/index.cfm?do=viewHudVashProgram">http://www.hudhre.info/index.cfm?do=viewHudVashProgram</a>   |
| HUD McKinney-Vento                              | City of Austin  | Array of Services primarily case management and some physical and/or behavioral health care                                     | Persons meeting HUD definition of homeless   | Non-profits   | <a href="http://www.hud.gov/office/cpd/homeless/lawsandregs/laws/index.cfm?title=t4">http://www.hud.gov/office/cpd/homeless/lawsandregs/laws/index.cfm?title=t4</a> |
| Austin/Travis County Integral Care              | ATCIC   | Array of services   | Priority mental health: bipolar schizophrenia, major depression, and developmental disabilities        | Eligible individuals needing care   | <a href="http://www.integralcare.org/?nd=bh_housingcoord">http://www.integralcare.org/?nd=bh_housingcoord</a>   |
| Other   | Private funding: Individuals, organizations, corporate sponsorship, governmental discretionary funding, foundations | Dependent on individual source  | Varies   | Varies  | No specific link  |

## Strengths/Challenges/Opportunities of Supportive Services Funding Options

| Source:  | Strengths   | Challenges   | Opportunities   |
|--|---|--|---|
| Shelter Plus Care Vouchers   | <ul style="list-style-type: none"> <li>Includes target population</li> <li>Range of services with housing choices</li> </ul>  | <ul style="list-style-type: none"> <li>Limited availability</li> <li>Housing must match services which have to be maintained at high level even if client becomes stable and in less need of services</li> </ul>   | <ul style="list-style-type: none"> <li>Additional monies available through Continuum of Care</li> </ul>   |
| Public Housing Authority Project-Based Vouchers                    | <ul style="list-style-type: none"> <li>Rapid method of getting psh on-line</li> <li>Units can be designated for specific populations</li> <li>Long-term affordable housing</li> </ul>   | <ul style="list-style-type: none"> <li>Overcoming “screening out” persons with criminal backgrounds</li> <li>Requires major PHA policy changes</li> <li>Requires revising HUD Administrative Plan</li> </ul>   | <ul style="list-style-type: none"> <li>Project base a portion of Housing Choice (Section 8) turnover and set aside for target population</li> </ul>   |
| State Homeless Housing and Services Program (City of Austin – HHS) | <ul style="list-style-type: none"> <li>Every psh contractor has an employment component</li> <li>Diverse contractors allow for diverse populations to serve</li> <li>More flexible definition of homeless</li> </ul>                                | <ul style="list-style-type: none"> <li>Texas not good at drawing down Medicaid funds</li> <li>Sustainability of overall funding due to state budget constraints</li> <li>The re-entry population served does not meet the target population as defined for the 100 units</li> </ul>  | <ul style="list-style-type: none"> <li>Interagency Plan integrates with Medicaid</li> <li>City chose to allocate these dollars to the development of psh this year</li> </ul>   |
| VASH Tenant Based  | <ul style="list-style-type: none"> <li>Tenant choice</li> <li>Flexible</li> </ul>   | <ul style="list-style-type: none"> <li>Lacks opportunity for strong support system</li> </ul>  | <ul style="list-style-type: none"> <li>Increased funding, getting 50 new vouchers</li> </ul>  |
| VASH Project Based   | <ul style="list-style-type: none"> <li>One location for caseworker to assist multiple clients</li> <li>Easier peer to peer support</li> </ul>   | <ul style="list-style-type: none"> <li>Locating pool of developers</li> <li>Get VA to create local project based voucher program</li> </ul>  | <ul style="list-style-type: none"> <li>Use 50 new vouchers to start a project based voucher program for target population</li> </ul>  |
| HUD McKinney-Vento   | <ul style="list-style-type: none"> <li>Provides services for diverse homeless populations</li> </ul>  | <ul style="list-style-type: none"> <li>Must be within HUD definition of homelessness</li> <li>Diminishing % for services</li> </ul>  | <ul style="list-style-type: none"> <li>Possibilities of increase in funding</li> </ul>  |
| Austin/Travis County Integral                                      | <ul style="list-style-type: none"> <li>Has been serving a chronically homeless and re-entry</li> <li>Currently providing units of residential treatment services for target population in Project Recovery, Safe Haven and Alameda House</li> </ul> | <ul style="list-style-type: none"> <li>Current need for state funded behavioral health care in the community far exceeds current funding</li> <li>Limited access to psh for existing clients</li> <li>Affordable housing continuum fails to meet diverse needs of clients</li> </ul> | <ul style="list-style-type: none"> <li>A proposal to fund psh units to help reduce the number of persons being sent to state hospitals for restoration to competency (to stand trial) is being considered by DSHS</li> <li>Can leverage state dollars for services</li> <li>Advocate for increased</li> </ul> |
| Other  | <ul style="list-style-type: none"> <li>Easier access to funds</li> <li>Flexibility</li> <li>Less reporting</li> </ul>   | <ul style="list-style-type: none"> <li>Locating funders interested in target population</li> <li>Easier peer to peer support</li> </ul>  | <ul style="list-style-type: none"> <li>On-going opportunities, particularly for discretionary monies</li> </ul>   |

Although not permanent supportive housing, a unique “bridge” model was designed under Title XII of the American Recovery and Reinvestment Act of 2009 which has direct bearing on the re-entry population. The Texas Department on Housing and Community Affairs (TDHCA) was allocated \$41, 472,772 for “Homelessness Prevention and Rapid Re-Housing

Program” which could provide both operating and support service funding for a two year period. Over \$2 million statewide was set aside for Homeless Prevention and Case Management (HP/CM) pilot projects targeting vulnerable subpopulations including re-entry. The City of Austin’s Region 7 formula allocation was \$2,301,128 which included monies to provide financial assistance for 18 months; however, the time period for this line item has recently been reduced to 6 months. Region 7 non-profits applied for, and were awarded, \$3,593,224. The Caritas “Right at Home” pilot received \$600,000 to primarily provide support services for the re-entry population with special needs. This program will be significantly impacted by the reduced financial assistance period since the pilot projects were not allowed to allocate funds for financial assistance and the vulnerable populations they serve are dependent on more long term assistance than the average population. TDHCA reserved the third year federal HPRP funds in order to award continuance and/or expansion funding to successful programs.

- **Opportunity:** Depending on the “first round data and resources”, TDHCA has indicated additional allocations may be awarded to successful pilots to augment their support services.
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## Research Strategies for Funding Permanent Supportive Housing for a Re-entry Population

Recently, the Corporation for Supportive Housing released a new report that attempted to assess the current state of permanent supportive housing. They analyzed over 350 responses to the survey and included a summary of how those respondents reported funding their permanent supportive housing strategies<sup>17</sup> as shown in the table below:

| <b>FUNDING SOURCES FOR SUPPORTIVE HOUSING</b>           | % of respondents that are using funding source for supportive housing |
|---|---|
| <b>Capital Funding</b>                                  |   |
| Low-income housing tax credits                          | 75.5%   |
| HOME, CDBG, etc.  | 70.0%   |
| State housing trust fund                                | 52.7%   |
| Local/county housing trust fund                         | 36.7%   |
| Section 811   | 32.9%   |
| Bond financing  | 26.2%   |
| HOPWA   | 25.3%   |
| City/county tax levy                                    | 17.3%   |
| <b>Operations Funding</b>                               |   |
| Shelter Plus Care                                       | 69.8%   |
| Section 8   | 65.9%   |
| State/local rental subsidies                            | 51.2%   |
| Other Continuum of Care Funding                         | 46.0%   |
| Section 811   | 22.6%   |
| HOPWA   | 20.6%   |
| <b>Supportive Services Funding</b>                      |   |
| Continuum of Care                                       | 67.9%   |
| State/local mental health funding (from general fund)   | 56.4%   |
| Federal grants program (i.e. SAMHSA)                    | 42.7%   |
| Medicaid  | 33.3%   |
| State/local substance abuse funding (from general fund) | 27.4%   |
| TANF  | 14.5%   |

We are in the early stages of researching examples of permanent supportive housing that are focused on or serves a re-entry population and learning more about funding strategies for those projects. We are finding that, as in all permanent supportive housing development strategies, there is no one-size fits all. The following table summarizes what we have learned about these other projects to date.

<sup>17</sup> Forging Ahead: The State of the Supportive Housing Industry—The CSH Supportive Housing Survey, May 2010 <http://documents.csh.org/documents/pubs/StateOfIndustryReport.pdf>

## Examples of Re-entry-Related Permanent Supportive Housing Funding Strategies

| Name of Project :   | Location :         | Target Population/Number Serving/Other Info :   | Funding Strategies :   |
|---|--------------------|---|--|
| <b>Cook County Frequent Users of Jail and Mental Health</b> <sup>18</sup> | Chicago, Illinois  | <p><b>Target Population:</b></p> <p>This demonstration project is targeted toward people with serious mental illness in Cook County Jail who cycle between jail, psychiatric hospitals, and homelessness for months or years on end.</p> <p>Specifically, the target population includes people who:</p> <ul style="list-style-type: none"> <li>• Have a demonstrated history of repeated homelessness upon discharge from jail;</li> <li>• Have been engaged by Cermak Health or the Illinois Mental Health system at least four times; and</li> <li>• Have a diagnosed serious mental illness of schizophrenia, bi-polar, obsessive compulsive or schizo-affective disorder.</li> </ul> <p>Includes 120 rental housing subsidies.</p> | <ul style="list-style-type: none"> <li>• JEHT Foundation and Open Society Institute: \$720,000 for service enhancements and client assistance.</li> <li>• Robert Wood Johnson Foundation: \$100,000 for data matching and landlord recruitment, and \$185,000 for Cermak case manager and study coordination.</li> <li>• National Institute of Justice: \$400,000 for research performed by The Urban Institute.</li> <li>• Chicago Low Income Housing Trust Fund / City of Chicago Department of Housing: \$600,000 per year for 120 long-term rental housing subsidies.</li> <li>• Illinois Division of Mental Health: Funding for on-going mental health services post-study.</li> </ul>  |
| <b>Ohio-Returning Home Initiative</b> <sup>19</sup>                       | State of Ohio      | <ul style="list-style-type: none"> <li>• Partnership with Ohio Department of Rehabilitation and Correction and Corporation for Supportive Housing which began in February 2007.</li> <li>• The goal is to prevent homelessness and reduce recidivism for individuals returning to Ohio's communities from state prisons.</li> <li>• They are managing 84 units of housing in five communities and through December 2009, have served 100 individuals</li> </ul>   | <ul style="list-style-type: none"> <li>• ODRC: \$3.2 million for rental subsidies, tenant assistance, case management, program evaluation, and project management.</li> <li>• Ohio Housing Finance Agency (OHFA): established a rental subsidy program to assist Returning Home — Ohio tenants who may require rental subsidy for an indeterminate amount of time beyond the pilot period.</li> <li>• ODRC is working closely with other state departments — especially the Departments of Mental Health (ODMH) and Alcohol and Drug Addiction Services (ODADAS) — to address the needs of people involved in the criminal justice system by providing staff and programming within prisons and in the community to address peoples' mental health and substance abuse needs.</li> <li>• ODMH: \$20,000 toward evaluation</li> </ul> |
| <b>Frequent Users Served</b>  | New York, New York | <ul style="list-style-type: none"> <li>• Persons identifies as frequent users of jail, shelter, emergency</li> </ul>  | <ul style="list-style-type: none"> <li>• <b>Operating</b> : NY City Housing Authority : 50 Project based</li> </ul>  |

<sup>18</sup> [http://documents.csh.org/documents/policy/Reentry/Reentry\\_CookCo\\_2009.pdf](http://documents.csh.org/documents/policy/Reentry/Reentry_CookCo_2009.pdf)

<sup>19</sup> [http://documents.csh.org/documents/policy/Reentry/Reentry\\_OH\\_2009.pdf](http://documents.csh.org/documents/policy/Reentry/Reentry_OH_2009.pdf)

| Name of Project :                                     | Location :          | Target Population/Number Serving/Other Info :   | Funding Strategies :   |
|---|---------------------|---|--|
| Enhancement Initiative (FUSE) <sup>20</sup>           |                     | <p>health and other public systems</p> <ul style="list-style-type: none"> <li>• 100 individuals have been placed into permanent supportive housing to date</li> </ul>   | <p>vouchers ;NY/NY I and II: 38 supportive housing set aside units ; Dept of Health Services : 12 SRO supportive housing subsidies</p> <ul style="list-style-type: none"> <li>• <b>Support services</b> : HUD, COBRA : support services ; \$650,000 JEHT Foundation for service enhancements</li> </ul>  |
| 1811 Eastlake « Housing First » Project <sup>21</sup> | Seattle, Washington | <ul style="list-style-type: none"> <li>• Operated by the Downtown Emergency Service Center</li> <li>• Opened in 2005</li> <li>• Serving homeless women and men who have experienced chronic alcohol addiction</li> <li>• Using a « housing first/harm reduction » model of housing/services</li> </ul>  | <ul style="list-style-type: none"> <li>• <b>Capital funding sources:</b> Office of Housing Levy and federal HOME funds, the State, King County, HUD's McKinney Supportive Housing Program (SHP), the Federal Home Loan Bank, DESC cash and equity from the sale of 9% low income housing tax credits.</li> <li>• <b>Service funding:</b> McKinney SHP, and King County Mental Health-Chemical Abuse Dependency Services Treatment Expansion dollars.</li> <li>• <b>Operating support:</b> Office of Housing's Levy Operating and Maintenance program and 25 Section 8 Vouchers from Seattle Housing Authority.</li> <li>• <b>Evaluation :</b> Robert Wood Johnson Foundation, \$400,000</li> </ul> |
| The Cottages at Hickory Crossing <sup>22</sup>        | Dallas, TX          | <ul style="list-style-type: none"> <li>• Project of Central Dallas Community Development Corp.</li> <li>• Development to begin in 2010</li> <li>• Includes 50 dwellings, each 400 square feet.</li> <li>• Target population would be 50 chronically homeless most frequent users of systems people who often have disabling mental illnesses and addictions along with criminal histories. Referrals will come from Dallas criminal justice partners and the downtown homeless shelter</li> <li>• Partners include: Metrocare Services, Central Dallas Ministries, Central Dallas Community Development Corporation, Metro Dallas Homeless Alliance, The University of Texas Southwestern Medical Center and the Dallas County Criminal Justice System</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Capital and operating funding:</b> The Communities Foundation has committed \$1 million for pre-development costs and immediate transitional housing service and is offering a challenge grant, with one dollar matched for every three dollars raised, up to \$2.5 million through its W.W. Caruth Jr. Foundation Fund; Meadows Foundation has loaned \$750,000 to help buy the land. The rest of the money will be raised through private donations and government grants.</li> <li>• <b>Support services:</b> Cost per client is estimated will be \$12,500 per year.</li> </ul>  |

<sup>20</sup> [http://documents.csh.org/documents/policy/Reentry/Reentry\\_NY\\_FUSE\\_2009.pdf](http://documents.csh.org/documents/policy/Reentry/Reentry_NY_FUSE_2009.pdf)

<sup>21</sup> : <http://www.seattle.gov/housing/homeless/1811.htm>

<sup>22</sup> <http://www.dallasnews.com/sharedcontent/dws/news/localnews/stories/040410dnmetdeepillumhousing.3db11cd.html>

| Name of Project :   | Location :        | Target Population/Number Serving/Other Info :   | Funding Strategies :   |
|---|-------------------|---|--|
| St. Andrews Court/St. Leonard's House <sup>23</sup>                     | Chicago, Illinois | <ul style="list-style-type: none"> <li>42-units of permanent supportive housing for men exiting prison (30 units for homeless ex-offenders with disabilities (including mental illness, chemical dependency, or HIV/AIDS) and 12 units for Illinois Department of Corrections parolees.</li> </ul>  | <ul style="list-style-type: none"> <li><b>Total Development Cost:</b> 3,612,371<br/>Cost per unit: \$86,009<br/>Cost per square foot: \$195</li> <li><b>Capital funding supports:</b><br/>National Equity Fund \$1,576,733<br/>Federal Home Loan Bank (grant) \$210,000<br/>Project Sponsor Equity \$246,000<br/>General Partner Capital \$656,925<br/>Illinois Housing Development Authority HOME funds (0% 30-year loan) \$1,544,638<br/>Corporation for Supportive Housing (4% one-year loan, repaid at closing) \$75,000<br/>Other grants \$35,000</li> <li><b>Operating funding supports:</b><br/>Illinois Department of Corrections subsidy (12 units)<br/>HUD McKinney Shelter Plus Care rental subsidy (30 units)</li> <li><b>Support services supports:</b><br/>IL Department of Human Services<br/>United Way of Metropolitan Chicago<br/>Greater Chicago Food Depository<br/>Chicago Anti-Hunger Federation<br/>Episcopal Charities &amp; Community Services</li> </ul> |
| Central City Concern <sup>24</sup><br><br>Madrona Studios <sup>25</sup> | Portland, Oregon  | <ul style="list-style-type: none"> <li>176 units to every low-income resident, including units for 80 individuals coming out of homelessness.</li> <li>The project is also the new home of the expanded Hooper Detoxification Program, which provides shelter and services to 75 individuals to help them work through their first seven to fourteen days of sobriety.</li> <li>This project adapted/reused an old Ramada Inn located in the Convention Center area of northeast Portland.</li> </ul> | <ul style="list-style-type: none"> <li>Total Development Cost: \$24,735,000<br/>Rehabilitation Cost: \$10,334,873<br/>Residential; \$ 3,570,554 commercial</li> <li>Project development to opening timeline: Nov. 2004-March 2010</li> <li><b>Financing Structure:</b> 23 sources, including: US Bank, Wells Fargo, NOAH, Albina Bank, Federal Home Loan Bank, City of Portland, Multnomah County, Oregon Housing and Community Services, Business Energy Tax Credits, Enterprise Green Communities, and other sources</li> <li>132 units utilized Low Income Tax Credits and 44 units funded with New Market Tax Credits</li> </ul>   |

<sup>23</sup> <http://documents.csh.org/documents/il/St.%20Andrews%20Court.pdf>

<sup>24</sup> <http://www.centralcityconcern.org/adfc.htm> Central City Concern operates many different units of supportive housing including permanent supportive housing as well as supportive transitional housing. Just over 50% of their units are considered “drug and alcohol free” while they offer other units that have “low demand” expectations.

<sup>25</sup> <http://www.hdc1.org/downloads/Madrona%20Studios%20Project%20Summary.pdf> We are highlighting Madrona Studios because they are the newest development of Central City Concern which just opened in March 2010.

# **Next Steps for the Austin/Travis County CSH Texas Re-entry Initiative and Funding Research For Developing Units of Permanent Supportive Housing**

## **Austin/Travis County CSH Texas Re-entry Initiative:**

The A/TC CSH Texas Re-entry Initiative Steering Committee is continuing to work on Phase II of the project, the Implementation Planning Phase. We have drafted a proposed Implementation Work Plan and are in the process of vetting the plan with key partner stakeholders for additional input and revisions. We anticipate the plan will be completed in late July and released in August, 2010. In addition, we are continuing to our research on funding strategies and will be updating this document throughout the summer.

## **Merging Our Work with ECHO/City of Austin's Permanent Supportive Housing**

### **Comprehensive Strategy:**

In addition, The A/TC CSH Texas Re-entry Initiative Steering Committee is now beginning to merge our housing planning work with ECHO Housing Committee. Currently, ECHO is engaged in an intense project related to the City of Austin's development of a comprehensive strategy for developing 350 units of permanent supportive housing by 2014. We envision that the recommended 100 units of permanent supportive housing that was recommended in the CSH Texas Re-entry Initiative will become a part of the plan for the full 350 units. Currently, the ECHO Housing Committee Services Work Group has been charged with:

- Identifying the types of services needed for the permanent supportive housing for chronically homeless individuals, youth and families ;
- Determining the cost range of those services ; and
- Identifying the best practices for delivering those units.

Much of this work was completed in the first phase of the CSH Texas Re-entry project related to the re-entry project and will be helpful in the work product of this group. However, by merging our work, we will be avoiding fragmentation of planning work and will help us maximize our work time and leverage the collective knowledge of a variety of partners and stakeholders.

**Texas House Corrections Committee Hearing/CSH Presentation on Permanent Supportive Housing:**

Dianna Lewis, the Texas Director of the Corporation for Supportive Housing has been invited to provide testimony to the Texas House Corrections Committee on June 30, 2010. All the partners in the CSH Texas Re-entry Initiative (Dallas, Harris, Tarrant and Travis counties) will be participating as resource back-up to the testimony. The Ohio Department of Rehabilitation and Corrections' representative will also be present to talk about their Returning Home Initiative (a partner project involving CSH and the Urban Institute). Dianna's presentation will include a recommendation that the Texas Department of Criminal Justice consider utilizing 100 housing vouchers to help provide supportive housing for a homeless re-entry population who are engaged in TCOOMMI services in the major urban areas.

**Advocating for the Development of Project-Based Section 8 Voucher Program with our Local Housing Authorities:**

We have begun working with local as well as state partners to examine how to launch a project-based housing voucher initiative involving our local housing authorities. The CSH identifies this strategy as one of the fastest ways to bring units of permanent supportive housing on-line. These vouchers will leverage a federal funding stream and would allow us to focus our attention on development of funding opportunities for the support services only.

Both the Dallas Housing Authority and the Fort Worth Housing Authorities are providing project based vouchers specifically for formerly incarcerated persons:

- The Texas Offender's Re-entry Initiative (TORI) has established a relationship with the Dallas Housing Authority (DHA) to provide housing to formerly incarcerated individuals

through the use of a project-based Section 8 voucher. Clients have the ability to independently apply for a voucher as long as they actively participate in TORI's 12-month program. TORI has also established relationships with four private property owners who have set aside 204 units consisting of one bedroom, two bedroom, and three bedroom units for clients who have been awarded the Section 8 vouchers. Upon successful completion of the one-year program, clients' vouchers are freestanding, allowing them the option to move forward to any other property.<sup>26</sup>

- The Dallas Housing Authority announced in June 2010 they were providing 160 units of permanent supportive housing within five units that would serve chronically homeless and formerly incarcerated persons. The units will include support services as well as housing vouchers.<sup>27</sup>
- Tarrant County Reentry Initiative has begun working with the Fort Worth Housing Authority and landlords and property owners who already accept Section 8 housing vouchers to encourage them to serve additional formerly incarcerated persons.<sup>28</sup> This dialogue led to several potential projects related to permanent supportive housing.

### **Creating a Community Conversation Strategy to Dialogue about Permanent Supportive Housing:**

We recognize that one of the key next steps will be working with our partners to develop strategies to begin talking more about our need for permanent supportive housing in general but specifically why these new units of permanent supportive housing need to “screen in” the hardest to serve populations: chronically homeless, persons with severe, persistent mental health and have the additional barrier of being formerly incarcerated.

Developing and/or choosing sites for permanent supportive housing continues to generate great concern and fears in communities across the United States. Some of the fear is a result of the unknown. Fears in accepting these housing options also arise from a lack of understanding of what permanent supportive housing is as well as what it can do for the quality of life in our communities. In addition to working with communities, we also acknowledge that we must also develop strategies for engaging the media around permanent supportive housing. In a blog on

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<sup>26</sup> [http://www.mcdc-tori.org/index.php?option=com\\_content&view=article&id=174&Itemid=26](http://www.mcdc-tori.org/index.php?option=com_content&view=article&id=174&Itemid=26)

<sup>27</sup> <http://www.dallasnews.com/sharedcontent/dws/news/city/dallas/stories/061610dnmethousing.1ccfad7.html>

<sup>28</sup> <http://www.dallasnews.com/sharedcontent/dws/news/city/dallas/stories/061610dnmethousing.1ccfad7.html>

the Dallas Morning News website, a reporter reporting out details regarding an affordable housing project set for approval in Frisco, Texas, the reporter clearly set out a section regarding whether or not the proposed project would serve persons leaving a Texas prison. The section entitled “Worth Noting” said:

“Worth noting: There was some concern that these apartment complexes would rent units to clients with the Texas Offenders Reentry Initiative, which works with the Dallas Housing Authority to find homes for ex-offenders. The TORI program uses only project-based Section 8 housing, which means the rental subsidy is tied to the apartment. The apartments in Frisco are not set up that way and would not be an option for TORI clients.”<sup>29</sup>

We will continue working with ECHO and the City of Austin on these media and communication strategies.

### **Leveraging the Permanent Supportive Housing Conversation with New Funding**

#### **Opportunities:**

The Corporation for Supportive Housing released a new report this month on their Returning Home Initiative (June 2010).<sup>30</sup> This report focuses on system change accomplishments they have achieved since 2001 when they first began to look at the issue of permanent supportive housing for a reentry population. We will spend time reviewing this document since it discusses the challenges they experienced and the lessons they learned which will be very helpful in our work. One valuable piece of advice they give in this report is: “**Look for and capitalize on opportunities**”.

In the time we have devoted to learning more about the funding options for permanent supportive housing for a reentry population, we clearly have come to understand that there are many moving parts to this work and that we do not even know what some of those moving parts

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<sup>29</sup> <http://friscoblog.dallasnews.com/archives/2010/02/11/>

<sup>30</sup> [http://documents.csh.org/documents/pubs/RHI\\_systems%20change\\_2010.pdf](http://documents.csh.org/documents/pubs/RHI_systems%20change_2010.pdf)



are much less how to learn more about them. But we do know that we have a lot of opportunities facing us that we need to pay attention to:

- Working to help the City of Austin's and ECHO to develop their comprehensive strategy for developing 350 units of permanent supportive housing by 2014;
- Linking how the target population (frequent users of systems) impact the county jails, the local hospital systems and EMS, and the homeless shelter;
- Determining how Travis County's Justice Reinvestment at the Local Level project can be part of the need for permanent supportive housing discussion for a reentry population;
- Intersecting our work with the work of the Downtown Austin Community Court Advisory Committee who has passed a resolution asking the City Council to consider adding funding for 20 units of permanent supportive housing;
- Advocating for the Right at Home Project and its access to long-term financial assistance dollars for persons leaving the State Jail and other correctional settings;
- Discussions with Project Recovery and connections to long-term housing for their chronically homeless persons with intensive out-patient substance abuse treatment;
- Examining the current TDCJ housing voucher project and working with CSH and the Texas Supportive Housing Coalition in advocating for utilizing these vouchers for harder to serve clients and linking them to Project ANEW (TCOOMMI funded services);
- Ensuring that we are monitoring for any new grant opportunities that may be coming through Bureau of Justice or SAMSHA that could be utilized for permanent supportive housing costs and finding ways to encourage entities to include requests for housing dollars for a reentry population;
- Working with Texas Department of Housing and Community Development and Texas Department of State Health Services as they begin to look at state funding streams and funds and continuing to encourage state investment into permanent supportive housing, particularly for those persons who are high users of the costly public systems; and
- Forging relationships with developers and other partners who can help us move forward with developing our local strategies for permanent supportive housing as a priority.

We will periodically update our work and share information in order to help our community partners move forward in developing permanent supportive housing opportunities in Austin/Travis County for a reentry population.



# ATTACHMENT I

*A/TCRRT FY 2010  
Enhancing Housing Opportunities—  
CSH Texas Re-entry Initiative Phase 2: Implementation Planning*

