General Model Description

In a Supportive Housing Scattered-Site Ownership model the supportive housing units are acquired and operated by a non-profit organization (or mission focused for profit organization) and dispersed among multiple buildings or properties in a community which may include a range of housing types from condominiums, apartments, or single family homes. This model provides a great opportunity to integrate supportive housing units in the general community, while maximizing available housing stock to achieve a range of housing types and unit sizes. Property management of the units is handled by the ownership entity or in agreement with a third party manager, depending on the housing type and the number of units. The owner and property management coordinates with one or more supportive service partners to design and deliver services to supportive housing tenants and support housing stability.

Supportive Housing Basics

Quality supportive housing projects are as diverse as the communities in which they are located but all supportive housing:

1. Targets households whose head of household is experiencing homelessness, at-risk of homelessness, or is inappropriately staying in an institution. They may also be facing multiple barriers to employment and housing stability, including mental illness, substance use and/or other disabling or chronic health conditions.
2. Is affordable meaning the tenant household ideally pays no more than 30% of its household income toward rent.
3. Provides tenant households with a lease or sublease identical to a non-supportive housing tenant - with no limits on length of tenancy, as long as lease terms and conditions are met.
4. Proactively engages members of the tenant household with a flexible and comprehensive array of supportive services, without requiring participation in services as a condition of ongoing tenancy.
5. Effectively coordinates among key partners to address issues resulting from substance use, mental health and other crises, with a focus on fostering housing stability.
6. Supports tenants in connecting with community-based resources and activities while building strong social support networks.

See more at: http://www.csh.org/toolkit/supportive-housing-quality-toolkit/getting-started/understanding-supportive-housing/#sthash.LSEzV41C.dpuf

POPULATION CONSIDERATIONS

1. **What are supportive housing populations?**

Supportive housing is a combination of affordable housing and supportive services designed to help vulnerable individuals and families use stable housing as a platform for health, recovery and personal growth. It focuses on balancing three distinct components — housing, supportive services, and property and housing management.

Supportive housing targets households whose heads of household are experiencing homelessness, at risk of homelessness, or are inappropriately staying in an institution. They may be facing multiple barriers to employment and housing stability, including mental illness, substance use, and/or other disabling or chronic health conditions. The populations that can benefit from supportive housing may also include:

- Single adults, youth, families, and seniors experiencing long-term homelessness accompanied by a disability,
- People cycling in and out of jail or hospitals due to untreated health or mental health issues,
- Families or young adults involved with the child welfare system with risk factors for homelessness,
- Veterans experiencing homelessness with a disability, and
- People with disabilities living in segregated institutional settings who can or choose to live in the community independently.

There is evidence that the scattered-site model of supportive housing provides successful community-based options for all populations.

2. **How is homelessness defined?**

In 2009, through the passage of the Homelessness Emergency and Rapid Transition to Housing Act (HEARTH), Congress authorized a new definition of homelessness that combined and updated definitions that were previously held by different federal agencies such as the Departments of Housing and Urban Development (HUD) and Education. This definition is broadly used by communities and organizations receiving and using federal funding to address homelessness.

There are four categories of homelessness used by HUD to implement the HEARTH Act. The four categories are used to support eligibility for various federal funding sources for homelessness, and reflect the slight differences within the experience of "homeless."

Category 1 – *Literally Homeless*: Individuals or families who

1. do not have a "fixed, regular, and adequate nighttime residence"
2. live on the street, in a shelter, or in a place not meant for people to sleep (car, park, abandoned building or
3. are exiting prison, jail, a hospital or nursing facility and who both stayed *less than* 90 days and were homeless when they entered.

Category 2 – *Imminent Risk of Homelessness*
Individuals and families who will lose their primary residence within 14 days of asking for homeless assistance; no subsequent residence has been identified; <u>and</u> lacks the resources or support networks needed to obtain other permanent housing.

Category 3 – *Definitions of other federal statutes such as Education*
Unaccompanied youth under 25 years-old (including migrants) or families with children who are living doubled up for economic reasons; are awaiting foster care placement; are abandoned in a hospital; or who have lived for long periods with housing instability and where it is expected to continue into the future due to chronic disabilities (including a child/minor), chronic physical or mental health conditions, substance addition, history of domestic violence or child abuse, or multiple barriers to employment

Category 4 – *Fleeing/Attempting to Flee Domestic Violence*
An individual or family who is fleeing, or attempting to flee, domestic violence; has no other residence; <u>and</u> does not have the financial or social resources to access other housing

Chronic Homelessness
HUD defines a chronically homeless individual as: a homeless individual with a disability who lives either in a place not meant for human habitation, a safe haven, or in an emergency shelter, for at least 12 months, or on at least four separate occasions in the last 3 years, where the cumulative total a length of time of at least 12 months. Each period separating the occasions is considered at least 7 nights of not living in a situation other than a place not meant for human habitation, in an emergency shelter, or in a safe haven. If a person stays in institutions of fewer than 90 days, those days do not constitute a break and count toward total the total time homeless.

Chronically homeless families are families with adult heads of household who meet the definition of a chronically homeless individual. If there is no adult in the family, the family would still be considered chronically homeless if a minor head of household meets all the criteria of a chronically homeless individual. A chronically homeless family includes those whose composition has fluctuated while the head of household has been homeless.

Note: This final rule published by HUD in December 2015 is effective as of January 15, 2016. Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH): Defining "Chronically Homeless" Final Rule (December, 2015)

It is standard that the project partner that manages the rental assistance or services funding source for the households accessing scattered-site supportive housing assess and document eligibility of homelessness. In the case of a scattered-site owned project, the owner may have arranged the rental assistance commitment for financial underwriting purposes and will need to understand eligibility requirements and documentation for a resource.

4. **How is a person with disability defined?**

As with homelessness, there are various conditions and documentation standards connected to the term "disability," and how the criteria relates to funding sources or program. The Americans with Disabilities Act (ADA) provides a standard frame of reference for how to consider the definition of a disability . First, there is the presence of the condition – either as documented or observed - coupled with the verification by an eligible health care provider that the condition impacts the person's life.

Second, is the impact of a disability on a person's functioning. These two components work together in the following way:

- Physical or mental impairment that **"*substantially limits*"** one or more **"*major life activities*"**; and
- The impairment has been documented; or
- The person is observed to have the impairment

The types of impairments/disabilities can be physical or mental.

Physical disabilities include: any medical condition, disfigurement or loss that impacts the body. Examples are blindness, cancer, diabetes, epilepsy, cerebral palsy, asthma, HIV/AIDS and its symptoms, renal failure, liver disease, etc.

Mental impairments/disabilities include: any mental or psychological disorder. Examples include depression, schizophrenia, developmental and intellectual disabilities, organic brain syndrome (including traumatic brain injury), alcoholism, substance use disorder, etc.

Sometimes conditions that constitute a disability for one program aren't accepted by other programs. Take for example a substance use disorder (SUD). In the case of the Social Security Administration (SSA), an addiction to a substance is not itself considered a disabling condition. If however, there is a resulting physical or mental disability, that could be create eligibility for SSA benefits.[i] Whereas for HUD homeless programs, a disabling condition is defined as "a diagnosable substance abuse disorder, a serious mental illness, developmental disability, or chronic physical illness or disability, including the co-occurrence of two or more of these conditions."[ii] Again, the entity responsible for compliance with funding sources will need to understand the range of disabilities allowed by program, and documentation standards.

5. **What is Olmstead and how does it have an impact on supportive housing populations?**

The [Olmstead Decision](#) states that "No qualified individual with a disability" should be left out of or denied benefits of services. Public entities are required to provide opportunities for community-based services to people with disabilities as an alternative to institutional care. Under Olmstead, housing is considered a service so that public systems that support institutional residential housing should now have a plan to direct resources that provide housing options integrated into the community. Community-based services are to be provided when it is the appropriate option, desired by the individual, and can be practically made available.

Integrated settings under the ADA and Olmstead are described as "a setting that enables individuals with disabilities to interact with non-disabled persons to the fullest extent possible." Integrated settings also:

- Are in mainstream society;
- Allow people to access activities that they want in the community when they want them

Alternatively, it is important to understand the characteristics that define 'segregated settings':

- Congregate settings include residents that have most or all people with disabilities;

- Have activities that are highly structured where the person is limited in their ability to choose and manage their own daily activities; or
- Provide daytime activities that are primarily only for people with disabilities

Scattered-site arrangements can maximize physical integration into a community, where other tenants with or without disabilities live in a private market arrangement.

6. How do project partners determine the demand for and market to specific supportive housing population needs in my community?

In most any community, or region of communities, there are people with disabilities and people who are experiencing homelessness (see definitions) in need of supportive housing. Project partners must look beyond the traditional market study results to ensure that the data on demand for housing at all income levels – particularly below 30% of the area median income – are reflected. Project partners can make connections to the local department of homeless services, United Way, public health, local hospital, Center for Independent Living, and even the local sheriff to learn about the number of people (individuals and families) who are in need of supportive housing and the need among the specific sub-populations. All communities have a coalition of homeless service providers referred to as the Continuum of Care (CoC) that can be helpful in providing data about the people experiencing homelessness and characteristics about the population. For example, is there a need for housing and services for Veterans, families or chronic single adults?

In some smaller metro, rural or geographically broad communities the need for supportive housing exists, but the people in need might not be living in the immediate proximity of a proposed development site. In this way, we recognize that people with special needs or housing instability may end up residing in locations or receiving services simply because that is where help is available. A helpful approach is for a community to take a more regional view of need, instead of neighborhood or municipal need, depending on size and relation to other nearby communities.

7. What type of supports and services are needed for supportive housing populations to live independently in the community?

Supportive Housing is more than just the addition of services a person needs while they live independently. It encompasses the ability to access services that meets the specific needs of the individual or family *and* the connection between services and housing stability with no time limit. As described in the *CSH Dimensions of Quality Supportive Housing*, all tenants should be provided with a "menu of services" that includes, at minimum, how to access case management services, medical services, mental health services, substance abuse treatment services, peer support, parenting skills, education, vocational and employment services, money management services, life skills training and advocacy. While involvement in services is encouraged, actual participation in services is voluntary for residents in community-based housing.

Other supports are delivered in partnership between a property manager and the tenant's primary supportive services provider. These supports relate to tenant rights and responsibilities that include ways to ensure lease compliance and prevent eviction.

In any rental setting, the primary issues with lease non-compliance have to do with rent payment, proper maintenance or housekeeping, and respecting neighbors. Supportive services and property management staff should work collaboratively with tenants on lease compliance in the following ways:

- Providing all supportive housing tenants with leases or subleases identical to non-supportive housing tenants — without service participation requirements or limits on length of stay (as long as lease terms are met). Ideally, the initial term of a lease or sublease is at least one year.
- As part of the lease signing process, property/housing management staff walks tenants through the lease agreement, clearly explaining their rights and responsibilities as leaseholders. Tenants are provided with a signed copy of their lease.
- If a tenant is behind on rent then property management enforces the lease. Supportive services staff are informed of the lease violation and work with tenants to create a rent repayment plan and ensure they have the necessary support to fulfill its terms.
- Supportive services staff promptly notifies property management staff when they observe safety or maintenance concerns.
- Property/housing management staff promptly notifies services staff of any unmet tenant service needs.

Preventing eviction through property and services coordination will be a critical service to keeping people successfully in housing. Of primary importance is the creation of a comprehensive, written eviction prevention policy that details how all supportive housing partners work together to promote housing stability. If eviction occurs, there is evidence of communication between service provider and property manager/landlord, including evidence of prevention efforts (such as letters, communication, or policies in the tenant file). The following policies/procedures are **<u>NOT</u>** included in any integrate supportive housing model:

- Evicting tenants for not participating in services or for failing to follow through on their services and/or treatment plan.
- Evicting tenants for failing to maintain sobriety.
- Removing tenants from housing without legal eviction proceedings.

Supportive housing tenants with higher services needs are still successfully housed in scattered-site arrangements. It may require that the services program has sufficient staffing for more frequent visits, identify buildings with a front-desk clerk or on-site security, closer to other community-based supports, or increased coordination with property management staff.

OWNERSHIP, PARTNERSHIP, AND OPERATIONS KEY CONSIDERATIONS

1. **What are the benefits and challenges of acquiring and operating supportive housing units located across scattered–site properties?**

   Integrating supportive housing units across scattered-site properties should be considered as one approach in which communities can create permanent housing options for supportive housing populations. As with all models, there are a number of benefits and challenges to consider before moving forward. One of the primary benefits of a scattered-site supportive housing ownership model is the opportunity for an owner/housing provider to leverage existing scattered site housing units; creating the potential to save or reduce the upfront capital and development costs necessary to create supportive housing units.

   Benefits of the Mixed Affordability model include, but are not limited to:
   - An owner can target and match units from available and cost effective existing housing stock, with the documented need and demand for supportive housing in targeted communities.
   - To create this model of housing, agencies serving supportive housing populations may partner with affordable housing developers/owners with each partner bringing their respective housing development and supportive service expertise. Having strong partners with a history and understanding of operating supportive housing, service delivery, and connection to the community can help alleviate community and neighborhood opposition.
   - Similar to other models, the owner maintains ownership and control of the units and provides greater longevity and commitment of units for supportive housing populations.
   - This model leverages the resources available for supportive housing development to assist and expand housing available for supportive housing populations.
   - By leveraging existing housing stock, this model allows the supportive housing provider to acquire available existing units; with consideration of property location, physical design, unit mix, and use of space to best meet the needs of the targeted tenants and promote integration with the community.
   - Many advocates of the scattered-site ownership model say that for supportive housing households to live among other non-disabled, working households can promote growth and the development of relationships that benefit all tenants. Similarly, non-disabled tenants can gain a better understanding of the disability community and reduce stigma when living in an inclusive community.

   Challenges of this Mixed Affordability model include, but are not limited to:
   - Just like any other affordable or supportive housing development or other real estate decision, the prospective owner must complete full due diligence to understand the neighborhood and property conditions, and the demand for supportive housing in the community. An important component of integrated supportive housing is that there are neighborhood amenities and services that can meet the needs and desires of the prospective residents.
   - To best understand the need for supportive housing and the target populations in a specific community, developers/owners should work with the local service provider community to analyze the need based on local homelessness data and characteristics of persons with

disabilities. Additional information is available on this topic in the Population Consideration section.

- An owner will incur the costs for acquiring the targeted properties, and possibly costs for renovation or rehabilitation of the units.
- This model, as with all supportive housing, adds another partner to the development team – the role of the supportive service provider. In order to best reduce unit turnover, promote good tenant practices, and prevent eviction, coordination between property management and service provider is key.
- Creating a standard screening criteria that recognizes and plans for supportive housing tenants with barriers can be difficult. Often times supportive housing tenants are determined to be ineligible from some rental housing, because of poor credit and rental history, criminal backgrounds, limited housing history, and more. One of the challenges for this Mixed Affordability Model is creating a screening process that screens all tenants consistently and ensures the safety of all tenants, but also ensures that supportive housing tenants are able to access the units.
- This scattered-site supportive housing model locates supportive housing tenants in individual properties and units in scattered locations, which can be very isolating for supportive housing tenants. To plan for and address isolation is one of the import roles of service provider(s). Also, regular check-ins between services providers and property management staff are important: as property managers tend to be the first to notice if a tenant hasn't been seen or if a tenant has changes in their behavior.
- The risks and liabilities of property ownership of scattered-site properties are similar to those associated with a single-site development, except that they are multiplied over numerous properties that are not located in one location. These risks may include financial, property management, and neighborhood. Acquisition of multiple properties can be time consuming as staff conduct market and property searches and assessments, negotiate with existing owners, and address all zoning or other municipal requirements prior to property purchase.
- An owner must retain requisite property and liability insurance to cover all sites.

2. **What are the different housing types that can be created under a Scattered-Site Ownership Supportive Housing Model?**

In any 'scattered-site' model supportive housing units are dispersed among multiple buildings or properties; achieving significant integration within the broader community. In the scattered-site *ownership* model, the housing provider acquires and operates the unit as supportive housing. Services are generally provided by local providers in the surrounding community.

A scattered-site ownership model may include the acquisition and operation of individual single family, duplex, other small buildings containing four or fewer units in a neighborhood or community, or townhouses or condominium units within a larger property or complex. Under the scattered-site ownership model, an owner may purchase vacant land with the intention of constructing new infill housing such as single family homes, townhomes, duplexes or other small buildings containing four or fewer units.

There are a several factors that may impact the number of supportive housing units in any cluster or area including funding source requirements, state or local government requirements, and capacity of local service providers to delivery services to supportive housing tenants and coordinate with owners and other partners.

Lastly, all housing units need to be renovated and maintained to decent safe and sanitary condition. Units financed with most federal, state and local funding resources or receiving rental assistance are expected to meet Housing Quality Standards (HQS).

3. **What are the strategies for locating properties for scattered-site ownership developments?**

   Just like any other affordable or supportive housing development or other real estate decision, the prospective owner must complete full due diligence to understand the neighborhood and property conditions, and the demand for supportive housing in the community. An important component of integrated supportive housing is that there are neighborhood amenities and services that can meet the needs and desires of the prospective residents.

   Clusters of properties in close proximity to one another can assist to achieve economies of scale for property management and service delivery. Costs for operating scattered site affordable and supportive housing will need to include costs associated with staffing, travel, and maintenance across the multiple sites.

   When considering a strategy to put units on-line that could create supportive housing in a scattered site model, whether ownership or leasing, the owner must understand the income limitations of the target population and have a budget that will support leasing to people with very low-incomes, and recruit the rental assistance resources as discussed further below.

   Accessing properties out of foreclosure could be a viable strategy to accumulate properties for a scattered-site supportive housing development. A developer or owner moving forward on this type of strategy must be fully aware of the market and property conditions, concentrate their purchases in a community that has demand for supportive housing, has access to a network of service supports for residents. Building a relationship with financial institutions and other entities that hold a portfolio of property may help to reduce some of the staff time required to identify available properties, however it would not remove the need for due diligence in the review of neighborhood and property conditions, and understanding the cost of operating the multiple properties. At this time, many of the properties remaining or newly processed in foreclosure may have significant market and property deficiencies.

4. **Is it advisable to hold ownership of the scattered-site properties in a single ownership or multiple ownership entities?**

   The ownership of scattered site units can be structured as a single purpose entity holding multiple properties or units, or several ownership entities each holding a single property. The key factors that will determine the appropriate ownership structure will include: 1) access to, and cost of acquisition and rehabilitation capital, 2) collateral requirements of the financing source, and 3) legal requirements or preferences of the purchasing entity. Utilizing a single entity to purchase multiple scattered site properties could achieve economies of scale and increase access to financing from financial institutions,

FHA insurance programs, Low Income Housing Tax Credits (LIHTC), and 'soft' government financing. If a single ownership entity is structured to hold multiple units as a single project, then all of those units will be used as 'collateral' for any of the banks or other institutions that may provide financing for the properties. Other program requirements tied to soft program funds may dictate whether the units should be held individually or collectively under a single entity. Additional factors that may inform the ownership structure include legal and staff time which may be incurred if multiple ownership structures are established for each individual properties.

5. **What are the roles and responsibilities for key partners needed to successfully develop and operate a Scattered-Site Ownership Supportive Housing Model?**

With all models of supportive housing, there are key partners that impact the success of the development. For this Model, the key partners include the developer/owner, property management company, and supportive service provider(s). Listed below are the key roles and responsibilities for the partners to successfully develop and operate a development.

1. **Developer/Owner –** The developer is responsible for the real estate development portion of the project — from the initial planning stages through the construction period, and ongoing ownership. The owner is legally and financially responsible for the property, representing the long-term interests of the project and its residents. The owner drives the planning and development process. The owner will enter into the legal lease agreement with the tenant (see Master Lease discussion under Leasing model) and will have the responsibility for maintenance and upkeep of the property.

2. **Property Management Company** will oversee the maintenance of the property, lease enforcement and relations with the tenants, financial oversight including rent collection, budgeting, and payment of expenses, and compliance with funding requirements, if applicable. The property management functions may be retained by the housing owners or subcontracted to a third party management company.

   In addition to these traditional property management functions, it is helpful during the development planning and operations for property management to have an understanding of supportive housing and target populations. During development phase, the property management partner will help in developing tenant selections plan (TSP), application and screening process for all tenants. Having an understanding of supportive housing target populations and characteristics will help as partners develop a TSP and process that supportive housing applicants can navigate easily. This will also include planning the process for reasonable accommodations. During operations, property management staff will play an important role in coordinating with supportive services staff to ensure that tenants are paying rent on time, engaging good tenant behaviors, preventing evictions, and managing unit turnover.

3. **Supportive service** partners design and deliver services to supportive housing tenants to maintain housing stability and be good neighbors. They play an integral role in helping the development team to understand the resident needs, and providing suggestions for project design elements like the need for common space and service delivery space and key amenity features. The development may have one or more service partners (see the Service Section). Additionally service providers work closely with property management in the development of screening

criteria, during the marketing and lease-up of units, and in the delivery of and linkages to services in the community. Service partners coordinate with property management staff to address tenant behaviors that may put their lease at-risk and assist with eviction prevention efforts.

The target population may influence which service provider is selected. For example, if the development is serving Veterans, linkage and coordination with the local VA Medical Center and other local Veteran service organizations is important. Or if the development is serving families, ensuring there is a partner and/or linkage to an agency that can provide services specifically to children.

A Memorandum of Understanding (MoU) between the owner, service provider and property manager will govern the relationship between the parties and establish the policies and procedures. An owner may have a MoU agreement with more than one service provider.

To effectively implement this scattered-site mixed affordability strategy, all partners must have an understanding of, and operate in accordance with Federal, State, and Local Fair Housing Laws.

6. **How can project partners ensure accountability to roles and responsibilities through the entire development timeline, including operations?**

Successful coordination with partners requires setting realistic expectations regarding what partners contribute. Outlining roles, responsibilities and expectations in a formal agreement, such as a Memorandum of Understanding (MoU), is an important step to ensure accountability throughout the entire development timeline and operations. Without such an agreement, confusion may arise over roles and responsibilities among partners, funders, and the larger community. It is also recommended that these agreements include how decisions will be made among partners regarding the development, accountability and evaluation requirements for partners to achieve. Lastly, partners should each assign a specific staff person to be responsible to the details outlined in the agreement and communicate with other partners.

A formal agreement, like a MoU, is the central place to outline the overall goals of the development, including:
- Why are supportive housing units being included?
- Who is the intended target population(s)?
- What are the goals of the project once in operation?

Minimally, the MoU should address the following:
- Background and Intent – History and Goals of the development
- Definitions
- Guiding Principles – key assumptions that all partners agree related to the development
- Eligibility Determinations – outlining how collectively partner determine who is eligible for housing
- Role and Responsibilities of each Partner
- Scope of Services for each Partner – specifically what each partner will do during the development phase and operations. How partners will coordinate on an ongoing basis
- Funding – what is each partners responsibilities related to funding?

- General Terms of the Agreement – including how often the MoU will be reviewed, evaluated and updated

For the Scattered-Site Supportive Housing Model specifically, it is helpful for the Service Partner(s) to be included early on in the planning. Service providers can also help the developer/owners and property management better understand the target population, specifically bedroom requirements and income targeting, and the barriers applicants may experience throughout the screening process.

The transition from the acquisition and rehabilitation phase to lease-up and operations is an important stage of the project with many steps overlapping and responsibility changing hands among staff. Using the MoU as a guiding document is particularly helpful for tasks that require coordination and collaboration between the property management and support service staff during marketing, lease-up, and the first phases of operations. Planning in advance and working together on the marketing and outreach strategies, application and screening criteria and process, and lease-up timeline can help alleviate some of the stress associated with the initial lease-up period.

7. **Is there a ratio of general housing units to supportive housing units that could impact the marketability of the non-supportive housing units?**

No. Many factors such as development model, local market, housing stock, and demand will help determine the appropriate mix of units. The local vacancy rate, quality of local housing stock, building and unit amenities, availability of affordable housing, are examples of community factors that may also impact what is a feasible percentage of supportive housing units integrated in any given development. The more competitive the markets for affordable and market rate housing, the higher percentage of units that can be designated as supportive housing without impacting marketability of non- supportive housing units.

8. **What is the role of a condominium association in the acquisition of a supportive housing unit in a condominium development?**

A condominium association, made up of unit owners, is responsible for carrying out the administrative responsibilities of the property. In most condominium properties, the condominium association must be notified of any pending unit sales to a new owner from an existing owner, and in some instances may have a 'right of first refusal' for any sale of a unit in the property or complex. The condominium association is required to provide copies of up-to-date condominium rules and financials to prospective buyers with valid contracts of purchase. While all unit owners in a condominium property must conform with the rules established by the condominium association, a few of the key rules relevant for an owner purchasing a condominium unit for use as Scattered-site integrated supportive housing will be 1) payment of assessment or condo fees, 2) rules associated with subleasing condominium units, 3) access to units by contractors and/or service providers, 4) renovations to the unit that could impact common space or the building infrastructure, and 5) general operating rules. A prospective buyer will be required to submit details of the intention to sublease the unit for supportive housing. A condominium association cannot impose rules on the supportive housing unit owner that are different

or that are not applicable to other units in the property or complex, nor can they establish rules that may violate federal and local fair housing laws.

9. **What are best practices for property management for a Scattered-Site Ownership Supportive Housing Model?**

It is important to distinguish the role of property management in scattered-site supportive housing from housing support and service provision. The property management functions include maintenance of the property, lease enforcement and relations with the renter, financial oversight including rent collection, budgeting, and payment of expenses, and compliance with program requirements, if applicable. The most important components of a strong property management program across multiple scattered site properties is consideration of the cost efficiencies for staffing, maintenance, property inspections, and travel, and the desired degree of direct control of the properties. The property owner must develop a realistic projected budget for property management costs, the income anticipated, and determine how to share the property management costs across the multiple properties. This budget should be developed by a property manager with experience managing scattered site properties. If the property owner does not have a portfolio of units that can support the budgeted expenses, then the owner should consider entering into a subcontract with a third-party property manager that can provide the property management role and responsibilities for a reasonable cost.

A third-party property manager can bring the necessary expertise and cost efficiency to a scattered-site program. This is an option, if you or your organization does not have the expertise or it is not cost effective to build the capacity in-house to successfully fulfill the property management responsibilities. Using a third-party property manager does not relieve the property owner of their responsibilities to review financial and property reports, and participate in periodic inspections to fully understand the property operations.

10. **What are the best strategies to coordinate Property Management and Supportive Services delivery to promote housing stability of supportive housing tenants?**

One of the hallmarks of supportive housing is the close coordination among all of the project partners, particularly property management and service partners. All partners must have a shared commitment to the success of each tenant and the development. Property managers must work closely with service providers to mediate any issues that may arise. While close collaboration is recommended, it is important to distinguish the role of the property manager from the service provision. Outlined below are suggested approaches for addressing common issues of coordination between partners.

1. Maintaining Communication – Regularly scheduled forums or meetings for supportive service partner(s) and property management staff to discuss roles, coordination efforts, current issues, address gaps in services and operations is important.

2. Maintaining Confidentiality – All partners need training in confidentiality to understand what they can and cannot share, depending on their role. Additionally, it is essential to discuss with tenants the role of property management and services and what will and won't be shared. Lastly, partners must ensure that they have the appropriate documentation and releases of information from tenants that may be needed to effectively coordinate.

3. Maintaining Focus on Housing Stability – Effective and coordinated Supportive Service partner(s) and property management strategies should be on focus on supporting housing stability. The goal of these coordinated approaches is to prevent evictions and other tenant behaviors that put housing at-risk, or undermine the health and safety of residents at the property. If tenants are facing evictions, a good strategy is to ensure that tenants facing eviction have access to necessary services and supportive.

4. Understanding Each Partners Roles – Ideally, both services and property management staff will receive cross training to facilitate understanding of each other's responsibilities. Partners can use forums for regular communication to educate each other regarding legal and funding obligations and other requirements, and to troubleshoot role-related issues that may arise. The "who does what" conversation should be an ongoing discussion as things arise, rather than a one-time interaction. In addition, it is equally important to explain and educate supportive housing tenants on the roles of each the property management and service provider(s) and who is responsible for what within the development.

5. Creating and Implementing Policies and Processes Consistently – Unlike other developments where property management creates and implements policies and processes, when supportive housing units are integrated into a development; the service partner(s) can also add value towards the development of the policies and processes. For example, partners can work together to ensure that the screening process is accessible to supportive housing populations. Developing a comprehensive, written eviction prevention policy that details how all partners work together to promote housing stability is important. If eviction occurs, it is beneficial to maintain all evidence of communication between service provider and property manager, including evidence of prevention efforts.

6. Ensuring Accountability – As described earlier, a formal agreement, such as a MoU, should outline the guiding principles for all partners. However, each partner brings a distinct and separate perspective to the development. To ensure that partners are accountable to the goals and principles of the development, partners should:
    a. Identifying contact persons for all parties and establishing expectations for communication and responsiveness.
    b. Describing actions that will be taken if the parties do not fulfill their responsibilities.
    c. Provide prompt notification by property management staff to services staff of any unmet tenant service needs. Supportive services staff promptly notifies property management staff when they observe safety or maintenance concerns.
    d. Revisited and reviewed the MoU collectively to ensure accountability to roles, responsibilities and scope of services, and any project specific performance measurements.

When considering a strategy to put units on-line that could create supportive housing in a scattered site model, whether ownership or leasing, the owner must understand the income limitations of the target population and have a budget that will support leasing to people with very low-incomes, and recruit the rental assistance resources as discussed further below.

INTEGRATION STRATEGIES KEY CONSIDERATIONS

1. **What does community integration look like in this Scattered Site Ownership Supportive Housing Model?**

   A development embracing the concept of community integration encourages interaction and participation on two levels by: 1) creating opportunities for neighbors within the property to interact and engage and 2) providing tenants with access and links to the larger community and its resources. The ultimate goal is the community accepts and values the development and its tenants.

   Traditionally, components of a development related to community integration were thought to be property location, physical design and use of space. In this Toolkit, community integration is expanded beyond traditional measures to also include interaction among tenants and neighbors and encourage access to resources in the development and the local community.

   Property owners and managers should make information known to all tenants regarding opportunities to connect with community resource such as local parks, public libraries, cultural and civic institutions, faith communities, and more. For supportive housing tenants, a key tactic to enable integration is for property management and service partners to identify opportunities for tenants to feel connected to their neighbors and surrounding community. This many include hosting or leasing space for community events that market to the surrounding neighborhood or identifying specific tenant interests or goals and supporting a connection within the community.

   Lastly, developments should include Universal Accessibility features in the all units within the property. These features broaden the range of disabilities that be served in the development promoting integration for individuals in the community that have limited housing choices.

2. **What are the best practices for managing community opposition to supportive housing?**

   Supportive housing whether building on a single site location, integrating units with affordable or market rate units, or purchasing scattered site properties, often faces opposition from neighbors and community. This model of supportive housing faces a unique challenge in comparison to the other models. One of the housing types often used to create this model is purchasing unit(s) within a larger condominium development and renting units to supportive housing tenants. Due to this unique housing type, condominium associations are often involved in the housing process. Associations can present oppositions to rental units and target populations. Doing research regarding the rules of the association before purchasing units can help to alleviate some of the opposition.

   With that said, some neighbors or existing tenants may present oppositions. Being prepared to respond to those will help alleviate additional fears. Similar to other models, much of the opposition is built on unsubstantiated fears of safety or economic concerns and a lack of knowledge of the population. A proactive and collaborative strategy to obtain local government approvals (if required) and to address any community opposition for the development will include a number of the following components:
   - Ongoing dialogue with the community including participation in community improvement activities such as neighborhood association meetings and community policing discussions;

- Build on expertise and relationships of team members to develop a comprehensive strategy, including a political strategy that identifies, key decision makers, allies and supporters;
- Build a strong and broad community base, and prepare a public relations and media strategy;
- Anticipate and address community concerns. Sometimes, providing testimony from neighbors and tenants of other supportive housing developments on how the developments impact their lives and what the everyday operations is like can help to address some of the worst fears;
- Prepare a strategy to protect and use your legal rights, if the other components are unsuccessful.

A common opposition message is that people from outside the community will be moving into the units. This is where local homelessness data and information about people exiting institutions can be very valuable. The key point is that the target population is already a part of the local community.

Once operational it is important for the supportive housing development team to live up to promises made, make sure that units are maintained, and continue communications with neighbors and community organizations.

Resources:
CSH Dimensions of Quality: Six Steps to Building Community Support
http://www.csh.org/wp-content/uploads/2013/09/SixSteps_F.pdf

3. **How can development location and design impact community integration?**

The location of the development and the physical design and use of space within the property can significantly affect how neighbors interact with one another and the integration in the community. With this model, while the physical location and design may be set, creating access to community resources is equally important. Working with partners to create linkages among neighbors and in the community, despite any limitations with the property location or design, will be helpful in preventing isolation of supportive housing tenants. Listed below are a number of considerations that may apply.

1. Factors to consider related to location of the property:
   - Public safety, particularly for vulnerable residents who may have mobility or auditory impairments. Neighborhoods that have particular drug activity may also present challenges for people in recovery.
   - Access to public transit, grocery stores, pharmacies, shopping, recreational activities, employment and volunteering opportunities, faith-based settings, public parks and libraries, and other community resources.
   - Proximity and accessibility to supportive services in the community, such as physical and behavioral health care, food pantries, child care, and more. The needs of the target population may influence the location. As an example, if the development with be serving families, the location and quality of the local schools and child care options are important considerations. Also, if the development is targeting veterans it may be useful to be in close proximity to VA health care services and/or veteran serving community based organizations.
2. The physical design of a property can also promote community integration.

- The scale, appearance, design, maintenance and quality of the building are consistent with the neighborhood and reflect or exceed local community standards.
- Understanding the needs of the target population can also impact the design of the development.
  - The population may need more physically accessible units than the minimum requirements. Creating more accessibility within the individual units and throughout the development will also allow tenants to age in place.
  - Using universal design/visitability/adaptable/accessible are various design standards that increase accessibility of the physical housing units and common areas.
  - If the supportive housing target population is families experiencing homelessness in the community, use local homeless data sources and service partners to identify the right mix of unit/bedroom sizes.
- Including community space within the property can be a great resource to the broader community and can be utilized for tenant activities and services.
  - For tenants, including seating, grilling options, games and activities promotes interaction, and can build shared ownership for the property. For tenants and the broader community, including a gardening area can promote interaction; teach gardening techniques and healthy eating.
- Including commercial space within a development creates the opportunity to attract commodities and/or services for the community and promote interaction among tenants and the community.
- Creating designated space for a Fitness/Wellness Center is not only a great resource for tenants, but also can be used to support the supportive housing tenants.

3. Space utilization within the development can also encourage interaction and engagement among tenants.
   - Placing a couple of chairs encourages conversation among neighbors in the common areas of the development, such as the entry area, the laundry room, mailbox area.
   - Utilize common space to promote interaction:
     - Delivery of supportive services, as an example - supportive housing tenants and case management staff can use the space for one-on-one meetings
     - Classes and/or trainings for tenants – Property Management or Service Staff can coordinate training opportunities for all tenants, such classes on budgeting and financial planning, grocery shopping on a budget, health cooking, and more
     - Rent out community space for community activities such as classes, trainings, or other events.

4. **How can the development implement a standard screening criteria and process across all units without creating barriers for supportive housing applicants?**

Supportive housing populations often face a difficult time exiting homelessness or institutions and accessing housing due to barriers related to criminal history, low or no credit, or previous evictions. Developments targeting supportive housing populations must plan in advance on strategies to engage the target population and also operate in accordance with federal, state and local Fair Housing laws. Fair Housing laws require that the screening of all tenants is consistent. There are, however, a number of ways that developments can implement consistent screening criteria and successfully provide housing for vulnerable supportive housing populations.

These include:
- With support from supportive services partners, identify where there may be screening criteria challenges. Identify those criteria that can be removed from the standards while supporting the overall safety and security of the entire development.
  - As an example, instead of utilizing a broad criminal history report examining the past 10 years, partners can utilize a 3 years; or limit it to only violent or arson related crimes.
- If a more extensive screening criteria is utilized prior to initial lease-up, work with service partners to develop a standard appeal and reasonable accommodation process.
  - As an example:
    - A supportive housing applicant is denied due to criminal history. The applicant should be informed of their ability to submit an appeal or reasonable accommodation request, made aware of the documents required and the timeline in which they can appeal. For supportive housing applicants who have signed a release of information form notifying the referring service partner is also useful.
      - The applicant submits an appeal to Property Management Staff outlining the support they are receiving from supportive service providers to address challenges and help prevent any future acts. Additionally, the tenants provides letters of support from their case manager, friends and family members, faith based leader, employer/volunteer coordinator – all verifying the supports and consistency of the applicant. Informing the referring case manager of the denial, allows them to provide the necessary support to the applicant and meet appeal the appeal requirements.
      - A reasonable accommodation request may be utilized if the applicant can demonstrate that the criminal activity was due to their disability. Additionally, and similar to housing appeal request, the applicant also demonstrates that they are participating in supportive services to manage their disability and avoid activities and situations related to previous activities. While supportive services cannot guarantee there will be no future lease violations by the tenant, the supportive service partners can assist property managers to advert any violations or crisis.

If the development does not plan in advance for targeting supportive housing tenants and utilizes more stringent criteria, the project lease-up and timeline could be significantly delayed.

5. How can the project use preferences to target specific supportive housing populations?

In the supportive housing context 'preferences' are used when a housing owner establishes priorities for placement of residents in units that are set aside for supportive housing. A chief benefit of setting preferences is that it prioritizes the referral and placement of high-need residents in supportive housing. Setting preferences is permitted by law and funders and is an effective mechanism for stabilizing high need individuals and households in supportive housing with needed services. A best practice for implementing a preference is to incorporate several key principles so as not to fall out of compliance with Fair Housing Act and other related regulations. They are:

- Prioritize persons based on community data identified as having a high need for services and for all available units.
- Preferences do not restrict all units in a property for the specific target supportive housing population.
- Preferences described in policies and practices cannot discriminate against any of the 'federal protected classes' (race, color, religion, gender, ethnicity, disability, and familial status.)
  - o A preference established for a specific disability or a single-gender property can inadvertently discriminate against another type of disability or persons of another gender.
  - o Disability specific preferences can only be supported if there is specific federal or local funding that limits occupancy and/or services to a specific population. Note: states and local communities may also have passed legislation that implement local 'protected classes.'
- Preferences listed in policies and procedures (such as waiting list management) must be clearly outlined in an administrative plan or tenant selection plan

6. What are the best practices for navigating the application and understanding responsibilities of tenancy for persons with disabilities and/or language or literacy barriers?

To ensure access for all applicants, project partners should discuss and plan strategies to market, outreach, and support applicants through the housing process. Partners should plan for develop strategies for applicants that may have a range of disability types, language or literacy barriers, and target population considerations. Strategies to consider include:

- Coordination and collaboration among property management and service partners is essential and can support applicants and tenants.
- Application and screening locations, and the timing of for appointments are physically accessible and convenient for potential applicants. For tenants with physical disabilities, ensuring that common spaces – including property management offices and service delivery space – within the development are accessible.

- All materials for tenants, i.e. applications, leases, policies, are in a language and reading level that is understandable, and staff assist tenants in understanding the content of written materials, when necessary.
- Permit that any intake/application forms can be completed orally to accommodate persons of varying literacy levels and/or disabilities.
- Multilingual staff, translated materials, and/or interpretation and translation services are available to tenants, as needed.

7. **How do reasonable accommodation and modification practices contribute to community integration and how does it work?**

A *reasonable accommodation* is a change to a rule, policy, practice, or service when necessary to allow persons with disabilities equal access to housing. A *reasonable modification* is a physical or structural change to housing that is necessary to afford people with disabilities equal access to the housing.

Reasonable accommodation and modifications support community integration by:
- Providing access to housing for persons with disabilities that would otherwise be determined ineligible and
- Ensuring that current tenants with disabilities that may need accommodations or modifications can stay in housing

To submit a request, an individual must meet the definition of disability as outlined in the Fair Housing Act, is regarded as having such a disability and has a record of such disability.

To complete a request, an applicant or tenant must complete the following questions:
- Describe the request:
  - A change in policy, practice, or procedure
  - A physical change in the housing unit
- Verify the applicant/tenant meets the Fair Housing Act's definition of disability (verification by licensed professional)
- Describe the relationship between the person's disability and the requested accommodation/modification (verification by licensed professional)

For example, if an applicant is denied tenancy due to previous housing eviction, they can complete the following steps to request an accommodation.
1. Submit a reasonable accommodation requesting a change in tenant acceptance policies because their previous eviction was due to long-term hospitalization related to their disability.
2. Include verification from their physician verifying that they have a disability and the previous eviction was a result of a long-term hospitalization.
3. Included letter of support from case manager demonstrating ongoing engagement with services to avoid unnecessary hospitalization

The property management company will then review the information submitted by the applicant, make a decision regarding tenancy and notify the tenant in writing.

While property managers are not required to inform tenants of their rights to a reasonable accommodation or modification, a statement in the application form informing applicants of these rights is a prudent practice that may eliminate some discrimination claims, and initiate communication between the applicant and the provider before a claim is filed. Also, property management staff should not ask for medical records or ask about the particular type or severity of disability.

While there is a tremendous need for mobility accessible units, not all units need to be mobility accessible. If a unit is not accessible, a resident may request a 'reasonable modification'. The cost to address the accommodation is the responsibility of the individual, unless the property receives federal or local housing subsidies.

CSH Dimensions of Quality Supportive Housing Resources
http://www.csh.org/wp-content/uploads/2013/08/AccommScreening_T.pdf
http://www.csh.org/wp-content/uploads/2013/08/SampleAccomondNoticeandFormsCombined_T.pdf
http://www.csh.org/wp-content/uploads/2013/08/AccommOccupancy_T.pdf

8. **How do tenants living in a Scattered Site Ownership model connect with community resources?**

The proximity to community resources from the property location is important, but of equal importance is the ability and comfort at which tenants can access those resources. For this model, where the location is pre-determined all efforts must be made to help identify and create linkages to resources. It's important to remember that some tenants may be new to the neighborhood where the property is located.

A simple, but very helpful way to create linkages to community resources is including detailed information during the initial lease-up process, such as a neighborhood welcome package. This can include:

- Location, transit options, hours of operations, and websites/phone numbers to access:
  o Public Libraries
  o Park districts
  o Local YMCAs, community centers, and/or other nearby fitness facilities (and any applicable discounts)
  o Community hospital, health centers, emergency rooms, urgent clinics
  o Grocery stores
  o Pharmacies
  o Local police station and fire department
- Upcoming community and neighborhood events
- Neighborhood associations
- Community news blogs, Facebook groups, email lists, etc.
- Community meetings with elected officials, local police districts, closest fire department
- Elected officials representing the neighborhood

- Coupons for restaurants, dry cleaning and laundry facilities, and other services in the community

9. **How can Scattered Site Ownership models maximize tenant involvement in the property to promote integration?**

Existing tenants can be great advocates in building community support, providing feedback and supporting new tenants. In order to maximize tenant involvement, staff must plan engagement strategies and ensure that tenants feel comfortable providing feedback and can make a meaningful impact. It is important to remember all tenant involvement opportunities should be available and welcoming to all tenants within the development.

Strategies to maximize tenant involvement include:
- Provide employment or volunteer opportunities for tenants at the supportive service partner and/or property management companies. Common examples include – Peer Support Specialists, Assistance with unit turnover and lease-up process, maintenance and landscaping, etc.
- Collect feedback annually and during unit turnover using a tenant satisfaction/ feedback surveys. Analyze and compile the surveys and provide tenants with a summary of the findings. Providing a summary of the survey and using the information for future discussions and potential changes in policies demonstrates the impact that tenant voices can have within the development. Throughout the year, create a mechanism for tenants to provide general feedback or suggestions, for example posting a mailbox or email address for tenant feedback or suggestions.
- Support the creation of a Tenant Council and provide staff support when needed
- If indoor or outside community space is available, organize events for tenants such as health screenings, cooking classes, financial planning, exercise classes, craft activities, classes on gardening, healthy eating, and other skill building options.
- Foster volunteer opportunities in the community for tenants to work together toward a common cause

It is important to acknowledge some tenants may face barriers when planning engagement opportunities. Some barriers to consider when planning tenant involvement include:
- Families with young children and single parent households
- Language and literacy
- Physical, mental, developmental and intellectual disabilities
- Time constricts
- Financial considerations

SERVICES CONSIDERATIONS

1. What types of services and supports are available to supportive housing tenants?

Overview on Services in Supportive Housing
The services provided to supportive housing tenants distinguish supportive housing from all other types of housing. To the extent possible, the services available in a supportive housing development should be customized to the needs of tenants. Supportive housing services are intended to help ensure housing stability and to maximize each tenant's ability to live independently. Services should include assistance with the housing application process, providing support during move-in, guidance on maintaining an apartment, and help on resolving issues that could lead to eviction. For some populations, living in supportive housing may be the first time the individuals have enjoyed the full rights and responsibilities of being a tenant. Strategies to engage tenants, and tackle feelings of isolation at initial move-in and throughout occupancy are important for tenant stability. Lastly, service design and delivery should promote the integration of tenants into the community in which they live to the greatest extent possible.

Staffing Considerations
Staffing patterns in supportive housing vary based upon the population being served, the goals of the project, the number of tenants to be served and available resources. The ratio of direct service staff to tenants will vary based upon the anticipated intensity of tenants' need. The examples of services and staff roles commonly offered in conjunction with supportive housing listed below do not represent an exhaustive list. Services and staffing are to be tailored to the needs and interests of the targeted tenants.

Services Categories
Case Management/Service Coordination/Tenancy Support
This is the most widely used form of services in supportive housing. The case manager does not provide every service a tenant needs but helps broker relationships between the tenant and other service providers. Case management can include new tenant orientation, assisting the tenant in accessing services such as child care or mental health treatment, and supporting the tenant in meeting all obligations of tenancy.

Mental Health Services
Focused on assisting tenants improve their mental health. Services under this category may include psychosocial assessment, individual or group counseling, support groups, and peer mentoring.

Health/Medical Services
These services ensure that a tenant is addressing their physical health. This is particularly important as individuals that experienced homelessness often have serious health and medical needs that have gone untreated or addressed. Services may include establishing routine medical care, HIV services, medication management and nutrition counseling.

Substance Use and Addiction Services
These services are designed to assist tenants in addressing substance use disorders. Services may include relapse prevention and recovery planning, individual or group counseling, harm reduction services, and inpatient rehabilitation.

Independent Living Skills
Tenants in supportive housing may need assistance in acquiring or regaining skills to maximize their independence. This may include financial education to help ensure on-time rent payment, creating personal budgets, conflict resolution, cooking and meal preparation, personal hygiene and self-care, and housekeeping and apartment safety.

Employment Services
Assist tenants in accessing employment or improving their employment status. Services may include vocational counseling, job placement and supported employment. Employment service staff may establish relationships with businesses in the community to help secure jobs for tenants, serve as liaisons between tenants and employers to address problems and issues and assist tenants in developing career plans.

Peer Support Services
For adults peer support services are provided by someone who is working to stabilize their own life and has received training in how to help others who participate in mental health services. For children, peer services are "family-to-family" services. Peer support specialists can help people find interesting community activities to engage in, advocate for themselves, make friends, get a job, find better housing and learn skills to live well in the community.

2. **What are the considerations in working with one primary service provider versus multiple service providers?**

In most communities and most supportive housing partnerships, one service provider does not provide all services. This means supportive housing tenants may be working with multiple service providers/agencies to meet their needs. One strategy for the owner and property management is to work with a lead service provider that coordinates the various service partners. This strategy is very useful in a Scattered Site Ownership Model. A property owner could be providing housing to a supportive housing tenants and coordinating with a variety of supportive service partners. Identifying and coordinating with one lead service partner can reduce onus on the owner or property manager. However, this strategy may impact the supportive service budget and availability of resources for the coordination role.

Additionally, supportive housing tenants may move into a new development and maintain an existing relationship with a service provider in the community that is different from the lead service provider. In this situation, even though the lead service partner may not provide services directly to the tenant they can play an important role working with property management to coordinate with the service provider or respond to crisis as needed.

3. **What is included in the supportive services budget and how are services funded?**

Funding for supportive services can vary greatly by development, are often population specific, and require blending multiple funding sources to ensure flexibility to meet the wide variety of tenant needs. However, there are providers across the state that are funded to provide services in permanent housing and may be looking for quality supportive housing project partnerships. Services that are funded for emergency or transitional situations may not be available to provide ongoing services to households as they move into permanent, stable housing. Many service providers in the community may have existing

resources to provide a specific type of service such as mental health counseling, substance use or addiction services, etc. A key funding element for any development is the provision and funding of case management/service coordination/tenancy support. This function is essential in connecting tenants to the specific services available.

The services partner(s) should have a formal funding source to provide effective, flexible, and long-term services for tenants. Not all service providers have expertise in providing services in a community-based setting or in a person's own home, but that can be addressed through their own capacity building. Some providers might be involved in billing Medicaid for medically-necessary supportive services in their housing.

All supportive housing developments should have a supportive services budget that is separate from the housing operations budget. As with all budgets, projected expenses must be matched with projected revenues. If the development has multiple supportive service partners providing an array of services, there should be a single budget incorporating all the various partners and funding sources.

- Expenses: The supportive services budget must include staffing and service activity levels adequate to assist tenants to live independently in the supportive housing project. The expense portion of a supportive services budget will generally consist of personnel and other than personnel expenditures.
- Revenues: A major challenge for supportive housing sponsors is to blend resources to provide ongoing support for a range of activities for the diverse tenant population. Revenue for supportive services costs is generally provided either as a fee-for-services arrangement, through a publicly funded contract in which the organization provides specified supportive services according to an established budget, or through private fundraising.

There are many forms of Supportive Services Funding. Services funding utilized within supportive housing is generally provided for:

- The delivery of particular services
- The utilization of a particular service strategy
- Addressing the needs of a particular population, defined by its service needs

Federal funding for services, like funding for development and operating costs, is generally distributed by formula grants (including block grants) or competitive grants.

- Formula Grants: The majority of federal service funding is allocated by formula grants, primarily block grants. Grant funds are generally allocated to states based on a distribution formula prescribed by law or administrative regulation that reflects the demographic and/or location-specific service needs.
- Competitive Grants: A competitive process for specific projects allocates project grants for services generally for fixed or known periods. Many funding programs specific to the homeless are competitive grant programs

To learn more about specific type of service funding - See more at:
http://www.csh.org/toolkit/supportive-housing-quality-toolkit/supportive-services/supportive-services-financing/#sthash.4lhTvBon.dpuf

4. **What are strategies to provide services on and off site?**

Having services available to tenants is not enough. The services must be offered at a time and location that increases the likelihood of tenants engaging in the services. Although there are many variations, there are typically three options for the location of a given service:

1. On-Site: In supportive housing projects that have a significant number of supportive housing units located within the same building, it may be feasible to provide services on-site. Tenants living in buildings with on-site supportive services may access all, some or none of their services on-site, depending on the services available and their individual preferences.
2. Community-Based: Tenants access services at one or more locations in the community. In this service delivery model, it is important to ensure that tenants have transportation and any other support in order to successfully participate in services. This model can be used whether the supportive housing units are located in the same building or scattered throughout the community.
3. Mobile: Tenants have a case manager or a team of support (such as an Assertive Community Treatment team) who can provide services at a location of the tenants' choosing. This location could be in the tenant's home, at a community location such as a park or restaurant, or at an organization's office. Mobile services generally follow the tenant regardless of their location and are typically used when tenants live in units of housing scattered throughout the community.

If possible, creating space within a development for service delivery will greatly benefit tenants. Additionally, service space can be very helpful for partners to coordinate and respond to crisis. If the development has multiple service providers engaging with tenants, space availability could become a challenge. Planning in advance for the use and/or schedule for space will help ease any challenges. If space is not available on-site for service delivery, development partners must address transit challenges to access supportive services in a community based setting. While access to public transit is very helpful, for some supportive housing tenants transit costs and the challenge and comfort with navigating transit systems can be difficult to overcome. Regardless of the service location, it should be fully accessible with appropriate and reasonable accommodations provided to tenants with disabilities to facilitate their participation.

5. **How can service provider partners work with supportive housing tenants and property management to prevent evictions and keep unit turnover low?**

Eviction prevention is a major role of service partners— it is important for tenant stability and helps maintain positive relationships with property management staff. Connecting tenants to other community resources and services are essential to enabling tenants to set and achieve outcomes. During the planning and construction stages of the development, the owner, property management and supportive service staff should develop an eviction prevention plan to respond to supportive housing tenants that are at-risk of eviction. Eviction is costly for all partners involved and if preventable, should be avoided. Preventing evictions can only occur if partners coordinate on a consistent basis to discuss and respond to behaviors that put tenant's lease at-risk – including non-payment of rent, disturbing neighbors, etc.

6. What should an owner know about service delivery to supportive housing tenants?

Property owners do not need to know everything about the delivery of supportive services to tenants. However, owners and supportive service partner(s) should ensure that there are shared goals and commitment to creating a safe and stable property for all tenants. A Memorandum of Understanding is the best place for partners to outline the overarching goals for the property and the roles and responsibilities. Additionally, the development of a supportive services plan is an important component for all supportive housing. The plan for providing supportive services to tenants should be designed to ensure that all members of the household have easy and facilitated access to a flexible and comprehensive array of supportive services.

When creating the service plan for your project or evaluating the quality of an existing one, keep in mind the basic WHO, WHAT, WHEN, WHERE and WHY.

WHO – As with all aspects of supportive housing planning and operations, the needs and characteristics of prospective supportive housing tenants should drive the design of the services plan. Ask yourself the following questions:

- Who is the targeted tenancy?
- Why was this target population/mix selected?
- Do the owner, funding source(s) and community agree on the proposed tenant mix?
- What supports do you anticipate that the tenants will need at initial occupancy? In three years?
- How will the service provider(s) respond to changes in the population over time, particularly for tenants with substance use issues, mental health challenges and/or HIV/AIDS?

WHAT – Based on information about the target population and their anticipated service needs, you will want to identify the specific services that offered to tenants. The lead service provider can offer the services themselves or in partnership with one or more community-based service organizations. In addition to identifying the specific services such as case management, employment support, mental health services, substance abuse counseling, life skills education and parenting classes, you also will want to consider:

- Are the types and level of supportive services to be provided adequate for the population served?
- Will each service be available to all of the tenants?
- When will working tenants have access to services?
- Are language and literacy barriers addressed?
- How will staff address the varying backgrounds and cultures of tenants?
- How many tenants do you expect to use each service? With what frequency?
- What is the staff/tenant ratio? How does this ratio compare to similar supportive housing projects?

WHERE – It is not enough to have a service available to tenants, the service must be offered at a time and location that increases the likelihood that tenants will use it. See response to Question 5 above for different service delivery models.

WHEN – The initial plan for supportive services is created during the project-planning phase, but should be revisited throughout the life of the project, as tenants' needs change. You will want to create a timeline for drafting the services plan, reviewing it and revising it with key partners and beginning its implementation as tenants move in.

WHY – It is important to be clear about the purpose behind the provision of supportive services to tenants as well as the underlying philosophies of the organizations that will be providing the services. You may want to consider:

- How do the services support tenants in using stable housing as a platform for health, recovery and individual growth?
- How will participation in voluntary services be encouraged? Has staff received the support they need to engage tenants in this service model?
- How will tenants be involved in providing input into the services plan for the project, both initially and on an ongoing basis?
- Will tenants be involved in evaluating the effectiveness of the services provided? If so, how?

FINANCING CONSIDERATIONS

1. **What capital resources are available to acquire and rehabilitate housing units under a Scattered-site Ownership Model?**

Developers of multi-family rental housing developments can access financing from private financial institutions to acquire, construct, rehabilitate and improve new and existing properties, with the rental income they will generate from market rate rents at a level that is sufficient to pay for both property operations and debt services or payments for the loans. Supportive housing developments house individuals and families with extremely low incomes; and with corresponding lower rent levels the revenue available to cover operating and debt service is lower. Supportive housing developments must rely heavily on government flexible resources to finance the capital development costs.

When a development includes a greater number of housing units (i.e. greater than 30 units), whether in a single site or scattered, an owner could apply for financing through the Low Income Housing Tax Credit Program (LIHTC), tax-exempt bond programs, or through other mortgage loan programs. Under the LIHTC program, private equity is invested in qualified developments in exchange for receipt of federal tax credits over the course of a ten year period. Government "soft financing" programs may also target funding for those developments that are prioritizing affordable and supportive housing. Some of these other government-funding sources (although limited in amounts available) include Federal Home Loan Bank – Affordable Housing Program, HOME, CDBG, State Housing Trust Fund, Housing Opportunities for People with AIDS (HOPWA) and the Continuum of Care Homeless Assistance Programs.

Some of the factors that can affect the availability of loan resources for financing supportive housing are:
- Limits on the amount of loan funds made available in relation to the property value,
- Lower rents can constrain the income stream available to repay interest and principal on debt,
- Lenders will require owners to invest equity to fill the gaps that total development budget.

Scattered-site ownership arrangements can be faster to develop. In addition, they can present an effective and beneficial approach to putting foreclosed properties or other discounted real estate back into use and add to the rental housing market. However, it can be difficult to obtain financing for the purchase of single family or other small unit properties for occupancy by renters under a scattered-site supportive housing model as there are limited financing programs specifically targeted for this purpose. The Federal Housing Administration (FHA) and the government sponsored entities Fannie Mae and Freddie Mac do have some mortgage loan programs for scattered site properties, however these are generally targeted for owner-occupied properties, and the programs set limits on the number of individual properties that can be financed by an owner. Some community banks and local community development financial institutions are good resources for loans for purchase of multiple scattered site units. Government soft financing programs may also have funding that encourages flexible funding for multiple sites. One of the difficulties in financing a scattered site ownership model is identifying and attaining control on enough properties simultaneously to create the scale necessary for larger financing programs. There are a variety of programs particularly targeted to foreclosed properties in order to get them back on the market.

2. **How is the operating budget impacted when a development includes supportive housing units?**

When considering a strategy to put units on-line that could create supportive housing an owner must understand the target population, and have a budget that will support leasing to people with low and very low incomes. If rent levels are affordable to low and very low-income households then the revenues received to cover operating costs will be lower. Certain rental assistance programs may be available to subsidize rents for these lower income households and enable the owner to bring in additional revenue to support operations.

Generally the operating budget for a property that includes integrated supportive housing units will be similar to a standard operating budget for a multi-family property. Budgets should align with the rent levels, tenant income, physical design and property management needs that reflect the targeted tenant population. This may include estimated tenant portion of rent and rental subsidy allowance, weekend or evening property management or front desk manager, more efficient and durable building materials, and even higher collections allowances.

It is also common that the number of supportive housing units in the development may affect the project's ability to support the cost of a capital loan. In nearly all cases, projects that include supportive housing units need to include some type of rental assistance in order to maintain financial sustainability, and pay any debt service associated with a capital loan. Having rental assistance for supportive housing households is important to targeting households with little (0-15% of Area Median Income) to no income.

CSH studies have found that it does not cost more to manage supportive housing units than other affordable housing units. However, property managers working in any development that does include supportive housing should develop additional skills such as an understanding and background working with supportive housing target populations and coordinating with service providers.

3. **What is rental assistance and how does it work?**

Rental assistance or rental subsidies are provided by government funding sources to partially pay for the monthly rent on a housing unit for an eligible household that cannot afford to pay the full rent. These subsidies will pay the property owner a portion of the fair market rental rate on the property. The tenant is responsible for paying rent up to 30% of their income. While income eligibility for rental assistance may vary across programs, generally the maximum income for a household is set at or below 50% of the area median income, and for many programs, at or below 30% of the area median income.

The two primary types of rental assistance are 'project based' – where the rental assistance is assigned to a specific housing unit or property, and 'tenant based voucher' – where the assistance is assigned to a qualified resident and can be used to pay rent in <u>any</u> qualifying rental unit. A third type of rental assistance is 'sponsor based' where a non-profit service provider may receive funding for rental assistance to allocate the assistance to housing units for targeted supportive housing populations.

Public Housing Authorities (PHA) or other rental assistance administrators will have key roles in the administration of rental assistance programs in most communities. The commitment for rental

assistance to a property is structured based on two parallel legal agreements. The property owner enters into a lease directly with the tenant and enters into a rental assistance agreement or housing assistance contract with the government entity or organization, often the public housing authority, responsible for paying the rental assistance. The term of this rental assistance agreement is established for at least one year, and can be renewed annually subject to qualification of the housing unit and funding availability. In order to qualify for rental assistance, the owners of housing units must bring the properties to meet 'housing quality standards', commit to completing necessary reporting, and conform to all fair housing requirements. Under the project based rental assistance program, the time commitment for assistance can be one, five or up to 15 years. Typically, the standard for a capital investor to underwrite a project relying on rental assistance is to have a rental assistance contract (project based or sponsor based) that is at least five-years or longer.

4. **What are the available funding sources for rental assistance to create supportive housing?**

The most common sources available for rental assistance funding are the federal Section 8/Housing Choice Voucher rental assistance, HUD Continuum of Care (CoC) Homeless Assistance Grants, other HUD or federal funded rent subsidies, or State or Local Government Rental Assistance Programs. The federal Section 8 programs are primarily administered through the state and local public housing authorities. Funding for rental assistance is very competitive.

The funding source of rental assistance for supportive housing units may dictate or impact the target population and sources of tenant applicant referrals. The rental assistance funder may require that the supportive housing development target a specific sub-set of a population or may require that you receive applicant referrals from a specific source or waiting list. For example Veterans Affairs Supportive Housing (VASH)vouchers are specific to Veterans that are eligible for VA healthcare. . Rental assistance under the federal CoC program may require taking referrals from the local CoC Coordinated Intake system. These requirements can impact the procedures and partners involved in the coordination of rental assistance.

Some state and local governments have rental programs that operate very similar to Section 8/Housing Choice Voucher Programs. In Illinois, there are several state-funded rental assistance programs and one municipal-funded program that targets people at or below 30% of the area median income. The Rental Housing Support Program, the Long Term Operating Support Program, and the Chicago Low-Income Housing Trust Fund all provide rental assistance tied to a qualified property, based on an application submitted for funding by the property owner.

In addition, to assist persons leaving institutional care in Illinois, The Bridge Rental Subsidy Program is administered through the Illinois Department of Human Services Division of Mental Health and provides rental assistance paid to the owner through a "subsidy administrator." Services providers and the subsidy administrator verify the tenancy of the eligible tenant to release payments of the subsidy.

5. **How can rental assistance be used to create supportive housing in a scattered site ownership model?**

Owners and landlords who want to connect to supportive housing tenants and service providers who have rental assistance available can contact their local Continuum of Care, public housing authority, or government housing agency for information on how to qualify for rental assistance, and the process for accepting referrals of applicants for occupancy. These local and state agencies and organizations use their Section 8/Housing Choice Voucher program to target assistance for supportive housing populations . It is important to understand how much rental assistance is available, if the PHA has authority or plans to make resources available for project-based vouchers, and what the priorities are for allocating these resources for supportive housing populations.

There are several ways in which this rental assistance can be applied to create scattered-site supportive housing units.

- Tenant Vouchers - Applicants on the PHA waiting list are offered a tenant voucher that they can apply to pay rent on a supportive housing unit they identify in the community. In a supportive housing partnership, it may be that the service provider associated with the applicant assists with the housing search, placement, and on-going service deliver/coordination.
- Project-Based Vouchers – Public housing authorities may also convert a portion of their housing vouchers into Project-Based Vouchers and enter into a rental assistance contract with a property owner for scattered site housing units. In these instances, tenant applicants can be referred from the public housing authority, or the program can be set up to accept open eligible applicants and to maintain a site-based waiting list.

Partnerships interested in pursuing PHA resources should study the local policies and get on relevant mailing lists to apply for Project-Based Vouchers and look into opportunities to become a qualified owner.

Additional Resources

Rental Housing Support Program
Chicago Low-Income Housing Trust Fund
Bridge Rental Subsidy Program
Illinois Continuums of Care Lead Agencies
CIC
National Stabilization Initiative

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[i] Lindbaugh, Melissa. "SSDI and SSI Disability Benefits for Drug Addiction | Disability Secrets." *Disability Secrets*. NOLO. Web. 29 Oct. 2015.

[ii] https://www.hudexchange.info/resources/documents/DefiningChronicHomeless.pdf