Chapter 6:
Identification of Rental Supports

Affordability is a primary issue preventing current supportive housing tenants who are no longer in need of intensive services from moving on. Many tenants in supportive housing are on fixed incomes (often SSI/SSD) or employed in jobs that are intermittent and pay low wages. Given the extremely low-income nature of supportive housing tenants, Moving On programs should include a commitment of Section 8 vouchers, public housing units, privately owned affordable units, or other deeply subsidized housing options. Fundamentally, taking Moving On initiatives to scale will require coordination with mainstream affordable housing sources, including both tenant-based and project-based strategies. A few strategies that communities can use to secure rental supports for Moving On are outlined below.

Collaborating with Public Housing Authorities (PHA)

Under PIH Notice 2013-15 (HA), PHAs may create set-asides of units and/or vouchers for either people exiting homelessness or people referred by providers as being ready to move on from supportive housing. Through this mechanism, CoCs and supportive housing providers are partnering with local PHAs to make public housing units or tenant-based Housing Choice Vouchers (HCV, or Section 8) available through the use of preferences in their local administrative plans for people who have achieved stability in supportive housing and no longer require the same level of support. Examples of communities that have successfully negotiated such agreements with their local PHAs include Chicago, Detroit, New York, Seattle, San Francisco and Los Angeles. Box 6a below includes a description of some of these initiatives with links to sample administrative plan approaches and plan language for Moving On programs administered by PHAs.

This strategy may be particularly useful in communities in which PHAs and their governing boards may be reluctant to dedicate housing opportunities or provide waiting list preferences for people who are currently experiencing homelessness, because they lack experience serving this population or have not established partnerships with service providers to meet the needs of people as they exit homelessness. These PHAs may be more comfortable providing housing opportunities for people who are ready to move on after achieving stability in supportive housing and are likely to need less intensive ongoing supportive services.

- The **Chicago Housing Authority** launched ñMoving On,ò a pilot program for persons living in PSH who no longer need intensive services and want to move to other affordable housing in the community. Applicants with stable housing histories can move on to other housing using a Housing Choice Voucher. When program participants move out of supportive housing, the units they vacate must be targeted to a priority population identified through Chicagoôs Central Referral System. For more information about the program, see this profile. Click here for a link to CHAôs administrative plan language used for the Moving On program.

- The **Housing Authority of the City of Los Angeles** (HACLA) has created a ñMoving Onò preference by including an admission preference in the Housing Choice Voucher program for formerly homeless Shelter Plus Care (S+C) residents who have stabilized their lives in that program and no longer require the supportive housing environment in order to maintain their housing. Transfer to the voucher program enables people who previously experienced homelessness to exercise tenant mobility and move on with their lives, and this frees up their supportive housing unit for a new person experiencing chronic homelessness who needs it. Click here for a link to HACLAôs administrative plan language for the Moving On program.

- The **New York City Department of Housing Preservation and Development** (HPD) committed 125 Housing Choice Vouchers to a new Moving On initiative headed by CSH. Moving on candidates will be identified and supported by five participating supportive housing providers in the city. The NYC Human Resources Administration (HRA) has agreed to provide óone shot dealô funding that can be used to cover moving-related costs such as security deposits or utility arrears. The NYC Department of Homeless Services has committed to helping the sub-grantees refill vacated units quickly and to administer the one-shot funding from HRA.

- The **Michigan State Housing Development Authority** (MSHDA) is partnering with the Michigan Department of Community Health and the Detroit Continuum of Care (CoC) on a Moving Up (Moving On) model that preferences individuals and families transitioning from supportive housing for Housing Choice Vouchers (HCV). The Authority initially allocated 100 vouchers to this initiative. Referral agencies for these HCVs will be CoC providers that are recipients or sub-recipients of funding under the CoC Program (formerly called Shelter + Care and the Supportive Housing Program). As the pilot moves forward, MSHDA will select additional sites across the state and may allocate additional vouchers towards this program as needed. Click here for a link to MSHDAôs administrative plan language for the Moving On program.

Collaborating with Affordable Housing Owners

HUD funds a variety of deeply subsidized units through the Multi-family division, which can be owned and operated by either PHAs or private owners. These include primarily the Project Based Section 8 (general population), Section 202 (elderly), and Section 811 (persons with disabilities) programs. Such units frequently offer some level of services and are experienced in dealing with special needs tenants. Multifamily Notice H 2013-21 clarified that Multifamily owners can create set asides of units for either people exiting homelessness or people referred by providers as being ready to move on from supportive housing. HUD has created a toolkit to guide Multi-family owners.

As vouchers and public housing units are usually a scarce resource, programs should also look to the largest current production program for new affordable units - Low Income Housing Tax Credits (LIHTC) ï to create Moving On units. LIHTC developments typically have to meet stringent quality and location requirements to obtain competitive funding, so they may be appealing from a tenant choice perspective. Prioritization of LIHTC resources is accomplished through the state Qualified Allocation plan, which accepts public comment on a regular basis. Developers could be incentivized to include a Moving On preference in their existing projects in order to compete for future credits. For example, the Center for Urban Community Services collaborated with the New York State Housing Finance Agency (HFA) in 2009 to create the ñNext Step Housingò Initiative - a three year Moving On pilot program to help formerly homeless and low-income individuals living in supportive housing move into other housing. The program used local tax incentives to recruit housing developers that agreed to reserve a percentage of affordable units for Next Step Housing participants in HFA-financed ñ80/20ò apartment projects - buildings where 80 percent of the units are market rate and 20 percent are reserved for low-income households (created using the 4% tax credit and bonds). Limited aftercare services were provided by supportive housing providers.

Some LIHTC developments offer services that are relevant to Moving On residents needing ongoing supports, such as health screenings or employment services, which are funded out of the developmentôs cash flow, private philanthropy, or other sources. The Virginia Housing Development Authority (VHDA) allows developers to build a stabilization reserve into their projects. While not wanting to make LIHTC responsible for ongoing costs of services, VHDA saw a need among the residents moving into LIHTC buildings for short-term stabilization services.

One of the challenges with using LIHTC as a platform for Moving On units is that residents would likely need to transition from a rent that is limited to 30% of their income, and may fluctuate as their income fluctuates, to a rent that is fixed and may be more than 30% of their income. Most Moving On programs to date have used vouchers, which offer a fluctuating rent standard. While vouchers could also be used in a LIHTC context, since LIHTC owners are required to accept vouchers, they are a very limited commodity and should arguably be reserved for those with the greatest needs.

Developers and housing finance agencies are experimenting, financing more deeply affordable units in LIHTC developments by leveraging state and local resources or cross-subsidizing with market rate units[1]. If these strategies were adopted more widely, we could see units affordable to 30% AMI or even 20% AMI without vouchers. In many places, SSI/SSDI and other public benefit-derived incomes are equal to 20% AMI, and such incomes are stable, so it would be possible to adapt Moving On programs to a fixed rent standard.

LIHTC developers also may be able to use a new federal resource, such as the National Housing Trust Fund (NHTF), to provide deeper affordability in their developments. The NHTF was enacted as part of the Housing and Economic Recovery Act of 2008 and is a capital subsidy that must be used to create housing affordable to extremely low income households[2]. Up to one third of the funding can be used to provide operating assistance, though funds may not be used for services. HUDôs guidance directs states to prioritize awards to developments that provide the most leverage and house special populations. Prioritization of NHTF resources is accomplished through the allocation plan process as part of a stateôs consolidated plan.

State and Local Subsidies

In addition to federal housing finance programs, some communities have creatively engaged other systems to support rental subsidies for individuals moving on from supportive housing. For example, the Ohio Department of Rehabilitation and Correction partnered with CSH to design a reentry supportive housing pilot, Returning Home Ohio (RHO), that provided pre-release coordination and post-release supportive housing to individuals with a disability who were homeless at the time of arrest and/or at risk of homelessness upon release. CSH partnered with the Ohio Housing Finance Agency to develop a new rental subsidy program - Home for Good - designed for successful graduates of the RHO program who need a longer-term rental subsidy than that provided by RHO in order to maintain housing stability. This subsidy pool is funded through the Ohio Department of Corrections and is administered by a supportive housing provider, Emerald Development and Economic Network, Inc. (EDEN). Tenants are required to pay 30% of their income toward rent. For those who need new housing, EDEN assists tenants in locating a unit and pays landlords directly. The subsidy is ñpermanentò as long as the funding source is available.

Chapter 7: Identifying Housing

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[1] See the following documents to read about innovative examples of cross-subsidization strategies to increase affordability for very low-income households: http://nlihc.org/sites/default/files/Alignment_Report_1214_1.pdf; http://www.tacinc.org/media/51527/Creating%20New%20Integrated%20PSH%20Opportunities%20For%20ELI%20Households.pdf

[2] Defined as households making the greater of 30% of AMI or the poverty level