



Permanent Supportive Housing Program & Financial Model for Austin/Travis County, TX

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Corporation for Supportive Housing

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www.csh.org



About Corporation for Supportive Housing

Our Mission

CSH helps communities create permanent housing with services to prevent and end homelessness.

CSH Products and Services

- **Project-Specific Financing and Expertise**
to help create supportive housing
- **Systems Change** to build an efficient system
for producing and financing supportive housing
- **Capacity Building**
to strengthen and expand the supportive
housing industry

Where We Work

- CSH is a national organization that delivers its core services primarily through 13 geographic hubs:
 - California (San Francisco, Los Angeles, San Diego)
 - Illinois
 - Michigan
 - Ohio
 - Minnesota
 - New Jersey
 - New York
 - Southern New England (Connecticut, Rhode Island)
 - Washington, DC
 - Indiana
 - Texas
- Many other communities request assistance through our national Consulting & Training and Innovations & Research unit

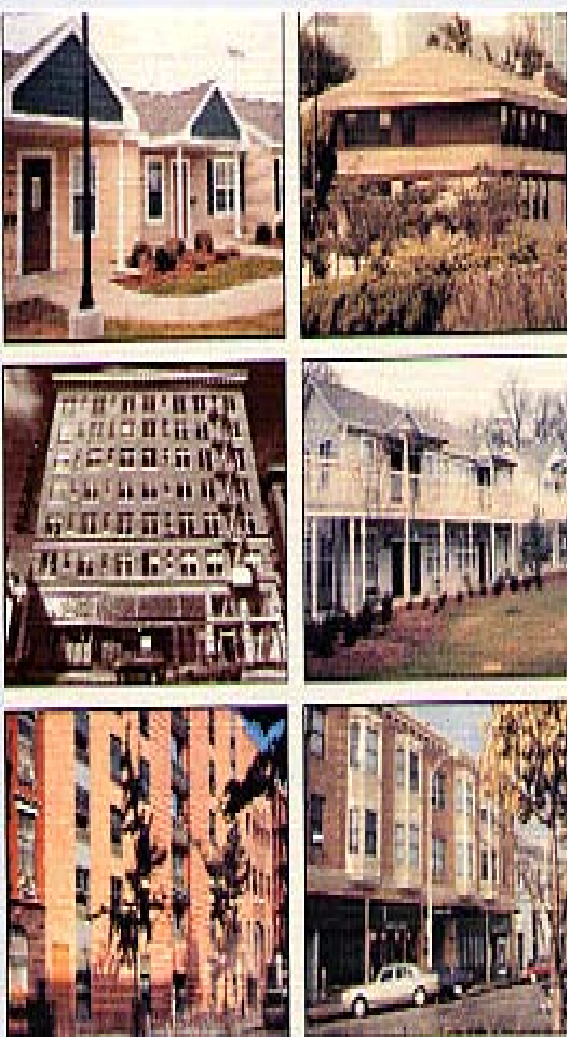
Report Background

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- MMHTFMC presentation 2007
- Sponsors:
 - Mayor’s Mental Health Task Force Monitoring Committee
 - Austin/Travis County Reentry Roundtable
 - ECHO
- Identify need, costs, funding streams/gaps
- Specific focus mental illness, criminal justice, families, youth/YAO foster care

What is Permanent Supportive Housing?

Essential Features



■ HOUSING

- **INDEPENDENT:** Not institutional; tenant holds lease with normal rights and responsibilities.
- **PERMANENT:** No time limits imposed except through lease renewal, not transitional;
- **AFFORDABLE:** For people coming out of homelessness at 30% MFI and less; and

■ SERVICES

- **COMPREHENSIVE AND FLEXIBLE:** Designed to be responsive to tenants' needs;
- **VOLUNTARY:** Participation is not a condition of tenancy but strongly encouraged; and
- **TENANCY-FOCUSED:** Focus of services is on maintaining housing stability.

Services Make the Difference

- Flexible, voluntary
- Counseling
- Health and mental health services
- Alcohol and substance use services
- Independent living skills
- Community-building activities
- Vocational counseling and job placement

Supportive Housing is for People Who:

- Experience long-term homelessness
- Cycle through institutional and emergency systems and are at risk of long-term homelessness
- Are being discharged from institutions and systems of care
- Without housing, cannot access and make effective use of treatment and supportive services



Supportive Housing Types

- Single site, single purpose
- Single site, mixed tenancy
- Master-leasing market units
- Scattered Site apartments
- Single-family homes





Supportive Housing: It Works

- More than 80% stay housed for at least one year⁴
- ER visits down 57%¹
- Emergency detox services down 85%²
- 50% increase in earned income
- Nursing home utilization decrease by 50%
- Incarceration rate down 50%³

¹ Supportive Housing and Its Impact on the Public Health Crisis of Homelessness, CSH, May 2000

² Analysis of the Anishinabe Wakaigun, September 1996-March 1998

³ Making a Difference: Interim Status Report of the McKinney Research Demonstration Program for Homeless Mentally Ill Adults, 1994

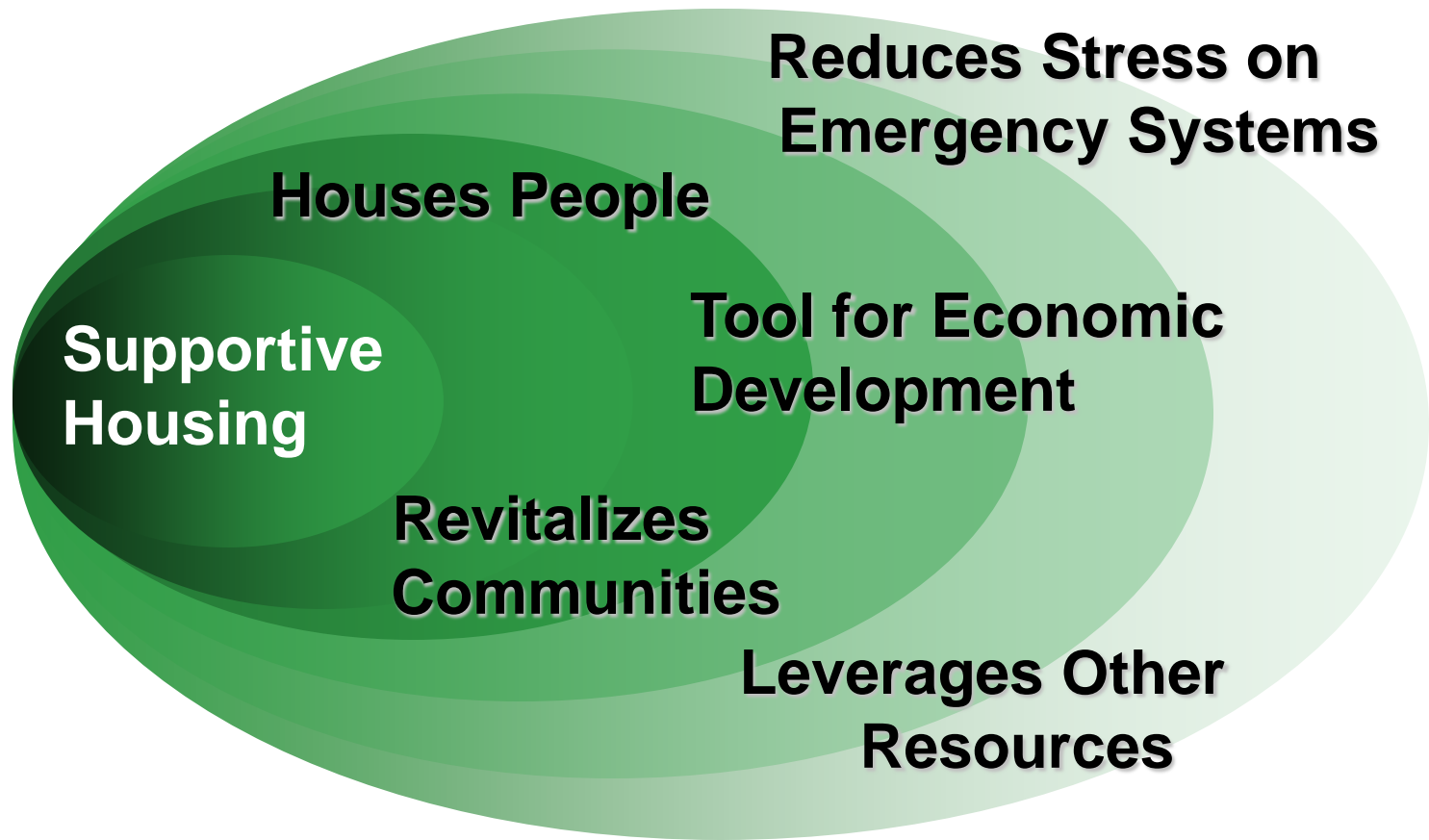
⁴ See note 1 above



A Cost-Effective Solution

- U. Penn study of 5,000 mentally ill homeless people in New York: Providing a mentally ill person with permanent supportive housing costs only \$995 per year more than allowing that person to remain homeless
- 1811 Eastlake: Savings of \$2,500 per month, saving over \$4M over the first year of operation for 95 chronic inebriate residents

Housing Based Solutions: PSH Development is Community Development





Determining the Need for PSH in Austin/Travis County

Steps to Determine PSH Need:

1. Begin with Chronically Homeless number from PIT
2. Project the annual number of homeless households (HMIS or multiplier)
3. Estimate the percentage of non-chronically homeless households that need PSH annually: homeless “but for” PSH
4. Calculate the number of non- chronic households that need PSH based on projection and estimate, adding that to the number of CH identified in the PIT.

Estimated PSH Need

Based on the 2008 “Point In Time” Homeless Count data and HMIS data:

1. Chronic homeless from PIT: 919
2. Annual number of homeless households: 5,876
3. Percentage of those non-chronic households that need PSH: 20% singles/families, 30% youth
4. PSH Need: 1889 units
 - 1724 units for single adults (incl. 919 chronic)
 - 58 for unaccompanied youth
 - 107 for families

Creating Supportive Housing

- **Capital**
Financing for rehab or new construction, typically no debt
- **Operating Subsidies**
Generally need all units subsidized, Maintenance, building staff
- **Services Funding**
Support to assist tenants in maintaining tenancy

At 1889 Units – \$170M capital; \$18M annual operating, plus \$23M annual services, \$13M+ annual services

Subpopulations

Subpopulations Considered

- **Mental Illness:** estimated 1341 homeless with severe and persistent mental illness (over 300 chronically homeless)
- **Criminal Justice Involved:**
 - Austin/Travis County RRT estimates need of 1100 PSH for this population alone.
 - 841 homeless inmates of Travis County Jail screened for mental illness in 2008, producing 50K bed days at cost of \$3M
 - 5% of the 841 produced 25% of arrests
 - 70% co-occurring disorder, 20% multiple psychiatric hospitalizations
 - Project Recovery: residential treatment for chronic inebriates, essentially 100% homeless, 60% mentally ill
 - Downtown Community Court identified 44% of cases in need of PSH (80 individuals)
- **Families and Youth:** little additional data
- **Youth Aging Out:** Households fall into adults/families in PIT Count

**Recommended Unit
Goal, Timeline &
Target Populations**

Recommended Overall Unit Goal

- 350 units
- Placed In Service by YE 2014
(commitments by YE2013)
- 90 leased; 260 new construction/rehab

Recommended Subpopulations

Of the 350 units:

- 310 for single adults:
 - 225 chronically homeless, with CJ interaction
 - 75 chronically homeless, frequent users shelter
 - 10 young adults aging out of foster care
- 30 families (10 for youth aging out foster care w/children)
- 10 for unaccompanied youth
- Across subpopulations: 300 w/mental health service needs, including 150 co-occurring disorders

PSH Cost , Financing Sources, Projected Gap

Capital: Bricks and Mortar

Total **One-Time** Capital Cost:

260 Construction Units @ Average \$90K/unit = \$23.2M

Projected Sources:

- City of Austin: GO Bonds, HOME, HTF: \$16.0M
- Low Income Housing Tax Credits: \$ 5.8M
- Federal Home Loan Bank, State HTF: \$ 1.5M
- Other Options: Private FR, State HHSP, County

Capital Funding Gap as Modeled: None

Operating: Rental Subsidies

Total **Annual** Operating Costs w/24 hour desk coverage:
350 units @ Avg. \$9542/year = \$3.34M

Potential Sources (w/o Housing Authority vouchers)

90 HUD Continuum of Care Shelter + Care:	\$743K
20 VASH Tenant-based + 30 Project-Based:	\$413K
<u>20 TDHCA HHSP monies (via CoA HHS):</u>	<u>\$165K</u>
TOTAL	\$1.32M

Annual Operating Gap as Modeled: \$2M

Would be covered by 190 additional vouchers + \$150K

Services

Total Projected Annual Service Cost:

350 units @ \$11,800 avg/tenant = \$4.13M

Services include case management, mental health services, substance abuse treatment, resident social activities, etc.

Potential Sources:

Austin/Travis County Integral Care:	\$1.75M
CoA: Homeless Hsg & Svcs Prog.:	\$.70M
VASH (in-kind)	\$.20M
<u>HUD Continuum of Care</u>	<u>\$.045M</u>
TOTAL	\$2.7M

Annual Service Funding Gap as Modeled: \$1.4M

Total Gap Analysis

Summary Assumptions as Modeled:

- Aggressive targeting CoA housing funds: \$16M
- No public housing authority vouchers
- Continued funding State HHSP Funding (\$1M/year)
- Substantial numbers served ATCIC
- Weak market for low income housing tax credits
- PSH bonus received for HUD Continuum of Care

- One-Time Capital Gap: \$0 as modeled
- Annual Gap:
\$2M operating + **\$1.4M services** = \$3.4M annually

Recommendations

Recommendations: Financing - Local Funds

- Target City of Austin housing resources to PSH (GO Bonds, HOME, CDBG, etc)
- New funding (especially for services) from Travis County and City of Austin for priority population, linking new funding to referral sources, such as:
 - Travis County Jail
 - City of Austin Downtown Community Court
 - Project Recovery
 - ARCH
 - Specialty Courts: mental health/veterans'

Recommendations: Resource Allocation/Revenues – State Funds

- Protect and Expand TDHCA Homeless Housing and Services Program Funding, and target to **services**
- Advocate for State policy improvements that draw additional resources:
 - TDHCA QAP & Housing Trust Fund
 - Department of State Health Services

Recommendations: Financing – Other Entities

- Prioritize current Austin/Travis County Integral Care clients that fit the target profile, to leverage existing funding
- Maximize use of VASH for chronically homeless – project base vouchers in PSH
- Housing Authority Rental Subsidies: project base a portion of Housing Choice (S8) turnover; explore use of PHA inventory for PSH

Recommendations: Process Improvements/Systems Change

- Public leadership should clearly establish PSH as a preferred policy approach
- Ensure effective service approaches, including low case management ratio (1:10), and availability of Housing First and Harm Reduction models
- Embed priorities and quality standards in CoC process and scoring
- Build on data-gathering efforts to-date (RRT as example)
- Increase capacity of developers and service providers, as well as lenders & consultants through targeted training

Recommendations: Process Improvements/Systems Change

- Create a Pipeline Working Group
 - Regular review and problem solving of projects
 - Members should have control/influence at funding level
 - PSH development/finance expertise

Panel Discussion/Q&A

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