

Housing the Hardest to Serve: Using Permanent Supportive Housing to Address Chronic Homelessness in the City of Austin

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HousingWorks
AUSTIN

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Executive Summary

While Austin has made enormous strides in addressing the housing needs of the homeless population, housing the chronically homeless has remained a tremendous challenge. In 2010, City Council established a goal of developing 350 units of Permanent Supportive Housing (PSH) within four years. The city is on track to achieve this overall goal. However, individuals who are chronically homeless (those with a disability and who have been homeless for a year or longer or who have experienced episodic homelessness over a three-year period) have multiple barriers to housing. For many, these individuals will require a different approach to end homelessness.

In this report, HousingWorks explores the housing challenges facing the chronically homeless and recommends strategies for housing the hardest to serve. Looking at best practices from across the country, HousingWorks identifies programs and policies that will help the city to address chronic homelessness, with a special focus on “Housing First.”

As part of the background research, HousingWorks staff met with multiple stakeholders, including the Ending Community Homelessness Coalition (ECHO), Downtown Austin Alliance, ADAPT, Austin Apartment Association, and the Housing Authority of the City of Austin (HACA). In addition, HousingWorks met with a variety of service providers, including Caritas, Front Steps, Austin Travis County Integral Care, and Green Doors in order to identify barriers and identify potential solutions.

Recommendations focus on two distinct types of housing – single-site and scattered-site – and include the following:

1. Clearly Define and Distinguish PSH and Housing First PSH.
2. Identify Frequent Users.

3. Dedicate a Percentage of GO Bond Funds that are Explicitly for Housing First PSH.
4. Explore Creative Housing First PSH Funding Partnerships.
5. Make RHDA Funding Contingent Upon Provision of Basic PSH.
6. Develop Consistent and Reasonable Policies Regarding Tenant Criminal Histories.
7. Develop Consistent and Reasonable Policies Regarding Tenant Credit/Rental Histories.
8. Create a Good Landlord Program.
9. Create/Fund a Full-time Equivalent (FTE) Dedicated to Landlord Relations.
10. Explore the Possibility of a Risk Mitigation Pool.
11. Work with Texas Department of Housing and Community Affairs (TDHCA) to Clarify its Supportive Housing Definitions.
12. Work with the City and Austin Energy to Fully Resource Austin Energy’s Discount and Plus 1 Programs.

By directing funding to development of a single-site (or multiple single-site) Housing First development, the city will create an environment in which a Housing First pilot project/development can succeed. Meanwhile, by implementing policies and recommendations included in this report related to scattered-site PSH, the city will increase the number of chronically homeless who can be served in the current rental market (in both traditional private, for-profit and nonprofit housing). The city and community partners in the endeavor to house the hardest to serve will need to aggressively implement recommendations around both strategies in order to address the housing needs of the hardest to serve.

Introduction

Homelessness is a critical issue in the City of Austin. In 2010, City Council established a well-publicized goal of developing 350 units of Permanent Supportive Housing (PSH) within four years. While the city is on target to achieve that goal, providing permanent housing for individuals who are chronically homeless (those with a disability and who have been homeless for a year or longer or who have experienced episodic homelessness over a three-year period) continues to be a challenge.

In this report, HousingWorks explores the housing challenges facing the chronically homeless and recommends strategies for housing the hardest to serve.

Looking at best practices from across the country, HousingWorks identifies programs and policies that will help the city to address chronic homelessness, with a special focus on “Housing First.” As part of the background research, HousingWorks staff met with multiple stakeholders, including the Ending Community Homelessness Coalition (ECHO), Downtown Austin Alliance, ADAPT, Austin Apartment Association, and the Housing Authority of the City of Austin (HACA). In addition, HousingWorks met with a variety of service providers, including Caritas, Front Steps, Austin Travis County Integral Care, and Green Doors in order to identify barriers and identify potential solutions.



What is Chronic Homelessness?

HUD defines a chronically homeless person as “a homeless individual or head of household with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years.” Chronically homeless people are often the most vulnerable people in the larger homeless population. They tend to have severe mental illness and substance abuse disorders, conditions that are often exacerbated by physical illness, trauma or injury. The chronically homeless are the most frequent users of emergency services, crisis response, and public safety systems.

The 2014 Point In Time Count estimates that on any given night there are 1,987 homeless individuals in the City of Austin. Of these, approximately 349 individuals are considered chronically homeless.¹

Persons experiencing long-term homelessness often result in substantial expense to the public through emergency room visits, law enforcement, incarceration, as well as poverty and homelessness relief programs. A number of case studies have strongly supported that Permanent Supportive Housing largely or totally offsets these costs while also ending homelessness.

- A study from the University of Pennsylvania showed that in New York City, each unit of Permanent Supportive Housing saved \$16,282 per year in public costs for shelter, health care, mental health, and

criminal justice. The savings alone offset nearly all of the \$17,277 cost of supportive housing²

- A 2009 Seattle study from a partnership between the Downtown Emergency Service Center (DESC) and the Addictive Behaviors Research Council found that moving chronic inebriates into Permanent Supportive Housing resulted in an approximately 33 percent decline in alcohol use for clients and saved the community nearly \$30,000 per year per person.³

The Ending Community Homelessness Coalition (ECHO) is in the process of conducting an evaluation of local Permanent Supportive Housing efforts. The results of that study should be released in 2014.

What Is Permanent Supportive Housing (PSH)?

The following characteristics are generally accepted attributes of Permanent Supportive Housing:

1. **PSH is Permanent.** Tenants of PSH are allowed to live in their unit as long as they meet the obligations of their tenancy. Obligations include paying rent.
2. **PSH is Supportive.** Tenants have access to the services that they need to uphold the terms of their tenancy and to stay housed.
3. **PSH is Housing.** Tenants are provided with a unit that is safe, secure, and private. Tenancy includes all of the rights and responsibilities conferred upon non-PSH tenants. Efforts are made to have the tenant's name on the lease, but many situations call for a third-party to be a leaseholder.

(1) Current and historical data on local Point in Time Counts can be found on ECHO's website: <http://austinecho.org/about-homelessness/homeless-data/>

(2) The Culhane Report: *Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing.* University of Pennsylvania. 2002. http://www.impacthomelessness.org/resources/docs/eis/The_Culhane_Report.pdf

(3) Larimer ME, Malone DK, Garner MD, et al. Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons With Severe Alcohol Problems. *JAMA*. 2009;301(13):1349-1357. doi:10.1001/jama.2009.414.

A number of other characteristics define PSH as distinct from other types of housing or services:

- The lease does not contain provisions that would not appear in a lease held by someone without a psychiatric disability or chemical dependency.
- Rules for the housing do not interfere with a tenant's life in the community.
- The lease is renewable at the option of both the tenant and the owner.
- Before moving into PSH, the prospective tenant is offered housing options in accordance with their preferences.
- Housing is affordable, costing no more than 30% of the tenant's income, including utilities.
- Tenants are asked about the support services they receive and can choose from a variety of services. Participation in the services provided is voluntary. Housing is integrated in the community.
- Services are flexible and can change, as the tenant's needs change.

Permanent Supportive Housing requires a three-pronged financial approach: capital + operations + social services. A successful PSH program requires financial capital for the housing development, as well as financial support for the ongoing operations, as well as financial support for the accompanying social services. All three components are critical to programmatic success.

What is Housing First and Harm Reduction?

Housing First is an approach to ending homelessness. Housing First embraces the idea that people participating in a PSH program should be given housing even if they are struggling with issues of chemical dependency, mental health, or other barriers to housing that might render them ineligible under more traditional models of housing. Housing First includes a core philosophy that people will be more successful in establishing and reaching self-sufficiency goals if they have a safe roof over their head before – and with no prerequisite for – engagement in social services. Often, the terms

“Housing First” and “low barrier housing” are used interchangeably. Essentially, the emphasis is on the provision of housing and the fact that there are few – if any – barriers to accessing the housing.

The Ending Community Homelessness Coalition (ECHO) has developed the following common Housing First definition through a community stakeholder process: *“Housing First is an approach that centers on providing individuals experiencing homelessness with appropriate housing quickly, regardless of potential housing barriers, then providing support services as needed. What differentiates a Housing First approach from other strategies is that there is an immediate and primary focus on helping individuals and families access long-term, sustainable housing as quickly as possible. This approach has the benefit of not only being consistent with what most people experiencing homelessness want and prefer, but also being associated with consistently high outcomes across a variety of communities.”*^{4,5}



(4) <http://www.endhomelessness.org/library/entry/what-is-housing-first>

(5) <http://pathwaystohousing.org/research-library/>



Core Elements:

- *Acceptance of applicants regardless of their sobriety, any past or current use of substances, any completion of rehabilitation or treatment, or participation in any other supportive services.*
- *Applicants are seldom rejected solely on the basis of poor credit or financial history, poor absent rental history, criminal convictions, or any other behaviors are generally held to indicate a lack of “housing readiness.”*
- *Discretionary funds are available to support basic needs for both clients without income and clients who experience financial crises. Tenants are given reasonable flexibility in paying their tenant share of rent. Typical case manager to client ratio 1:10 to 1:15.*
- *Supportive services emphasize engagement and problem-solving over therapeutic goals. Services plans are highly tenant-driven without standardized or predetermined goals, and client choice is key. Participation in services or program compliance (unrelated to lease terms) is not a condition of tenancy.*
- *Use of alcohol or drugs in and of itself (without other lease violations) is not considered a reason for eviction. Tenant selection process includes the prioritization of eligible tenants based on criteria such as duration/ chronicity of homelessness, vulnerability, or high utilization of crisis services.*

- *Case managers/service coordinators are trained in and actively employ evidence-based practices for client/tenant engagement, such as motivational interviewing and client-centered counseling.*
- *Services are informed by a harm reduction philosophy that recognizes that drug and alcohol use and addiction may be a part of tenants’ lives; tenants are engaged in non-judgmental communication, and tenants are offered education regarding how to avoid risky behaviors and engage in safer practices.*
- *Building and apartment unit may include special physical features that accommodate disabilities, reduce harm, and promote health among tenants.*
- *Community has a coordinated assessment system for matching people experiencing homelessness to the most appropriate housing and services; individuals experiencing chronic homelessness and high need families are matched to appropriate Permanent Supportive Housing/Housing First opportunities.⁶*
- *Every effort is made to offer a transfer to a tenant from one housing situation to an alternative option, if a tenancy is in jeopardy. Programs avoid eviction back into homelessness whenever possible.*

This approach is the opposite of many housing programs that establish strict preconditions to housing, taking only the most qualified applicants. Housing First seeks to provide stable housing as a foundation and then layer on services that work with the tenant on improving their conditions. Housing First is often used in tandem with the idea of “harm reduction,” where service providers seek any positive change, however small. For example, a harm reductionist that provides housing to someone dealing with alcoholism might encourage them to simply drink less; or, if they must drink, to drink in the safety of their own home. Other providers that do not practice harm reduction might prohibit the tenant from the program entirely if the tenant did not abstain from alcohol use.

⁽⁶⁾ http://usich.gov/resources/uploads/asset_library/Housing_First_Checklist_FINAL.pdf

PSH Service Models

Permanent supportive housing (PSH) is achieved through a variety of models and permutations. There are three different major financial scenarios:

1. **Project Based Rental Assistance.** Housing subsidies are applied directly to a unit. Tenants who choose to live in the unit pay a reduced rent.
2. **Sponsor Based Rental Assistance (SBRA).** Funds are transferred to an agency to buy or lease housing to then, in turn, lease to qualified tenants. A variant is the practice of master leasing, where an agency is the leaseholder and pays rent to the landlord, while collecting full or reduced rent from the tenant. SBRA can be used to increase housing stock or increase access to existing housing.
3. **Tenant Based Rental Assistance (TBRA).** TBRA provides tenants with portable vouchers that enable them a reduced rent in a unit with a landlord willing to accept the voucher. TBRA does not increase the housing stock but does increase access to housing stock that was not previously accessible. This method is dependent on an adequate supply of satisfactory rental housing.

These models can be deployed through two distinct housing types - single-site and scattered-site. Each has unique benefits and concerns associated with the model.

The federal government's Substance Abuse and Mental Health Services Administration (SAMHSA) has developed a blueprint for replicating successful Permanent Supportive Housing programs, entitled "Building Your Program." This guide provides detailed information on the following:

- Tips for Mental Health Authorities
- Tips for Agencies
- Sources of Funding
- Local and State Housing Plans
- Evaluating a Housing Market
- Phases of Housing Development

Building Your Program outlines the following four critical steps for agencies interested in pursuing PSH:

1. Align the authority's philosophy;
2. Document and articulate the need;
3. Demonstrate the willingness to direct authority resources; and,
4. Establish partnerships with housing agencies.



The single-site Ohio case study (profiled below) demonstrates a coalition that has successfully followed the *Building Your Program* steps and implemented a Permanent Supportive Housing program. In addition, Austin’s Ending Community Homelessness Coalition (ECHO) is following a similar path by creating a cohesive coalition, identifying and documenting homeless needs, advocating for directed and substantial resources, and partnering with both housing and service providers to create Permanent Supportive Housing.

Building Your Program also covers the various means by which PSH can be provided: tenant-based and unit-based rental assistance, as well as single-site and scattered-site developments, all with a variety of funding sources. It provides useful information on the various sources of funding possible for PSH development and how they are limited in application and offers a guide for applying that funding in a concerted effort at the state or local level.

The following are examples from the Substance Abuse and Mental Health Services Administration (SAMHSA) “Building Your Program”:

Single-Site

Single-site Permanent Supportive Housing typically consists of a building that wholly offers a PSH program, with services located on-site. The number of units can vary. In order to support or justify the expense and thus, presence, of on-site service providers, many organizations want a minimum of 10 residents. Widely lauded programs rarely exceed a 15:1 ratio of residents to service staff. Single-site PSH can contribute to the housing stock by renovating and preserving aging housing stock, or through developing new units through new construction. These developments could be exclusively dedicated to PSH, or dedicate only a percentage of units to PSH. Single-site, while expensive, can be an effective approach for booming housing markets that have limited access to affordable rental properties.

Sample Approaches to Permanent Supportive Housing

	Scattered-Site	Single-Site
Tenant-based rental assistance	Serving formerly homeless people with psychiatric disabilities and co-occurring substance use disorders, the program helps tenants find housing throughout the community, facilitating the rental of housing by developing relationships with private landlords, including offering landlords a repair service.	A former luxury hotel that had fallen into disrepair was renovated to serve people with psychiatric disabilities and people with AIDS. Also, approximately half of the units are reserved for low-income working people. Tenants pay rent with the assistance of tenant-based rental assistance.
Sponsor-based rental assistance	Most of an agency’s 200 Supportive Housing tenants have tenant-based rental assistance. However, two groups of tenants—people leaving the correctional system and adolescents aging out of the children’s system of care – have great difficulty renting apartments. For these groups, the agency uses state-funded, sponsor-based rental assistance to lease housing for tenants, with the goal of transferring the lease into tenants’ names within 6 months to a year.	A program uses Shelter Plus Care rental assistance to pay the mortgage on 12 apartment units and a manager’s residence located on three parcels in a quiet residential neighborhood. The agency uses state funding to provide the supportive services spending match required by Shelter Plus Care.
Project-based rental assistance	A mental health consumer-run organization, using grants and deferred loans from the state, has purchased homes integrated into a number of urban and rural communities in the state. This project funding allows the organization to subsidize the rents of tenants who do not have Section 8 certificates. (To maximize program resources, the organization helps to acquire Section 8 certificates and uses a mix of project-based and tenant-based funding.)	With project-based funding from the Community Development Block Grant (CDBG) and HOME Investment Partnerships programs, as well as local and private support, this program has made 85 efficiency apartments available to single adults, including those who have been homeless and low-income workers.

Benefit of single-site housing include:

- *Facilitates Community.* A small community of residents all struggling with similar issues in similar contexts makes for good support groups when properly managed and services are available.
- *No Reliance on Outside Landlords.* Scattered-site relies on the continued participation of landlords; whereas, single-site housing offers onsite services and expertise to address the specialized needs of its clientele/residents. The housing stock is stable and predictable because no landlords are exiting or joining the program.
- *Long-Term Solution.* Single-site PSH ensures the availability of some units for 20, 30, and 40 years or more.

Elements that could be benefits or concerns:

- *High Visibility of a Known PSH Project.* Single-site PSH amplifies the public relations opportunity. If the project is successful, the project can be determined a key demonstration development and best practice model for future developments. If there are unresolved issues, the developments also are higher profile than with scattered-site housing.

Concerns of single-site housing include:

- *Shouldering Extra Costs.* Single-site PSH requires an organization to take on all aspects of managing and operating a building. This includes on-site staff, maintenance, meeting code, initial construction, and/or rehabilitation costs. Organizations can contract with property managers, but property managers familiar with PSH are few, so training and an ongoing relationship can be taxing.
- *Programs Can Be Restrictive.* Because the services and managers are on site, many single-site PSH projects place restrictions on issues related to curfews, alcohol consumption, and place limitation on number of guests.
- *Issues of Segregation.* Concentrating members of a specific sub population can carry the very real stigma of segregation and isolation.

Scattered-Site

Scattered-site PSH uses rental housing spread throughout a community to house people in need of PSH. As with all supportive housing, services are still integral to success but are not necessarily provided on-site. If the housing is not agency-owned, landlords are a crucial part of the model, providing the housing necessary and often reporting on the health and wellbeing of the tenant, in addition to the other support services provided.

Benefits of scattered-site PSH include:

- *Portable and Flexible.* Tenants have more choice of housing, depending on the market. If a tenant's needs change, s/he can be moved to another location that better accommodates the tenant.
- *No Ownership Required.* Scattered-site PSH does not require the service organization to own and operate housing.
- *Faster Entry.* Organizational start up time is significantly reduced, especially when compared to a housing development timeline.

Elements that could be benefits or concerns:

- *Community Integration.* Residents are dispersed throughout the community, without pre-existing stigmas. Although tenants could make positive connections with their neighborhood, the neighborhood might not be supportive. Without the benefit of a built in community, tenants could be isolated.

Concerns of scattered-site PSH include:

- *Market Limitations.* Strong housing markets (such as Austin's) complicate both finding willing landlords with satisfactory properties available for renting.
- *Dependent on Landlord Relations.* Housing often relies on landlords' willingness to work with service organizations. Bad experiences can discourage landlords from participating. Good working relationships are crucial to the continued success of the program.

- *Inefficient Provision of Services.* Compared to having all residents under one roof, providing services to scattered-site residents can be more complex and costly, especially when residents have limited transportation options.
- *Unreliable Permanence.* Landlords will enter and leave the program over time. The available housing stock will be dynamic. Housing markets with low vacancy rates will likely experience even more pressures to provide PSH housing solutions in housing market conditions with fewer housing options for low-income residents overall.



Choosing Between Models

While it is likely that a complete and effective response to chronic homelessness will involve a number of different solutions working in concert, it is important to discern when and where different types are most effective. For example, a market study might indicate that substantial amounts of housing could be available to individuals in need of Permanent Supportive Housing with only a small subsidy. Building a single-site development would be unnecessary. A voucher program in a scattered-site program would be more feasible if voucher resources were available. But if the same market study reflects that the same renters were priced out by a large margin, building or rehabilitating single-site housing may become the financially feasible approach.

Scattered-site PSH can assist in furthering solutions in communities that:

- Want to start a program quickly;
- Have opposition to a larger PSH project; and/or
- Are in real estate markets with available and more affordable units.

Single-site PSH can also be a key housing solution in communities that:

- Have an expensive housing market, in which rental properties are not readily available;
- Have unused buildings that can be repurposed or rehabilitated; and/or
- Have developer capacity and/or developers interested in adding PSH to a larger project and a government willing to incentivize this.

Again, solutions to chronic homelessness will require multiple approaches, so both methods should be explored. Furthermore, the models of scattered or single-site take on very different forms when combined with the different funding mechanisms previously mentioned. Austin's model identified through its Leadership Committee on Permanent Supportive Housing Finance highlights the importance of funding strategies that comprise multiple funding sources and funding partnerships to achieve optimal, long-term results.

Single-Site PSH Case Study: Making Housing First PSH a Priority in Cleveland, Ohio

The Housing Working Group Begins

Cleveland, Ohio's Housing First initiative began as officials noted an increasing number of individuals experiencing chronic homelessness. Across Cuyahoga County, emergency shelters were becoming overcrowded and the demand for other homeless services was putting strain on the service providers. Generally, there was a consensus that more effective housing solutions were necessary.

In 2001, an informal "housing working group" began to meet. Stakeholders included private funders (such as Enterprise Foundation and the Sisters of Charity); public entities (such as Cuyahoga County Office of Homeless Services and the City of Cleveland Community Development Department); and, service providers (such as Cleveland Housing Network and Emerald Development Economic Network, Inc.). The members of this group reached consensus that low-barrier Permanent Supportive Housing would be an effective way to remedy many of the area's issues with people experiencing chronic homelessness.

The housing working group's first step was to work with researchers at Cleveland State University to document the existing need. The resulting report — "Housing First: Documenting the Need for Permanent Supportive Housing" — estimated that annually there were 16,000 people in Cuyahoga County experiencing some form of homelessness and that 3,800 of them were single adults dealing with chronic homelessness. After working with consultants from Corporation for Supportive Housing (CSH), and visiting other cities to learn more about their PSH programs, Cleveland's working group set a goal of 1,000 units of PSH in the next five years. It is important

to note that the local Continuum of Care organization was not involved in the planning process, but later staunchly endorsed the recommendations and the goals of the working group.

The Five-Year Plan

Working with the consultants and the researchers from Cleveland State, Cleveland's working group developed a strategic plan to create 1,000 units of PSH in the next five years. The plan served as the primary written document to "capture the collective intent and agreement among housing first stakeholders" and specifically laid out their strategies for implementation. One of the important first steps was to agree up on common definitions.

Tenants of the PSH units were expected to meet the following criteria:

- *Fit HUD's Definition of Homelessness.* Tenants had to lack a fixed, regular and adequate nighttime residence and have a primary nighttime residence that is a shelter, institution, or a place not designated or intended for sleeping.
- *Been Homeless for an Extended Period of Time.* Tenants would be required to have been homeless for at least one year prior to applying to a supportive housing project.
- *Have Multiple Barriers to Obtaining or Maintaining Housing.* These could include chronic and/or persistent mental illness, alcohol and/or substance abuse, health issues, unemployment, and/or underemployment.

The working group established a short list of goals that the individual developments would seek to achieve. The working group prioritized projects that valued:

- *Proximity to Amenities.* Project locations should provide convenient access to public transportation, shopping, employment, community facilities, and support services needed by the target population.

- *Geographic Dispersion.* Projects should be located throughout Cuyahoga County to maximize tenant choice while avoiding the concentration of Housing First units in one area or a few areas of the community.
- *On-site Services.* Funding priority should be given to projects designed to accommodate on-site staff and services.
- *Tailored Services.* Services should be tailored to the tenant’s individual needs and closely coordinated with property management.
- *Cost Effective Programs.* Projects were expected to provide quality, stable housing for residents in a cost-effective manner.
- *No Common Eligibility Determination.* The five-year plan set minimum eligibility criteria (e.g., prospective tenants had to 1) meet HUD’s definition of homeless; 2) have been homeless for an extended period of time; and 3) have multiple barriers to obtaining housing), but did not set criteria for prioritizing one applicant over another.

While the plan did not outline a decision-making process for project selection and approval, the stakeholders all generally recognized two main points: (1) housing development would be directed by funding availability; and (2) proposed projects would all have to fit within the working group’s expectation of low-barrier, housing first Permanent Supportive Housing.

The five-year plan also detailed a number of expected outcomes:

- Reduced resident use of emergency and crisis oriented services
- Increased resident use of community-based and skill-building healthful services
- Improved neighborhood economic activity and stability
- Decreased emergency shelter utilization
- Decreased resident criminal justice system involvement

The plan, along with the goals and the outcomes, were used to guide the direction of the initiative, build community and political support, and to prioritize projects in an environment of finite resources.

It is also important to note that the five-year plan to create 1,000 units of PSH was also missing significant components at this point:

- *No Formal Implementation Plan.* There was a general consensus amongst the working group that the foundations (namely Enterprise Community Partners) would take the lead and help the housing developers secure Low Income Housing Tax Credits (LIHTC) and other sources of development financing.
- *No Site Selection Criteria.* The goals mentioned previously made reference to both geographic dispersion and proximity to amenities, but did not include these metrics in any sort of rubric or scoring criteria for project funding.

Implementation and the Formalized Plan

While the Sisters of Charity supported the group with preliminary capacity building grants, Enterprise Community Partners (ECP) led much of the implementation efforts.

ECP served four primary functions during this time:

1. Contributed full-time staff to work on the issue;
2. Organized regular meetings of the members of the working group;
3. Provided technical assistance to service providers; and,
4. Advocated for low-barrier housing at the state and local level.

In their efforts to successfully implement the housing working group, ECP developed a proposal and approval process for potential housing developments. After the first proposed Housing First project underwent the detailed review process, the local Continuum of Care (COC) organization was willing to prioritize the project in the queue for federal funds. However, no criteria for ongoing evaluation had yet been established to ensure that the projects would continue to operate on the Housing First model.

Recognizing that the review and implementation process needed to be formalized, ECP (with financial help from Sisters of Charity and Fannie Mae) contracted with a national consulting firm (Abt Associates, Inc.) to

help develop a formalized plan. First, the housing working group was solidified into the formal Housing First Funding Collaborative (HFFC). Next, ECP generated a Governance Agreement that codified procedures and policies including:

- *Establishing a decision making process.* The agreement established the formal project application process and established HFFC as the entity responsible for prioritizing local projects for federal and local funding.
- *Defining HFFC member roles and responsibilities.* Three groups were clearly defined, each with unique roles and responsibilities:
 - o *Developers* were responsible for site selection, securing financing, applying for the LIHTC program, managing construction/rehabilitation, and sometimes retaining ownership of the property.
 - o *Property Operators* were responsible for property management, managing tenant selection, overseeing leasing, communicating tenant issues to service providers, and (sometimes) holding ownership of property.
 - o *Service Providers* were made responsible for on-site tenant services.
- *Giving the HFFC authority to set metrics.* The governance agreement set requirements for data collection, complying with Housing First standards, meeting performance expectations, reporting financial data, and participating in ongoing monitoring.

Outcomes

Cuyahoga's Housing First initiative resulted in the development of seven Housing First PSH projects (401 units) in five years. Each single-site building included between 30 and 82 units. The Housing First Funding Collaborative (HFFC) evaluation of the Housing First program included the following findings:

- *Resident Income:* Of a group of 193 residents that remained in Housing First units for 12 months or more, median monthly income increased from \$115 to \$637, not including food stamps. Of a group of 83 residents that left for another type of housing, median monthly income increased from \$573 to \$593, not including food stamps. The average increase in income overall was \$168 per month.

- *Length of Stay:* 78% of Housing First residents in the dataset either remained in the Housing First unit or moved to other permanent housing upon exit. Of those that exited, 22% (28 total) left HF for jail or prison. More than three-quarters of participants remained housed in their Housing First unit for 12 months or longer.

Lessons Learned

1. *Structure.* This initiative began as an informal collaboration. Participants believe it was easier to bring people and organizations to the table because of the informal nature of the process. Eventually, informal goals and priorities were implemented and resulted in Housing First PSH development.
2. *Defined Roles.* Cleveland benefitted from individual actors that took an interest in furthering PSH. Foundations and banks provided much needed early support in capacity building, staff costs, and research.
3. *Expanding Stakeholders.* Bringing interested parties to the discussion in the form of an informal working group helped to ensure their recommendations could be amended over time.
4. *Focus.* Getting a large amount of group buy-in to only support developments that had a PSH component was crucial.
5. *Formalizing Policies and Procedures.* Partnering with a consulting group to codify their procedure, common definitions, and responsibilities allowed the organization to stabilize and become sustainable.

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Single-Site Case Study: Moving from Charity to Housing with Charlotte's Moore Place

Charlotte's Urban Ministry Center (UMC) began as a day shelter for homeless and low-income residents of Charlotte but later evolved to become a more comprehensive service provider. Initially, the nonprofit organization operated a facility that distributed food and other sundry items to the homeless during the day. Through experience with this initial day program, UMC members began to realize that chronic homelessness needed a more substantial response, so they began to evaluate other options for addressing chronic homelessness, such as low-barrier, Housing First PSH.

UMC had some initial hurdles to overcome. First, the idea that someone could be given housing without preconditions was a new concept for the community. Second, the region also had a general opposition to federal funding that includes "strings attached." Fortunately, UMC had a long history and substantial rapport with the community. Because of this, UMC was able to spearhead the initiative to develop a Housing First PSH community.

Pilot Program

In January 2008 UMC launched Homeless to Homes (H2H), a pilot program for the chronically homeless and disabled, based on the "Housing First" supportive housing concept. UMC appointed a director to the program, and they began researching successful housing models in New York City, Seattle and other cities. Within five months, the program transitioned 14 homeless men and women off the streets and into scattered-site apartments. With this small success, UMC was able to convince supporters that more low-barrier, supportive housing could work well in Charlotte. UMC developed a vision of Moore Place and set a fundraising goal of \$10 million for both construction costs and preliminary operating expenses.

Capital Drive and Construction

After the success of the pilot program, UMC began a capital campaign in October of 2009, reaching out to

public entities, private businesses and private faith-based organizations. On the public side, UMC partnered with the Charlotte Housing Authority, Mecklenburg County, and the Carolina's HealthCare System. Many of the public entities were inclined to support UMC's vision, because it aligned with a 2006 resolution from the Charlotte City Council for a goal of 500 PSH units by 2016.

Early support came from a local foundation that was willing to provide \$500,000 for the purchase of land. UMC found a junkyard that was already zoned for Single Room Occupancy (SRO) and surrounded on three sides by industrial uses, with one side open to the Druid Hill neighborhood. This was ideal because the development would still be more or less integrated into the community, but with neighborhood concerns somewhat mitigated.

UMC bought the land quietly and prepared the property before looking for other funding. Typically, charitable efforts in Charlotte had to appeal to one of two large banks, Bank of America or Wachovia. When Wells Fargo purchased Wachovia, they were eager to show their support for their new community, and were willing to contribute \$1 million to Moore Place, with an additional \$2 million challenge grant.

Most of the rest of the funding came from private donors and churches. The North Carolina Housing Finance Agency (NCHFA) and the Charlotte Housing Trust Fund each contributed \$500,000 in grant money. UMC secured a zero-interest \$1.7 million loan. It was only once they were within reach of their \$10 million goal that the city and state officially contributed the last \$1.1 million, with generally unrestricted funds. UMC successfully finished the capital campaign in June 2010.

Homeless Vulnerability Index

In February 2010, concurrent with the capital campaign, the Urban Ministry Center worked with a dozen local agencies to compile a Homeless Vulnerability Index to identify the most fragile in the homeless population. UMC found that 807 individuals had been homeless for more than a year, or at least four times in the past three years, and were also living with a disability. Nearly half (388) of these individuals had at least one vulnerability factor,

increasing their fragility and placing them at increased risk of fatality. UMC continued to push both private and faith-based advocacy, armed with the data to make their case forcefully.

Outcomes

UMC's Moore Place opened in January 2012 and provides Housing First Permanent Supportive Housing for 85 chronically homeless adults. Because of the initial success, an additional 35-unit expansion is currently underway.

Partnering with the University of North Carolina at Charlotte, UMC released a study of the one-year impact of Moore Place in February 2014. Focusing on the 85 residents, the research team found dramatic evidence documenting the savings in health care and incarceration costs. These include:⁷

- Moore Place saved \$1.8 million in its first year by drastically reducing the amount of time its 85 tenants spent in emergency rooms (447 fewer visits) and were admitted to hospitals (372 fewer days).
- There was a 78 percent decrease in arrests and 84 percent fewer days spent in jail for the participants involved.
- 15 tenants were asked to leave for transgressions that included acts of violence toward fellow tenants.
- Of the 73 tenants who participated in baseline data collection, 79.5% (n=58) remained housed at Moore Place after the first year.
- Of the study participants who left Moore Place, three tenants left for other permanent housing and remain in that housing. This suggests that the housing stability rate among those who participated in the study is 84% (n=61).
- Average monthly tenant income increased from \$403.22 at baseline to \$502.14 at the end of the first year.
- Hospital bills per tenant averaged \$41,542 in their year prior to Moore Place, but dropped to \$12,472 the year after moving in to Moore Place.

In a March 2014 story on Moore Place, The Huffington Post declared "Housing The Homeless Not Only Saves Lives — It's Actually Cheaper Than Doing Nothing."⁸ The UNCC Assistant Professor who directed the study, Lori Thomas, Ph.D., said she found the health care and incarceration improvement among the tenants particularly notable, given the tenants' vulnerability. Most tenants had two or more disabling health-related conditions, and nearly half suffer from post-traumatic stress disorder, the study reported.

Lessons Learned:

1. *Leadership.* Trusted leadership from an established nonprofit identified a significant need in the community and established clear goals. UMC leadership, coupled with a willingness to collaborate among the various entities at the city and county level, allowed the region to focus resources on a single project to demonstrate the effectiveness of the model.
2. *The Recession.* The recession could have complicated the capital campaign, but UMC leaders suspect that many of their private donors were witnessing family and friends' personal economic struggles during a recession. In this way, the recession may have personalized the experience of poverty for many donors.
3. *Neighborhood Relations.* UMC learned the importance of managing neighborhood relations from the start. Because UMC bought the land quietly and more or less surprised the neighborhood and the area's city council member with Moore Place, opposition was strong and sudden. Through extensive community outreach, including tours and cookouts, and the patience of UMC staff, relations were repaired. The well-publicized success of the project helped dramatically. Moore Place has submitted an application for expansion, and the neighborhood has even written a letter of support.

(7) Thomas, M. L., & Shears, J. K. Moore Place Permanent Supportive Housing Evaluation Study Year 1 Report. Retrieved March 20, 2014, from <http://shnny.org/images/uploads/Charlotte-Moore-Place-Study.pdf>

(8) http://www.huffingtonpost.com/2014/03/25/housing-first-homeless-charlotte_n_5022628.html

4. *Using Data.* The results from the pilot program, UMC’s commitment to researching best practices, and meticulous data collection all contributed to Moore Place’s success. In fact, in March of 2014, Charlotte’s City Council voted unanimously to give UMC another \$1 million to expand the program by an additional 35 units.

In the Appendix:

Moore Place Management Plan
Tenant Rules and Regulations

Further Information:

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Scattered-Site Case Studies:

Salt Lake City’s Good Landlord Program

Salt Lake City, Utah was able to recruit many landlords to their scattered-site housing program thanks to a landlord database compiled by their Landlord/Tenant Initiative, informally known as the “Good Landlord Program.”

The goal of the program is to address concerns about improper property management, to help eliminate code violations and public nuisances, and to improve the quality of life within neighborhoods.

Under city legislation, all landlords renting residential properties require a business license with an average initial fee of \$114 per unit. In addition, the city requires a license fee of \$342 per unit every three years. Participation in the Good Landlord Program reduces the per unit fee to \$20, representing a 95% savings. Enrollment in the program requires landlord contact information (e.g., email address) and general landlord training.

The landlord training occurs across the State of Utah between six and eight times each month. The initial four-hour training is based on a standard curriculum. Annual renewal requires a two-hour training. There are two providers: (1) a private company, The Good Landlord; and, (2) a nonprofit member organization, the Utah Apartment Association. There are multiple benefits that incentivize landlord participation, including reduced cost background checks for potential tenants and access to a preferred vendor list for common services used by landlords, such as cleaning services or pest control.

There has been mixed reaction to the program. Private landlords have resisted the program primarily citing the training and registration costs.

On the positive side, there has been increased outreach and education. The training focuses on the everyday responsibilities and challenges of being a landlord, including how to handle an eviction, how to deal with abandoned property, how to enforce lease provisions, and how to address code violations.

It is important to note that the Good Landlord Program training is not specific to PSH or affordable housing. However, by requiring landlord contact information, the Good Landlord Program created a robust and sustainable communication mechanism. Once the city compiled a master list of emails, the Veterans Affairs agency in Salt Lake City was able to reach out to a large pool of landlords through email, soliciting the chance to be part of the PSH program dedicated to housing veterans. The response was only a small percentage of the total landlord list but was large enough to place all of the veterans in scattered-site rental housing. Additional landlords were referred to other PSH programs that they could participate in.

Additional information on the Good Landlord Program, including the original ordinance, forms, and training opportunities, can be found on the city’s website:

<http://www.slcgov.com/landlord>

Further Information:

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Scattered-Site Case Studies: Portland's Risk Mitigation Pool

In working with landlords and property owners in Portland, housing advocates found that a primary deterrent to providing PSH to qualifying tenants was the fear that the tenants would do more damage to the property than their deposit could feasibly cover. With Portland's occupancy rate nearly as high as Austin's, landlords were not interested in assuming the risk of PSH without support from the city.

In response, the City of Portland's Portland Housing Bureau (PHB) developed the Risk Mitigation Pool (RMP), a fund designed to cover possible damages to units operating as PSH. The city believed that the risks covered by the pool would occur infrequently, but when they did happen, they could be costly. The initial goal of the fund was to cover PSH units for seven years.

With the approval of their city council, Portland dedicated \$800,000 in unrestricted funds to the Risk Mitigation Pool. The city determined that it would be best to have one central fund, instead of taking similar but smaller precautions with every development. After an RFP process, the Portland Housing Bureau selected the nonprofit Housing Development Center (HDC) to administer the fund. Initially, there were 278 units that were qualified for and willing to participate in the program. The PHB also established an advisory committee to oversee program implementation. The committee can recommend covering additional units or changing the coverage period but cannot recommend action on specific claims.

The City of Portland manages the fund. At the start of each fiscal year, \$50,000 is deposited into the Housing Development Center's account. With the annual deposit and quarterly reviews, the HDC approval process and disbursements are timely.

Limits to the Fund

The fund can reimburse landlords for: 1) costs to repair physical damages beyond normal wear and tear; 2) extraordinary operating costs or rental losses; and/or 3) other, including rent losses or relocation costs. The RMP is not a rent subsidy program. The maximum claim amount is dictated by unit type:

Unit Type	Maximum Claim Amount
SRO Unit	\$7,500
Studio	\$9,000
1 Bedroom	\$10,000
2+ Bedrooms	\$14,500

The maximum amount that a participating property owner can receive over the seven-year life of the program is the unit's type maximum claim amount multiplied by the number of that type of unit registered in the program. For example, if the landlord has two studio units and one one-bedroom unit, the maximum claim in seven-year period would be \$28,000.

A major limitation to the RMP is the limited scope of eligible landlords. In order to be able to qualify for a reimbursement of damages, the property in question had to have received money from the city. This limited the number of eligible properties to approximately 50. As a result, the program has been dramatically under-utilized over the last eight years. Of the initial \$800,000 fund, only \$138,000 has been used to pay landlord claims since 2007. So far, 50 total claims have been made, for an average reimbursement of \$2,700. Because of the limited use so far, the fund has been extended indefinitely, until the money is completely spent.

Applying for Funds

For a property owner to be reimbursed for damages or extra costs, there is a simple application process. The first

step is a written application to HDC within 90 days of the damage occurring. The process is initiated by fax or email, but HDC withholds payment until receipt of original documents with signatures. Next, the staff begins a two-part review, consisting of a claim review and an interview or inspection. Phone conversations with the owner's asset manager occur in the case of excessive operating costs, rent losses, or relocation losses. In-person inspections occur in the case of physical damage losses. Then, HDC completes a "cost reasonableness review" and notifies the owner of their decision within 10 working days of their receipt of completed applications and requested documentation.

Oversight and Management

Appeals concerning decisions are made first to HDC of their receipt of to the Portland Housing Bureau's Risk Mitigation Pool program manager. Upon the completion of a claims process, property owners are asked to complete an evaluation, which is shared with the RMP's Advisory Committee. HDC is required to maintain fiscal and claim documentation for three years after the end of the program. HDC is also expected to provide a written quarterly report to PHB and a semi-annual one to the Advisory Committee.

Lessons Learned/Outcomes

According to PHB staff, landlords seem no more willing to take on PSH tenants and the landlords that do participate use it infrequently. It is unclear why landlords are hesitant to use the program. The staff suggested that they might have trouble keeping track of which units in a 100+ unit property are PSH units and therefore have a hard time knowing when they are eligible for the program. Staff also posited that the low rates could be due to a significant drop in the local availability of Section 8 vouchers and that the City of Portland politically moved away from requiring PSH in new housing developments. HDC is currently in the process of surveying the participating landlords and property owners about their experiences in the program.

Detailed information and program forms, including RMP Policies, Physical Damage Itemization Forms, Operational Damage Itemization Forms, Claim Instructions, and PSH Verification Forms, can be found on Housing Development Center's website:

<http://www.housingdevelopmentcenter.org/resources/rmp-docs/>

Further Information:

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Scattered-Site Case Studies:

Seattle's DESC Risk Management and Data Sharing

Seattle's Downtown Emergency Service Center (DESC) provides 279 emergency shelter beds, as well as operating nine supportive housing sites and more than 200 scattered-site apartments along with a host of other support services. Because of DESC's commitment to Housing First and harm reduction principles, there is a certain level of inherent risk to the organization. DESC principles include:

- Targeting the most vulnerable populations of homeless;
- Moving people into housing directly from the street without preconditions of treatment acceptance or compliance;
- Ensuring that continued housing is not dependent on participation in services; and,
- Using a harm reduction approach, attempting to minimize substance abuse, rather than mandating abstinence.

After there was a well-documented incident of one of DESC's PSH residents attempting to harm an unaffiliated community member, DESC began evaluating their current risks and methods to mitigate those risks. One of the methods DESC devised was simple sharing of information regarding their residents. The program goals included enhancing community; resident and staff safety; increasing resident stability; and improving housing longevity.



The Elevated Concern List (ECL)

DESC staff created a simple spreadsheet, which was shared on Google Drive, and included basic information on each resident. Any time a staff member had a noteworthy interaction with the resident, it was recorded. Noteworthy behavior consisted of the following: assaultive behavior, making or posing a threat to others, making or posing a threat to harm oneself, or a significant increase in highly unpredictable behavior that is assessed to be a precursor to harmful behavior. Residents that repeatedly exhibited concerning behavior were moved to an “elevated concern” list and the staff at all DESC buildings was immediately notified so that they could tailor their services to address the resident’s changing behavior.

The key components of DESC’s elevated concern list included high visibility, increased engagement, and a coordinated effort. High visibility is achieved by making the name of client at risk known to all teams and levels of management through DESC’s agency-wide database. Increased engagement is triggered and occurs via daily contact with staff, often through assertive outreach, reducing chances of acting out behavior by consistently offering safer options to client. Daily contact also provides staff with the ability to make swift referrals to local law enforcement when the client’s behavior exceeds DESC’s ability to provide safe care. Contact is intentional and assessment-oriented, rather than strictly observational. Housing and clinical staff working together on a joint intervention plan to address concerning behavior through standardized methods.

A large, multi-disciplinary team, each with clearly defined roles, manages the elevated concern list. Once added to the list, a tenant receives daily assertive outreach from the tenant’s housing and clinical case manager. There is detailed documentation of staff outreach efforts. Additionally, there are documented observations by less skilled housing desk staff three times a day. The full intervention team holds planning meetings a minimum of once per month to discuss progress and strategies.

DESC notes that no critical incident has occurred since the adoption of the ECL. Over the five years since they implemented the elevated concern list, DESC reported:

- 150 residents of DESC programs (8% of total residents) met the criteria for inclusion in the ECL.
- 79 residents on the ECL (52% of the list) were proactively identified for detention to psychiatric hospitalization one or more times.
- 42 residents on the ECL (28% of the list) were proactively detained to jail one or more times.
- 78% of residents added to the ECL were still housed one year after being added to list.
- 62% of residents added to the ECL were still housed two years after being added to list.

Lessons Learned

DESC’s Elevated Concerns List (ECL) demonstrates the power of simple information sharing. Since the adoption of the ECL, no critical incident involving a DESC tenant has occurred. By simply identifying and sharing staff concerns regarding unusual and/or erratic behavior, and elevating staff engagement with the identified tenant, the agency has been able to identify potential dangers and mitigate risks.

Further Information:

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Austin: Opportunities and Challenges

Over the past decade, the City of Austin has experienced rapid and sustained growth, creating enormous pressures on affordability. At the same time, federal funding for affordable housing has declined significantly. Despite these constraints, the city has made important investments in affordable housing in the past decade.

Opportunities to advance affordable housing initiatives are evident through the continued commitment of local funds by Austin residents and the City of Austin. In 2006 voters overwhelmingly approved \$55 million in General Obligation (GO) Bonds for affordable housing. Those funds have provided a critical local resource and helped to meet the community's growing housing needs. By 2013, those funds were 100% obligated and had resulted in the creation or preservation of 3,417 affordable units. Additional information about the program is available on the City of Austin's Web site at www.austintexas.gov/housing.

GO bond-funded rental units are restricted to 50% Median Family Income (MFI) and below; homeownership units are restricted to 80% MFI and below. However, both rental and homeownership serve significantly lower income households. In fact, more than 40% of the bond-funded rental units serve households at or below 30% MFI.

In 2013, voters approved \$65 million in General Obligation Bonds for affordable housing. Based on previous leverage and per-unit costs, it is anticipated that the bonds will result in more than 4,000 deeply affordable housing units.

The 2009 Austin Comprehensive Housing Market Study estimated that 37,000+ renter households earning less than approximately \$20,000 per year could not find affordable housing in Austin. In 2014, the gap increased to approximately 48,000 rental units. However, it is important to note that the City's investment in affordable housing (through programs, policies, and funding) prevented the gap from growing even larger.

Austin City Council has recently passed a resolution directing the City Manager to develop an ordinance that would add "source of income" to the list of locally protected classes under the Fair Housing Ordinance (e.g., requiring all rental properties to accept Section 8 vouchers and other tenant based rental assistance programs). Organizations that advocate for the chronically homeless are committed to successful implementation. The proposed ordinance has the potential to significantly increase housing choice for chronically homeless persons with access to vouchers.

The Corporation for Supportive Housing's 2010 report clearly identified a need for 1,891 Permanent Supportive Housing (PSH) units in Austin. In September 2010, City Council adopted a PSH strategy that commits to developing 350 PSH units within the next four years. These units are targeted to frequent users of social services, including chronically homeless individuals, formerly institutionalized individuals, and youth aging out of state systems such as foster care. As of mid-year 2014, 343 units were in the pipeline, with 206 units operationalized and occupied.

By setting the goal for 350 new units, the city has also recognized the importance of Permanent Supportive Housing (PSH). However, the City of Austin and many of the organizations that work to create PSH units recognize this is not enough to serve the great need that exists in Austin. The process to date has not delivered an intentional Housing First model, which can advance the Permanent Supportive Housing goals set by the City of Austin. In order to create these necessary units of PSH and to house the hardest to serve (the chronically homeless with multiple barriers), there must be continued multiple solutions developed and deployed that can address a number of issues.

Barriers in the City of Austin

1. *Credit/Rental/Criminal Histories*

Many rental barriers exist for chronically homeless tenants, even in units that have received funding from the City of Austin. A frequently encountered barrier to moving the homeless into permanent housing is debt owed to the city for unpaid electricity, water, resource recovery and the city fees collected on utility bills. When debt is owed, utility service is not provided unless the debt is paid in full or other payment arrangements are made. This is a serious barrier to addressing homelessness for many individuals and families.

Recipients of city funding are required to use reasonable criminal history “look-back periods” when reviewing the criminal histories of housing applicants, but there is no clear and consistent definition of “reasonable.” Thus, a prospective tenant can be denied housing based on a range of crimes (felony or misdemeanor) that occurred years in the past.

2. *Market Conditions*

As Austin welcomes more and more people every year, the housing supply is straining to keep up with demand. Current occupancy averages 97%-98%, and rents are at an historic high. Average rent exceeds \$1,000 per month, excluding utilities. When landlords have their choice of renters, a tenant in need of a subsidized unit, with problems in their credit or criminal history, and with possible behavioral health issues, is understandably much less appealing to landlords. Common landlord concerns include:

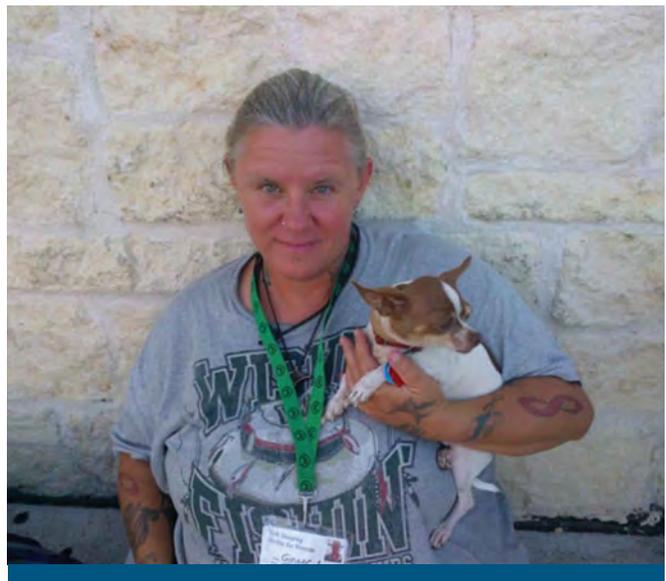
- Safety of other tenants in a mixed housing situation;
- Extra costs in damages to a unit or extra operating costs dealing with PSH specific concerns;
- Dealing with tenants who might actively be abusing alcohol or other drugs;
- Flexibility of accepting a voucher-style payment system; and

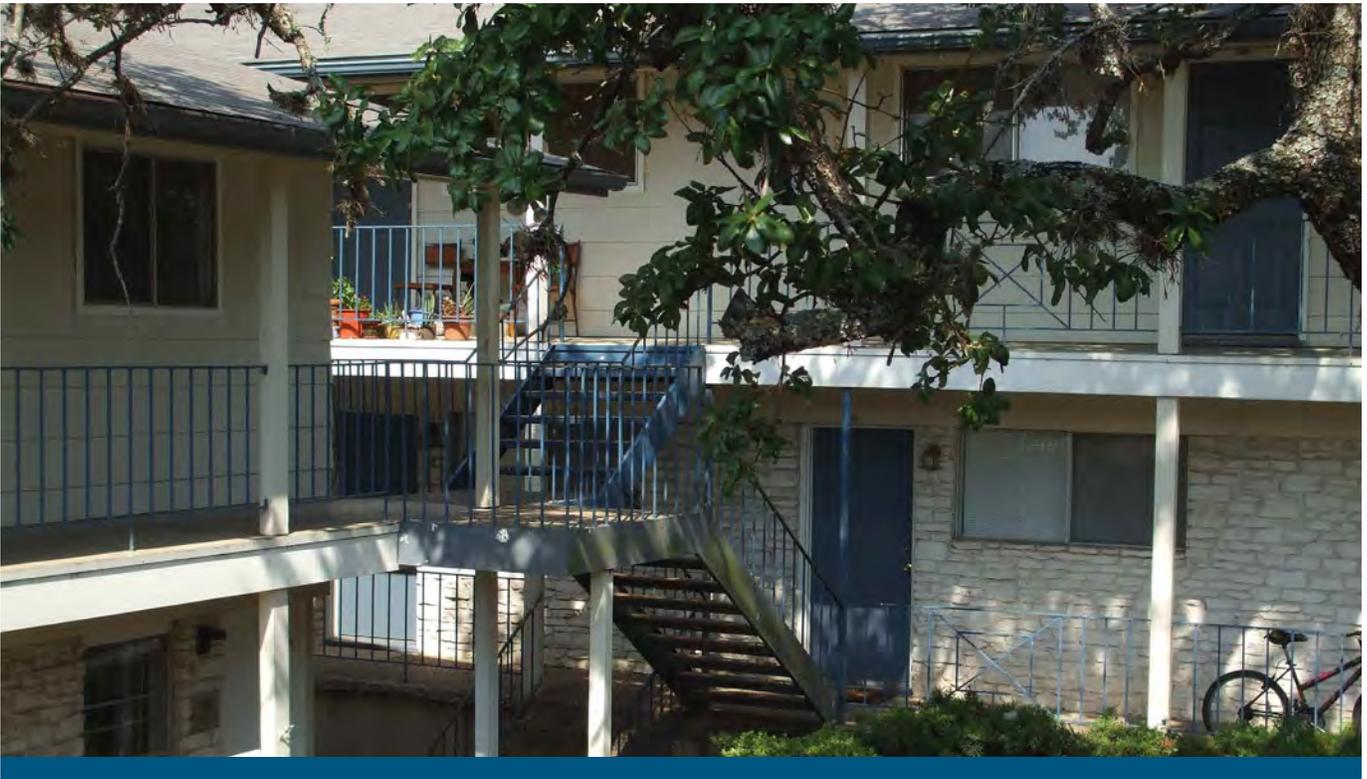
- Being able to evict a voucher holder if they break the lease terms.

In the strong Austin market, most landlords are unmotivated and/or uninterested in providing PSH, unless the city can incentivize participation through creative means such as increased rental deposits or a city-wide program similar to Portland’s Risk Mitigation Pool.

3. *NIMBY – Not In My Back Yard*

While the City of Austin has articulated geographic dispersion of affordable housing as one of the community’s core values, approval of new development relies heavily on neighborhood input, particularly in cases involving changes in land use and zoning. Recent city council members have been strong and vocal supporters of affordable housing – as evidenced by the Austin City Council’s 2013 decision to use \$10 million from a mid-year budget surplus for affordable housing. However, the current city council composition is transitioning from seven at-large positions to 10 single-member council districts. It remains to be seen how the new City Council will handle decisions for siting facilities such as a housing first development for the chronically homeless.





Barriers that Will Require Intervention at the State Level

1. *Texas Department of Housing and Community Affairs (TDHCA)*

The State of Texas has a few rules in place that make low-barrier housing more difficult. The Texas Department of Housing and Community Affairs (TDHCA) administers the Low Income Housing Tax Credit (LIHTC) program and uses the Qualified Allocation Program (QAP) to determine eligibility and to assign points to rank competing projects. Unfortunately, TDHCA's working definition of "supportive housing" is vague and fails to convey the need for low-barrier housing:

From TDHCA's 2014 Multifamily Rules, Section 10, Subchapter A: (124) Supportive Housing—Residential rental developments intended for occupancy by individuals or households in need of specialized and specific non-medical services in order to maintain independent living... The services offered generally

*address special attributes of such populations as Transitional Housing for homeless and at risk of homelessness, persons who have experienced domestic violence or single parents or guardians with minor children.*⁹

Additionally, the QAP incentivizes developers if 50% of their units are supportive housing, but there is no scaled incentive to create a smaller number of onsite PSH units.

2. *Austin Energy State Charter*

Due to state legislation governing public utility operations, Austin Energy is prohibited from forgiving customers' debt, regardless of circumstance or size. Service providers, when trying to place clients into housing face barriers establishing utilities or passing credit checks because of often small outstanding balances with Austin Energy. These are balances that have continued to accumulate late fees and have cost Austin Energy money in collection and records keeping.

⁽⁹⁾ Texas Department of Housing and Community Affairs, 2014 Uniform Multifamily Rules, Multifamily Rental Housing Programs, Austin, Texas: 2014, <http://www.tdhca.state.tx.us/multifamily/docs/14-GovApprvdRules.pdf> (accessed March 15, 2014).

Summary of Recommendations

The City of Austin has demonstrated its support for Permanent Supportive Housing. Various studies and reports have identified the enormous need for PSH, including the need for specialized housing designed to serve the chronically homeless. This sub-population presents special challenges and requires a tailored, multifaceted solution. The following recommendations should be considered as the City of Austin works toward meeting the housing needs of the chronically homeless, particularly those hardest to house.

Clearly Define and Distinguish PSH and Housing First PSH. In order for the larger community to agree on the exact components of Permanent Supportive Housing and Housing First PSH, there needs to be clearly communicated definition of low-barrier Permanent Supportive Housing (“Housing First PSH”). The upcoming round of general obligation bonds dedicated to affordable housing is an opportunity for stakeholders to craft definitions to guide the development process, but the city should take an active role in managing that process to ensure that true “housing first” housing will be built to serve the chronically homeless.

ECHO has developed the following common definition through a community stakeholder process: “Housing First [PSH] is an approach that centers on providing individuals experiencing homelessness with appropriate housing quickly, regardless of potential housing barriers, then providing support services as needed. What differentiates a Housing First approach from other strategies is that there is an immediate and primary focus on helping individuals and families access long-term, sustainable housing as quickly as possible. This approach has the benefit of not only being consistent with what most people experiencing homelessness want and prefer, but also being associated with consistently high outcomes across a variety of communities.”

Additional details, including “core elements” of Housing First PSH are included in ECHO’s website:

<http://austinecho.org/the-solution/housing-interventions/housing-first-community-wide-definition/>

The City should use the ECHO recommended language and adopt a clear and consistent Housing First definition as a subset of PSH. Those definitions should be incorporated into the Austin Housing Finance Corporation (AHFC) funding applications, literature, and social media outreach.

Identify Frequent Users. Using ECHO’s newly developed Coordinated Assessment, the community is well positioned to identify the 100 or so individuals who are chronically homeless and the highest users of public services. By doing so, the reduction of costs can be quantified, and the targeting of resources is clear. ECHO is in the process of quantifying PSH costs and benefits through its local evaluation. With enhanced data sharing among community providers, this evaluation will be critical to tracking PSH success and garnering broad-based support for PSH efforts. This information will be crucial as present and future funding partners, community leaders, elected officials and residents look toward empirical data for further investments in Permanent Supportive Housing. For this reason, this should remain a high priority for the Leadership Committee on Permanent Supportive Housing Finance.

Dedicate a Percentage of GO Bond Funds that are Explicitly for Housing First PSH. With the passage of the \$65 million in general obligation bonds for affordable housing, Austin has the chance to clearly prioritize where that money should be spent. By dedicating a reasonable set aside of funds for developments with low barrier units that offer tailored services, the City of Austin would

incentivize local developers to create Housing First PSH and could lure national PSH developers to the Austin market.

The GO bond funding should be leveraged with additional sources, including the Downtown Density Bonus fee waiver funds. Pursuant to city council resolution, funds collected from the development bonus fees for affordable housing are targeted toward Housing First PSH. There are currently several projects in predevelopment that have announced their intention to pay the development bonus fees for affordable housing. The collected funds could exceed \$1 million in the near-term and should be leveraged with the affordable housing GO bonds.

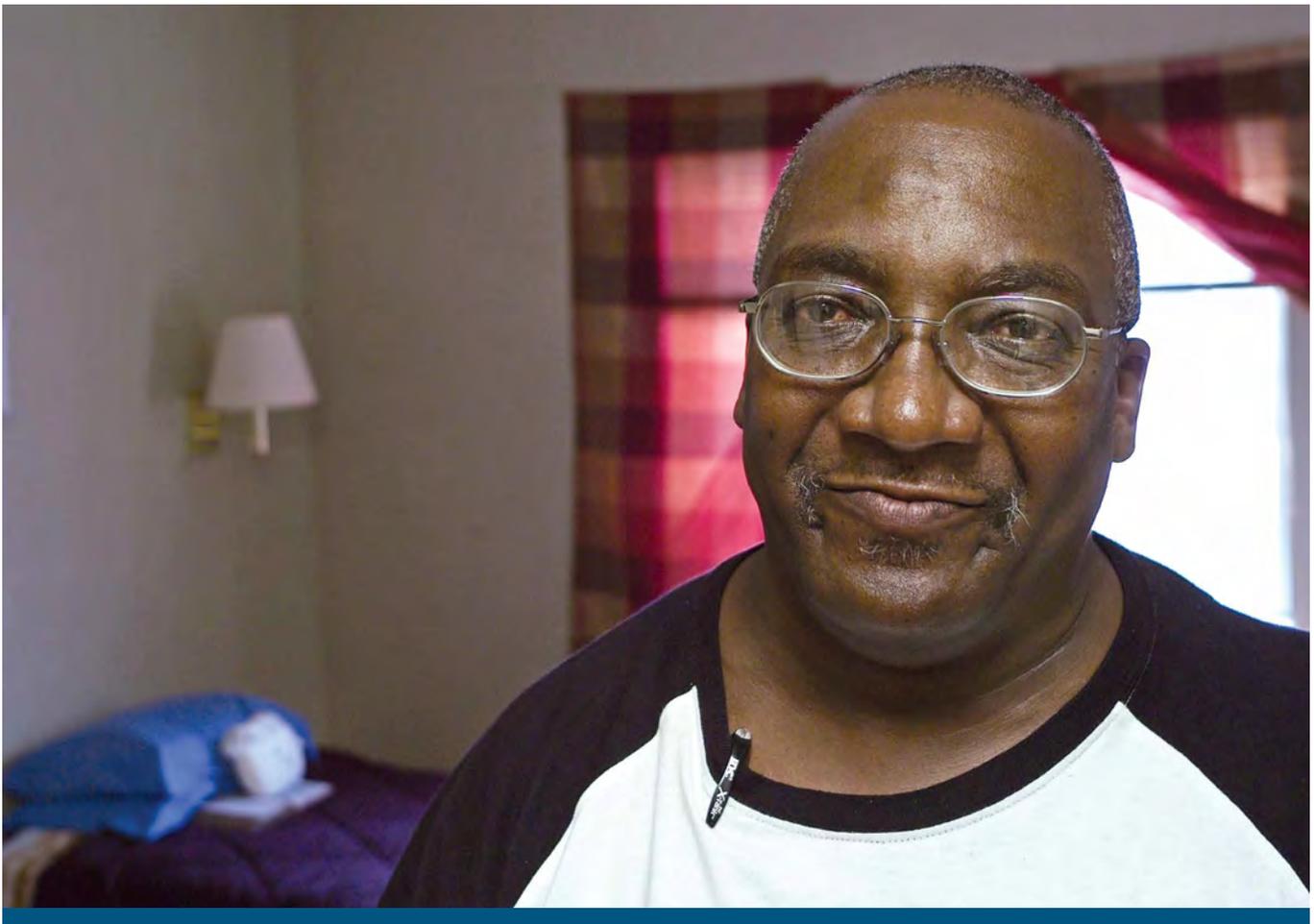
The proposed GO bond set aside should not be open-ended, however. If there are no applicants/respondents within a reasonable period of time (e.g., 12 to 18 months),

the funds should be available for general affordable housing development.

Applicants that propose integrated Housing First units should be prioritized. There are valid community concerns around segregating and isolating specific populations. Ideally, Housing First units would be seamlessly integrated into larger, traditional multifamily developments. In the absence of this model, priority should be given to proposals that offer a modest number of co-located units, reasonably integrated into the surrounding community.

Explore Creative Housing First PSH Funding Partnerships.

Local and state governments have increasingly used Social Impact Bonds (SIBs) as a financial tool for public projects, including affordable housing. These bonds are structured in a results-driven way that also protects government agencies from added financial risk.



Social Impact Bonds involve four key players. A government agency designs a project, including the required outcome, timeline and payment structure. Once all terms of the project are agreed upon, the agency signs an agreement with an external organization to execute the projects according to the set guidelines. The important tenet of this agreement is the contingency model set with the organization: the agency is only obligated to pay if the set outcome is achieved. Private investors provide the working capital and cover all upfront costs. Finally, the organization uses these investment funds to hire service providers and fund their activities. Managed by the organization, the service provider is responsible for the execution of activities and interventions that will ultimately achieve the agency's desired outcome.

A third-party analysis is performed to determine whether or not the project's outcome was actually achieved. If the organization and service provider are successful in realizing the project's goals, the government pays the organization based on the amount and terms set forth in the agreement. The organization then repays its investors for providing the upfront capital and assuming the financial risk. The government assumes no liability, however, if the project "fails" according to the agreement. Thus, public funds are not at risk if the project is not completed according to original agreement.

Social Impact Bonds have been utilized in over 15 states as an effective way to pass important growth plans without compromising a public budget's financial health. The City of Denver has recently announced its homeless Social Impact Bond project. As one of the first city-led projects to use Social Impact Bonds, city officials created a comprehensive plan to increase the city's affordable housing stock by building 3,000 Permanent Supportive Housing units in five years. The data-driven plan highlighted the added costs of ineffective remedial care for chronically homeless populations with high rates of mental health and substance abuse. This data included a five-year study to quantify the indirect costs of remedial measures for the population, such as jails, emergency rooms and substance abuse facilities. The plan is written with an initial funding goal of \$8 million in capital investment by 2015.

With comprehensive, current research on homelessness, extensive homeless data, and a soon-to-be-released PSH evaluation, Austin is well-poised to explore SIBs for a Housing First PSH project. Given the city's budget constraints and dwindling federal resources, Austin should explore alternative and creative finance measures, as a supplement to traditional public subsidy and financing. It will be crucial to demonstrate to both taxpayers and local officials the actual savings that Permanent Supportive Housing can create. In order to gain public support, it will also be crucial to educate the public on the SIB's contingency, results-based pay structure.

Make RHDA Funding Contingent Upon Provision of Basic PSH. As the City of Austin seeks to establish clear definition of PSH and Housing First PSH, and those definitions are incorporated into the Austin Housing Finance Corporation Rental Housing Development Assistance (RHDA) application, city funding (and support) can be contingent on PSH provision. There are certain scenarios in which onsite PSH would not make sense (e.g., because of the project size, geographic location, or population targeting). But, in general, larger developments (50+ units) could utilize the local housing subsidy to offset the cost of the PSH unit development, while partnering with local service providers to create onsite PSH. Upon gathering stakeholder input, the city should establish a standard (e.g., rental developments that contain 50+ units in a single site should devote 20% of those units toward PSH).

Develop Consistent and Reasonable Policies Regarding Tenant Criminal Histories. As part of the RHDA application, the city should provide a sample policy regarding tenant criminal histories. The Housing Authority of the City of Austin (HACA) utilizes a policy that incorporates reasonable "look back" regarding criminal history. A copy of the HACA policy is provided in the appendix to this report.

For example, looking back four years from the date of application for assault charges, and three years for public intoxication and/or driving while intoxicated, creates a clear and reasonable standard. Recipients of city funding should be required to have a reasonable look-back period for both misdemeanors and felonies. There should also

be an appeals process built in to the admissions policy. In addition, the city could require that any recipient of city funding will not deny an applicant with a Section 8 voucher based on their criminal history if the person has already passed the criminal history screening required by the Housing Authority of the City of Austin or the Housing Authority of Travis County.

Develop Consistent and Reasonable Policies Regarding Tenant Credit/Rental Histories. Recipients of city funding should only review an applicant's credit score as it pertains to their rent payment history, not to their payment of other unrelated bills, such as medical bills or taxes. HACA's "Renter Suitability, Credit History & Other Background Checks" is included in the appendix to this report and can serve as a model.

Additionally, recipients of city funding currently do not inform tenants that a lease non-renewal or eviction requires "good cause." This requirement and an explanation of the grounds for "good cause" should be included in any notice to vacate or notice of non-renewal given to the tenant. Recipients should not assume tenants will know they are entitled to proof of "good cause" from reading and signing the city bond lease addendum, but should be provided with that proof in writing if and when the recipient feels it is necessary to begin non-renewal or eviction proceedings. Therefore, the City of Austin should require city-funded developments to offer an explanation of their "good cause" for denial, proposed non-renewals of lease, or lease terminations.

Create a Good Landlord Program. Upcoming changes to Code Compliance (such as the Rental Registration Pilot Program) and enforcement could allow for the opportunity to collect contact information for private landlords. In addition, Austin Resource Recovery is unveiling its Universal Recycling Program on a phased schedule. Currently multifamily properties in excess of 50 units are required to register. By October 2017, all multifamily residential properties (regardless of size) will be required to register. Each affected property is required to submit

an annual recycling plan, which includes required owner and local management contact information (including name, phone number, and email address).

Programs administered by Code Compliance and Austin Resource Recovery provide a platform for comprehensive landlord data collection. This information database is critical for successful landlord outreach, similar to Salt Lake City's Good Landlord Program. A program requiring training could at least introduce landlords to the idea of supportive housing, and possibly even actively encourage and celebrate their participation in PSH.

The Good Landlord Program should be developed in collaboration with industry representatives, including the Austin Apartment Association (AAA). AAA already has regular training opportunities for members and is considering expanded offerings. A local Good Landlord Program should build on existing training opportunities, such as those currently offered through HACA and AAA.

Create/Fund a Full-time Equivalent (FTE) Dedicated to Landlord Relations. It is critical for Permanent Supportive Housing (PSH) units to be clearly identified, tracked, and monitored for the length of the affordability and compliance period. In order to achieve programmatic success, PSH units will need to be matched with qualified tenants. The most effective way to accomplish this would be with a centralized outreach agent whose job would be to (1) identify qualified landlords/properties; (2) educate those landlords on PSH-specific issues; (3) link qualified PSH tenants/service providers with those units; and (4) maintain data on unit location and occupancy for evaluation purposes. This position could be housed at a service provider such as ECHO, with the charge to properly manage landlord relations at a city-wide level. Currently, individual service providers maintain their own lists and are disinclined to share information about helpful landlords. If landlord registration and training is implemented, this position could also help with training and serve as a liaison.

Explore the Possibility of a Risk Mitigation Pool. Many landlords are hesitant to take on PSH units because of a perceived increased risk. The city can incentivize landlords to participate by assuming some of the increased risk. Portland’s Risk Mitigation Pool should serve as a baseline example. The scope of eligible properties should be expanded to include properties/units that may not be recipients of city subsidy but are actively participating in a scattered-site PSH program with an eligible service provider. In addition, the Risk Mitigation Pool, funded with City of Austin general funds, could provide additional funding for increased security deposits or rents, in exchange for acceptance of Housing First PSH clients.

Work with Texas Department of Housing and Community Affairs (TDHCA) to Clarify its Supportive Housing Definitions. Coordinated advocacy will help to refine TDHCA’s “Supportive Housing” definition and make it more closely resemble low-barrier, Permanent Supportive Housing. The current definition does not incentivize the development of low-barrier Housing First and does little to support the truly chronically homeless.

Work with the City and Austin Energy to Fully Resource Austin Energy’s Discount and Plus 1 Programs. While state charter effectively prohibits Austin Energy from forgiving utility debt, Austin Energy operates several Customer Assistance Programs that provide crucial aid to low-income customers. These include CAP Discounts, Financial Support Plus 1, Payment Arrangement, and Services for the Medically Vulnerable. As of March 2014, there are 36,201 individuals enrolled in the Austin Energy Discount Program and 11,910 waitlisted.¹⁰

In order to serve the large number of households in need of utility assistance, including families and individuals who are exiting homelessness, the city should commit to fully resourcing existing Austin Energy CAP programs. In addition, the city should consider the following recommendations:

- Set aside a portion of local bill payment assistance funds for paying off debts owed for unpaid utility bills, making special arrangements for payment of security deposits over time.
- Set up a special arrearage management program for those exiting homelessness to reward regular payment of current bills.
- Where there are large debts owed, investigate the use of extended payment plans with debt payment assistance and arrearage management.



(10) Ronnie Mendoza, Austin Energy, Customer Assistance Program, Presentation to CAN Safety Net Forum, May 7, 2014.

Conclusions

Austin is well positioned to add to its accomplishments around Permanent Supportive Housing, specifically given the ongoing focused work of the Leadership Committee on Permanent Supportive Housing Finance. Voters overwhelmingly approved general obligation bonds for affordable housing in 2013, creating an enhanced and flexible source of local funds. The recent expansion of Section 1115 Medicaid Waiver funds provides additional resources for services for the chronically homeless. And, finally, there is a growing community awareness and support for connecting housing and services in order to provide stability for the chronically homeless. Service providers and housing providers are poised for collaboration.

HousingWorks recommends that the City and community partners focus its efforts on two distinct types of housing – single-site and scattered-site. Single-site Housing First will provide housing for the

chronically homeless who, because of criminal histories and other barriers, cannot be served in the traditional housing market (even with relaxed standards, as discussed in the report). The city should initiate a Housing First PSH single-site project by dedicating a portion of the GO bonds. These funds should be leveraged with other capital dollars, such as Social Impact Bonds, in addition to support service dollars. It will be critical to track the pilot project over time with both quantitative and qualitative data. Robust data will enable policy makers to ensure that Housing First and Permanent Supportive Housing have produced the anticipated results.

HousingWorks also recommends multiple methods of improving access to scattered-site PSH in both traditional private, for-profit and nonprofit housing. Despite the tight rental market, there are opportunities to increase housing opportunities for the hardest to serve through creative solutions, including a Risk Mitigation Pool and a Good Landlord Program, as described in this report.



Appendix: Moore Place Tenant Rules and Regulations

Moore Place

Rules & Regulations

(Effective 2/1/2013)

1. Rent Payments

Rent is due on the 1st of the month. If rent is paid after the 5th calendar day of the month, owner may charge a fee of \$15 for late payment of rent. Rent must be paid by check or money order only. No cash is accepted.

2. Tenant Identification Policy

You will obtain a photo ID at lease signing. You must utilize this ID to gain entry to the building at all times in the manner required by management and security. If you do not have your Moore Place ID upon entering the building, you must sign in and allow security to confirm your tenancy. If you lose your Moore Place ID, you must notify Owner immediately and you shall pay to the Owner the cost of replacing it. Any payments made by you will first be applied to reimburse the Owner for the cost of replacing your Moore Place ID, after which the balance will be applied to the rent then due and owing. A tenant who is without his/her Moore Place ID card for more than three consecutive days may be required by Owner to obtain a new ID card.

3. Visitors' Policy

All visitors must present one valid, acceptable form of photo identification and sign in at the security desk. Tenants must be home in order for visitors to proceed into the building. NO VISITOR MAY BE IN THE BUILDING UNESCORTED. Security reserves the right to issue to confirm the identity of all visitors while in the building or on the grounds. Visitors are required to observe the same rules that apply to residents. Tenants are responsible for the behaviors and actions of all guests signed in under their authority. Owner reserves the right to deny visitors access to the building for reasonable cause.

4. Public Access Ways

- (a) Tenants shall not block or leave anything in or on sidewalks, entrances, driveways, elevators, stairways, or halls. Public access ways shall be used only for entering and leaving the Building and the Apartment. Only those elevators and passageways designated by Owner can be used for deliveries.
- (b) Bicycles or other property of Tenants shall not be allowed to stand in the halls, passageways, or public areas of the Building.
- (c) Shopping carts are not allowed in the building.

Appendix: Moore Place Tenant Rules and Regulations

5. Bathroom and Plumbing Fixtures

The bathrooms, toilets and wash closets, kitchen sink and other plumbing fixtures shall only be used for the purposes for which they were designed or built; sweepings, rubbish, bags, acids, cooking oils or other substances shall not be placed in them.

6. Refuse

Tenants shall not place any articles outside of the Apartment or outside of the building except in safe containers and only at places chosen by Owner and at the times designated by Owner. Carpets, rugs or other articles shall not be hung or shaken out of any window of the Building. Tenants shall not sweep or throw or permit to be swept or thrown any dirt, garbage or other substances out of the windows or into any of the halls, elevators or elevator shafts. Recycling items should be placed in the Recycling Dumpster.

7. Laundry

Laundry and drying apparatuses, if any, shall be used by Tenants in the manner and at the times that the facility manager or other representative of Owner may direct. A laundry card will be issued to each tenant at move-in (or when machines are converted to card reader). Tenants shall be responsible for keeping the card and "loading" it with sufficient monies to operate the laundry machines. Tenants are required to surrender the card at lease termination. Failure to return the card will result in an \$5.00 fee. If the card is lost or stolen, all funds on the card will be lost. Neither the Landlord nor the laundry machine vendor will be responsible for refunding any money lost on the card. A new card must be purchased by the tenant in order to use the laundry equipment. If a card is damaged, tenants must purchase a new card. If money is remaining on the damaged card, it may be sent to the vendor to see if they can determine the amount. A refund will be sent if an amount can be determined. Tenants shall not dry or air clothes out of any window in the building. Tenants should put drier sheet, lint, etc. in receptacles provided for such items. They may not be thrown on the floor.

8. Keys and Locks

Owner will retain a passkey to the apartment. Tenants agree not to install additional or different locks or gates on any doors or windows of the Apartment, unless Owner first expressly approves of such installation in writing or as otherwise provided in Paragraphs 7(B), 7(C) and 7(D) of the lease. If changes are made to the locks or mechanism installed by Tenants, Tenants must deliver working keys to Owner. At the end of this Lease Tenants must return to Owner all keys, including mailbox keys, either furnished or otherwise obtained. If Tenants lose or fail to return any keys which were furnished to them, Tenants shall pay to Owner the cost of replacing them. If the tenant loses or fails to return the mailbox key, Tenant shall pay to Owner the cost of replacing the mailbox lock. Any payments made by Tenant will first be applied to reimburse the Owner for the cost of replacing keys or locks, after which the balance will be applied to the rent then due and owing. If Tenant requires Owner to provide entry to the apartment because Tenant does not have his/her key, Owner may charge a reasonable fee for each time it provides this service.

Appendix: Moore Place Tenant Rules and Regulations

9. Noise/Interference with the Rights and Comforts of Others

Tenants, their families, guests, employees, or visitors shall not make or permit any disturbing noises in the Apartment or Building or permit anything to be done that will interfere with the rights, comforts or convenience of other tenants. Also, Tenants shall not play a musical instrument or operate or allow to be operated any audio/visual equipment, including (but not limited to) a stereo, radio or television set so as to disturb or annoy any other occupant of the Building. Tenants shall refrain from disturbing other tenants by screaming or yelling in the hallways, knocking on doors or making call to apartments during the overnight hours unless expressly given permission from other tenants.

10. Violence

Tenants shall not commit or threaten physical violence or verbally abuse any another tenant, guest, security officer or staff member. Such behaviors and actions are grounds for immediate termination of the lease agreement.

11. Pets

Tenants may own and keep certain common household pets in their respective units, subject to the attached rules and regulations (see "Pet Policy and Procedure Adopted by Moore Place"). Approval by Moore Place management as evidenced by a signed lease addendum must be obtained prior to a tenant owning and/or keeping a pet in the unit. There is a mandatory non-refundable pet fee of \$150 and a refundable pet deposit of \$600 for a dog or a cat. Both deposits are due and payable in full at the time of the execution of the lease addendum allowing the pet to be present.

12. Moving

Tenants can use the elevator to move furniture and possessions only on designated days and hours. Owner shall not be liable for any costs, expenses or damages incurred by Tenants in moving because of delays caused by the unavailability of the elevator.

13. Smoking, Eating & Drinking

Smoking inside the building is permitted in the tenant's unit ONLY. The tenant is responsible for the proper disposal of cigarettes. Smoking is forbidden at all times in all other indoor public areas. Smoking is permitted outside the building ONLY in the designated smoking area(s). No eating or drinking is permitted in the elevator, hallways, main lobby and other public areas, unless management designates a particular time and place.
ALCOHOLIC BEVERAGES ARE FORBIDDEN AT ALL TIMES IN ALL PUBLIC AREAS.

14. Exterminator Service

All Tenants must provide access for extermination at the designated times. Please see attached "Pest Control Rider" for additional information regarding extermination service.

Appendix: Moore Place Tenant Rules and Regulations

15. Apartment Cleanliness

Tenants must keep their apartments clean and free of odors and clutter. In accordance with North Carolina State Health Codes and City of Charlotte Fire Department Guidelines, Tenants must also keep their apartments free of any condition which may be dangerous or prejudicial to life or health. Management expressly reserves the right to inspect a Tenant's apartment for compliance with these requirements. Management further reserves the right to clean a tenant's apartment or discard clutter if the Tenant does not do so after sufficient warning. The costs of cleaning or discarding will be billed to the Tenant as additional rent. Any payments made by you will first be applied to the cleaning and discarding charges, after which the balance will be applied to the rent then due and owing.

16. Apartment Inspections

Landlord reserves the right to conduct random apartment inspections to ensure all apartments are well maintained. Inspections will check for, among other things, overall cleanliness, clutter and life safety issues. Notification will be given prior to inspections. This does not waive the right of the landlord to enter the apartment in an emergency situation as outlined in the lease.

17. Loitering

Tenants must not loiter or permit guest to loiter outside the building.

18. Business Use of Apartment

Residents shall not operate out of the apartment any business that involves client visits, including but not limited to music lessons, tutorials, the sale of goods, commodities or services or which burdens the building's facilities, staff or services.

19. Amendments

Owner may make any additional reasonable Rules & Regulations or amendments to these Rules & Regulations, which shall become part of the lease.

Tenant acknowledges: I have received a copy of these Rules & Regulations and that I will comply with these Rules & Regulations and any reasonable amendments made to these Rules & Regulations.

Dated: _____

Owner Representative's Signature

Tenant's Signature

Tenant's Signature

Appendix: Moore Place Tenant Rules and Regulations

STATEMENT OF GOOD FAITH

Moore Place takes great pride in its ability to provide all tenants with a wide variety of outstanding services, which includes, but is not limited to, general building maintenance, a laundry room, computer lab, and community activity spaces.

In order to uphold these advantages, it is extremely important that each tenant pays his Rent pursuant to the time period stipulated in the lease. If for any reason, you find that You are having difficulty in meeting your financial obligation to the Landlord, it is imperative that you immediately contact the Assistant Director for Operations.

The Assistant Director for Operations can be reached between the hours of 8:30 AM and 4:30 p.m., by calling extension 1269 or 980-224-9269.

By signing below, you affirm that you understand the contents of the "Statement of Good Faith."

Dated: _____

Owner Representative's Signature

Tenant's Signature

Tenant's Signature

Appendix: Moore Place Tenant Rules and Regulations

PEST CONTROL RIDER

Rider attached to and forming a part of Lease dated _____, between Urban Ministry Center as Owner, and Tenant for Apartment _____, in the building known as Moore Place, 2435 Lucena Street, Charlotte, NC 28206:

I authorize all exterminating technicians contracted by Urban Ministry Center, as Agent for Moore Place, to enter my apartment to perform pest control services in the event that I am not home on the date and time that service is to be rendered.

It is further understood that a representative from the Building Management will accompany any service technicians to my apartment in the event that I am not home on the date of service.

This acknowledgment shall remain in effect until such time it is canceled by the undersigned.

Acknowledged, Understood, and Agreed

Dated: _____

Owner Representative's Signature

Tenant's Signature

PROHIBITION ON DRUG ACTIVITY RIDER

Rider attached to and forming a part of Lease dated _____, between Urban Ministry Center as Owner, and Tenant for Apartment _____ in the building known as Moore Place, 2435 Lucena Street, Charlotte, NC 28206.

All tenants are on notice that this building's purpose is to serve a population that seeks a drug free environment to support its process of recovery. TENANTS ARE ADVISED THAT ANY VIOLATION OF THIS PROHIBITION ON DRUG ACTIVITY MAY RESULT IN THE TERMINATION OF THIS LEASE AND LEGAL PROCEEDINGS. This Rider does not limit the Owner's right to terminate the lease for other types of objectionable conduct or nuisance.

Acknowledged, Understood, and Agreed

Tenant's Signature

Date

Owner Representative's Signature

Date

Management Plan for Moore Place

ARTICLE 1 - THE PLAN DESCRIPTION

1.1 Property.

Moore Place Permanent Supportive Housing.

1.2 Location.

929 Moretz Avenue, Charlotte, North Carolina 28206.

1.3 Number of Dwelling Units.

Total	85
Public Housing Units	34
("Public Housing Units")	
Section 8 Project-Based Units.....	51
("Section 8 Project-Based Units")	

1.4 Definitions.

As used in this Management Plan:

"ACC" means the Consolidated Annual Contributions Contract between the Authority and HUD, dated August 13, 1999, as amended from time to time including specifically, as amended by the Mixed Finance Amendment to Consolidated Annual Contributions Contract Number 45 ("Mixed Finance ACC Amendment").

"Act" means the United States Housing Act of 1937, as amended from time to time, or any successor legislation.

"Authority" means Housing Authority of the City of Charlotte, N.C.

"Authority Fiscal Year" means the 12-month period ending March 31st.

"Development Fiscal Year" means the year ending June 30th.

"HAP Contract" means the Housing Assistance Payments Contract between the Authority and the Owner for the Section 8 Project-Based Units, as amended.

"Housing and Occupancy Plan" or "HOP" means the Authority's Housing Occupancy Plan in effect at the time the Management Agreement is entered into or such later amendment as the parties and HUD may agree to in the future.

"HUD" means the United States Department of Housing and Urban Development.

"Management Agreement" means the Property Management Agreement for Moore Place Apartments, of even date herewith, between Owner and the Authority.

Appendix: Moore Place Management Plan

“Operating Account” means the bank account to be established and maintained by Owner in accordance with the Management Agreement.

“Operating Subsidy” means the amounts payable by Authority for deposit in the Operating Account to supplement operating revenues from the Property, in accordance with the Management Agreement.

“Owner” means Charlotte Center for Urban Ministry, a North Carolina nonprofit corporation.

“Plan” means this Management Plan for Moore Place Apartments.

“Property” means the land, buildings and other improvements comprising Moore Place Apartments.

“Public Housing Units” means the units set aside as “PHA-Assisted Units” under the Regulatory and Operating Agreement.

“Regulatory and Operating Agreement” means the Regulatory and Operating Agreement entered into between Owner and Authority with respect to the Property.

“Section 8 Project-Based Unit” means the unit receiving assistance under the HUD Housing Choice Voucher program.

“Security Deposit Trust Account” means the bank account to be established and maintained in accordance with the Management Agreement.

1.5 Governing Documents.

Owner will manage the Property with direct, on-site supervision and staffing, subject to and in accordance with all applicable laws, rules, ordinances and regulations, including without limitation, the requirements of the following:

- a. The Management Agreement.
- b. The Regulatory and Operating Agreement.
- c. The ACC.
- d. The Act.
- e. The HAP Contract.
- f. Federal regulations applicable to public housing, including, but not limited to, the following regulations on the general subjects indicated:
 - 24 CFR Part 8 Nondiscrimination based on Handicap
 - 24 CFR Part 40 Accessibility Standards
 - 24 CFR Part 85 Administration (including Procurement)
 - 24 CFR Part 100 Discriminatory Conduct-Fair Housing Act
 - 24 CFR Part 107 Nondiscrimination
 - 24 CFR Part 135 Economic Opportunities
 - 24 CFR Part 901 Public Housing Management Assessment Program
 - 24 CFR Part 5.603 Definition of Income, Income Limits, etc.
 - 24 CFR Part 960 Admission to and Occupancy of Public Housing

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- 24 CFR Part 965 Establishing Utility Allowances
 - 24 CFR Part 966 Lease and Grievance Procedures
 - 24 CFR Part 990 Annual Contributions for Operating Subsidy
 - 24 CFR Part 1 Nondiscrimination
 - 24 CFR Part 9 Americans with Disabilities Act of 1990
- g. Federal statutes, in addition to the Act, applicable to public housing program and/ or the HUD Housing Choice Voucher program, including, but not limited to, the following:
- Title VI of the Civil Rights Act of 1964, (42 U.S.C. 2000d).
 - Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).
 - Americans with Disabilities Act (42 U.S.C. 12181-89).
 - Age Discrimination Act of 1975 (42 U.S.C. 6101-07).
 - Section 3 of the Housing and Urban Development Act of 1968 (12 U.S. 1701u).
 - Wage Rates under the Davis-Bacon Act (40 U.S.C. §276a et seq).
- h. Executive Orders, concerning equal employment opportunity and minority and women’s enterprises.
- Executive Order 11246
 - Executive Order 11625
 - Executive Order 12432
 - Executive Order 12138
- i. Office of Public and Indian Housing (PIH) Manuals.
- PIH Information Center User Manual for Development Business Partner
 - PIH Information Center User Manual for Form 50058 Users
- j. Authority’s Housing Occupancy Plan.
- k. Federal regulations applicable to Housing Choice Voucher program, including, but not limited to, the following rules and regulations:
- 24 CFR Part 983 Project-Based Voucher Program

1.6 Review and Modification.

This Plan shall be reviewed from time to time to maintain conformance with the applicable governmental requirements and to best serve the Property.

ARTICLE 2 - MANAGEMENT OF THE PROPERTY

2.1 Management Plan Goals.

- a. To provide a desirable and affordable place to live for an economically, racially and ethnically integrated resident population, without regard to race, religion, sex, color, creed, age, familial or marital status, handicap or disability status, sexual orientation or national or ethnic origin. Notwithstanding the above, management may give preference to certain applications as approved by the Authority.

Appendix: Moore Place Management Plan

- b. To house responsible residents and maximize occupancy and rent collection efforts.
- c. To provide effective and timely services to the residents while responsibly maintaining the property.
- d. To maintain effective working relationships with resident associations, organizations, where applicable, local government including the police department, other property owners in the surrounding area, lenders and investors.

2.2 Management Operations.

- a. This Plan is made and shall be performed in accordance with the governing documents set forth in Section 1.5. Some of these documents require that: (i) 34 dwelling units in the Property are to be set aside and operated as Public Housing Units, such set aside and operation in accordance with the Regulatory and Operating Agreement, (ii) and 51 dwelling units in the Property are to set aside as Section 8 Project-Based Units.
- b. Owner will continually review the Plan as necessary and advise the Authority of the required or desirable changes.
- c. This Plan will work towards a Housing First model to provide housing to the most vulnerable and chronically homeless in the community with priority given to those listed on Charlotte's Vulnerability Index Registry. Tenant selection plan, lease provisions, and house rules and regulations are attached which outline guidelines and expectations of tenants.

2.3 Operations of the Property.

- a. Owner will keep the Authority informed on the operation of the Property, by means of periodic budgets, financial statements, status reports and monthly meetings.
- b. [Intentionally Omitted].
- c. Owner will cooperate with Authority's requests to assure its compliance with the Public Housing Assessment System ("PHAS") and the Section Eight Management Assessment Program ("SEMAP"). Resident information and files regarding the dwelling units will remain at the site with access by the Authority during the Authority regular business hours and with reasonable notice. All files will be safeguarded to protect the confidentiality of all applicants and residents.
- d. Owner shall consider the misrepresentation of income or any other aspect of an applicant's or resident's application or other housing related documents, to be a serious lease and policy violation as well as a potential crime and shall take appropriate action if fraud is discovered. Specifically, with regard to the Public Housing Units:
 - 1. Any applicant that has misrepresented income or family status shall be declared ineligible for housing assistance and removed from the waiting list for the site.
 - 2. If an examination of a resident's file discloses that the resident made any misrepresentations (at the time of admission or during any previous reexamination) which resulted in the applicant/

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resident being classified eligible when, in fact, the applicant/resident was ineligible, the resident shall be required to vacate the apartment unit, even though the resident may be currently eligible.

3. Any applicant that has made misrepresentations of income, transfer or family status shall be subject to both eviction and being declared ineligible for future housing assistance.
4. If it is determined that the resident's misrepresentations resulted in paying a lower rent than should have been paid, the resident shall be required to pay the difference between rent owed and the amount that should have been paid.
5. Owner shall report apparent cases of applicant/resident fraud to the Authority or appropriate government agency. It is the policy of the Owner to cooperate with Federal, State, County or local authorities in prosecuting cases which, in the Owner's reasonable judgment, appear to be willful or deliberate misrepresentation.

2.4 Responsibilities of Owner.

- a. [Intentionally Omitted].
- b. Owner will staff the property in accordance with the highest standards and consistent with the Management Agreement and in compliance with the governing documents.
- c. Owner will maintain the Property in a decent, safe and sanitary condition at all times during the term of the Management Agreement. Maintenance items will include, but not be limited to, exterior and interior cleaning, painting, decorating, plumbing, electrical, mechanical, carpentry, and other normal maintenance and repair work necessary to maintain the property, the welfare of the residents or any other person.
- d. All maintenance requests from residents, or work orders initiated by management, will be recorded and will become part of the resident's property management file and a work order record system available for review. All requests shall be serviced in accordance with the Management Agreement.
- e. [Intentionally Omitted].
- f. Agent will maintain a list of prospective residents and will exercise diligent efforts to renew all leases to responsible residents and attempt at all times to keep the premises fully occupied. The selection of residents will be made in accordance with the Resident Selection and Admission criteria outlined in Section 8 of the Management Agreement and Section 2.6 of this Plan but with priority given to those individuals identified as vulnerable in Charlotte's Vulnerability Index Registry.

2.5 [Intentionally Omitted]

2.6 Resident Selection and Admissions.

- a. [Intentionally Omitted].
- b. Site-based Waiting List for Public Housing Units.

Authority will assist Owner in the development of a separate, site-based (sub-jurisdictional) waiting list policy governing admission to the Public Housing Units. Owner will comply with the provisions of any

Appendix: Moore Place Management Plan

such policy adopted by the Authority and approved by the Owner and HUD, and owner will implement. The Public Housing Units are not designated housing for occupancy by disabled families as authorized by Section 7 of the Act.

c. Resident Selection Plan.

Because of the Special Needs status of this target population, all potential residents must meet the McKinney Vento Act's definition of chronic homelessness and disabling condition. Only one person is permitted per unit. Owner will be targeting those individuals considered vulnerable per Charlotte's Vulnerability Index Registry.

Owner shall require an applicant to enter into lease addendums in addition to the standard lease and to consent to, but not limited to the following:

- 1) Lease addendum for drug-free housing;
 - 2) Participation in cleaning and up keep of common living areas in addition to the applicant's personal unit;
 - 3) Adherence to the Guidelines, Rules and Regulations for Community Living, a copy of which will be provided to each applicant;
 - 4) Pet Policy and
 - 5) Public Housing Lease Addendum.
3. Reasons for rejection of application by Owner.

To the extent permitted by all applicable rules and regulations, Owner may reject an application for the following reasons:

- a) If applicant or member of household is subject to a lifetime registration requirement under a State sex offender registration program;
- b) If the applicant, resident or any member of the resident's household has been convicted of manufacturing or producing methamphetamine on the premises of any federally-assisted housing (as that term is defined in 24 C.F.R. § 966.2), including convictions that occurred prior to that person's becoming a resident;
- c) Has a record of or an unresolved arrest record or conviction for murder, rape, attempted murder or attempted rape, armed robbery, child abuse or molestation, and/or violence (e.g., aggravated assault);
- d) Has been convicted, arrested and/or evicted from a unit assisted under any Federal housing program for drug-related or violent criminal activity during participation in the program; and
- e) Applicant does not meet eligibility or suitability criteria per the Tenant Selection Plan.

Appendix: Moore Place Management Plan

4. Mitigating Circumstances.

For the Section 8 Project-Based Units, such consideration will be given to the extent permitted by Housing Choice Voucher program rules and regulations. For the Public Housing Units, such consideration will be given to the extent permitted by applicable regulations, including, without limitation, 24 C.F.R. Part 960. In the event of the receipt of unfavorable information with respect to an applicant, consideration shall be given to the time, nature and extent of the applicant's conduct and to factors which might indicate a reasonable probability of favorable future conduct. For example: (1) Evidence of rehabilitation; (2) Evidence of the applicant's participation in or willingness to participate in social service or other appropriate counseling service programs and the availability of such programs.

5. Owner will promptly notify rejected applicants in writing. The notification to applicants to the Public Housing Units will indicate the reason for the rejection and the right to request an informal review with the Owner within ten (10) days from the date of notification. If the applicant requests an informal conference (which process is set forth below), Owner will give the applicant a final decision within seven (7) days of the meeting.

Owner shall keep on file all information related to rejected applicants and will provide information to the Authority upon request.

6. Procedure for an Informal Review.

- a) An applicant must make an oral or written request to Owner within ten (10) days from the date of adverse notice or decision.
- b) Owner will hold an informal review with the complaining applicant within thirty (30) calendar days from the date the request is received, and attempt to resolve the complaint.
- c) A decision on the informal hearing shall be prepared by Owner and mailed to the applicant or their legal representative within seven (7) calendar days after the informal review. The notice will include the a summary decision of the review, an explanation of the reasons for the decision, the amount owed if the decision involves money, and the date the decision goes into effect.

7. Owner will make diligent efforts to provide units or design accommodations (such as adding grab bars, etc.) for individuals with physical disabilities available to those individuals who require such units.
8. Resident transfers within the development or onsite will be accommodated in accordance with the On-Site Transfer Policy attached as Appendix B, attached hereto and incorporated herein.

2.7 Affirmative Marketing Efforts.

Owner will adopt a strategy for affirmatively marketing the Property in accordance with the HUD approved Affirmative Fair Housing Marketing Plan ("AFHMP"), including individuals in need of an accessible unit. Owner will obtain all required HUD approvals, and the Authority, at its discretion, may assist Owner in obtaining said approvals.

Appendix: Moore Place Management Plan

All outreach activity will be documented by Owner, and records will be maintained that provide racial, ethnic and gender data on all applicants and residents, consistent with the AFHMP.

2.8 Resident Orientation.

- a. Resident orientation will be conducted by Owner and begin during the application stage and continue throughout the initial move-in inspection of the dwelling unit. As residents are accepted for occupancy, Owner will conduct an orientation session with each resident. That meeting will include dialogue with the resident regarding its interest and expectations regarding community life on the property.
- b. The orientation program will cover both the resident's responsibilities and Owner's responsibilities relating to the lease, rules and regulations and Property policies, including lease termination and the on-site transfer policy. Hands-on instructions on the operation of appliances, fixtures and controls in a dwelling unit will be provided by the Owner when the joint move-in inspection of the dwelling unit is conducted. Resident will also be informed that the purpose of the move-in inspection is to record the condition of the unit prior to occupancy for comparison with a joint move-out inspection that occurs when a resident's lease is terminated for any reason.
- c. Owner agrees to coordinate its orientation program with the Authority in order to provide a unified process.

2.9 Rent Collection Policies and Procedures.

Owner shall comply with the rent collection policies set forth in the Management Agreement.

2.10 Lease Enforcement.

- a. Termination of Lease.
 1. Owner may lawfully terminate any tenancy when, in Owner's reasonable judgment, sufficient cause exists. Sufficient cause may include, but not be limited to, non-payment of rent and any other breach of the lease or applicable lease addenda. The criteria for termination of the lease are as follows:
 - a) Voluntary termination: The initial lease term is one (1) year. If a resident wishes to move voluntarily before the end of this lease term, he must give Owner 30 days written notice that he wishes to vacate the premises. The resident's lease may be terminated early upon mutual agreement between the resident and Owner.
 - b) Involuntary termination: (A) Non-renewal/Termination: The initial lease term is one (1) year. Owner reserves the right to terminate the lease in accordance with applicable law. Furthermore, Owner reserves the right to refuse to renew the lease at the end of the initial lease term. (B) Lease Violation/Eviction: If the resident violates the lease, any applicable lease addendum, or the rules and regulations of the Property, after proper notice to the resident, Owner may begin eviction proceedings in accordance with applicable law.
 - c) Owner will provide written notice of lease termination in accordance with the provisions of the applicable lease form and applicable law.

Appendix: Moore Place Management Plan

- d) No termination or eviction efforts shall be undertaken that are in violation of applicable HUD regulations, Federal, state or local law.
- b. [Intentionally Omitted].
- c. [Intentionally Omitted].
- d. [Intentionally Omitted].
- e. Owner will inspect all apartments at least once a year. The purpose of this inspection is to make sure that every unit is being maintained in a decent, safe, and sanitary condition. Annual unit inspections also provide Owner with an opportunity to identify unreported maintenance problems before they become serious. With respect to the Public Housing Units, such inspections shall comply with all the requirements of HUD's Uniform Physical Condition Standards as may be modified from time to time. With respect to the Section 8 Project-Based units, such inspections shall meet or exceed all housing quality standards ("HQS") established by HUD. Owner shall certify that service requests are issued for each defect identified during the annual inspections.

2.11 Rent Calculation.

Owner will calculate each public housing-assisted resident's rent in conformance with the Management Agreement. The total resident rent will be established by the Authority in accordance with rules and regulations applicable to Section 9 of the Act. Owner will calculate each Section 8 Project-Based Unit resident's rent in accordance with the applicable Housing Choice Voucher program rules and regulations, as amended.

2.12 Maintenance and Repair.

All maintenance and repair activities shall be conducted in accordance with the Management Agreement.

2.13 [Intentionally Omitted].

2.14 Operating Account.

The establishment and maintenance of the Operating Account will be governed by the terms of the Management Agreement.

2.15 [Intentionally Omitted].

2.16 Record and Reports.

Owner will prepare all records and reports as outlined in the Management Agreement.

Owner will keep a copy of each resident's application for admission to the Property in the resident's file. All occupancy and resident information collected must be retained for the appropriate time period set forth in HUD Handbook 2228.2 REV-2, General Records Schedule and as may be required by the Authority and Housing Choice Voucher program rules and regulations. This includes, without limitation, data on current applicants and residents, and applications from people who were never admitted. Owner will maintain records of Public Housing

Appendix: Moore Place Management Plan

Units offered to every applicant, including date and circumstances of each offer and each rejection or acceptance in accordance with the General Records Schedules.

ARTICLE 3 - RESIDENT AND MANAGEMENT RELATIONSHIPS

3.1 The Role of Residents in Management Operations.

- a. Resident participation in management operations can be used as an effective tool for Owner. As indicated in the Management Agreement, where possible, residents will be considered for permanent positions as part of the site personnel.
- b. Owner will encourage participation in resident orientation. It is very important that new residents feel welcomed to the community. Moving one's home can be extremely stressful and it is Owner's goal to reduce this anxiety through the assistance of other residents in the process. Existing residents can best describe the surrounding services and the operation of the apartments and as such, resident participation in the development and implementation of the orientation program will be sought by Owner.

3.2 Grievance Procedures.

Owner shall strictly enforce compliance with the lease and rules and regulations at the Property. It is important for residents in all units to have an outlet by which they can defend their position in the enforcement. The Authority's Resident Grievance Policy and Procedures set forth in the Authority's Housing Occupancy Plan will apply to all units.

3.3 Social Services Program.

Owner will provide on-site case management and supportive services to residents. Owner will also work with existing social service agencies and maintain a list of resources that address the varying needs of the residents of the Property. Where feasible, Owner will enlist the support of resident and community organizations to serve the needs of residents.

3.4 Residential Safety Program.

- a. Owner understands the difficult balance of providing an environment that can maximize resident and local government involvement in steps to best promote safety for all who come on the property. Owner will rigorously promote this involvement while meeting its own obligation to thoroughly screen applicants and enforce lease compliance.
- b. Owner will continue to enlist the residents and the local police department in devising and implementing security initiatives that may include hiring private security or providing incentives for police officers to reside on the property, subject to the Property's income restrictions.
- c. Owner will maintain a Fire and Disaster Plan. Owner will recruit, train and supervise resident leaders and staff in the Emergency Evacuation Plan.

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- d. Owner will maintain a system for reporting any incident or unusual occurrence that is not consistent with the routine operation of the Property or Support Services (as set forth in Section 3.6). All unusual incidents will be reported to the Board of Directors of Owner. Owner will review the plan for addressing serious incidents on an annual basis.

3.5 [Intentionally Omitted].

3.6 Support Services.

Each resident of the Property has the right to on-site supportive services and will be offered such services at all times. The intensity and/or need for on-going supportive services will be assessed on a tenant-by-tenant basis.

The on-site Support Services Case Managers will be responsible for the development of an residential service plan ("RSP") for each resident. A RSP will be based upon the assessment of the resident's condition, assets and needs, and resources to meet these needs, and shall be developed in partnership with the resident. The RSP will include the responsible person/position and resident-specific measurable goal(s). The RSP will address the goals and objectives of the resident and reflects that individual's consent. Goals and objectives will be expressed in the words of the resident and will be reflective of his informed choice. All goals and objectives will be based on the resident's strengths, abilities, needs and preferences. The RSP will be appropriate to the resident's age, development and culture and be responsive to the resident's disabilities or disorders, when necessary. A specific focus of the RSP is the integration of the resident into the community, the family, and appropriate support systems. This will include a target date for goals planned. Communication of the RSP with the resident will be done in a manner that is understandable to the resident. The RSP shall include the resident or legally responsible party signature demonstrating their consent or agreement to the RSP or a written statement by the provider stating why the consent could not be obtained. For each objective, the responsible person and their position will be noted.

Responsibility for the development and implementation of the RSP shall be provided by the Operator Team.

3.7 Resident Rights and Responsibilities.

It is the policy of Owner to assure basic human rights to all residents. These rights include the right to dignity, privacy, humane care and freedom from mental and physical abuse, neglect and exploitation. Each resident has the right to live as normally as possible while complying with the lease, addenda, and the community guidelines, rules and regulations. Services shall be provided in the most appropriate and effective positive modality. Case management services are available on-site to residents but not a requirement to reside at the Property. The National Association of Social Workers Code of Ethics will guide decisions and practices of Owner with regard to support services in the operation of the Property, subject to the governing documents in Section 1.5 and all applicable Federal, state or local laws.

3.8 Pet Policy.

Moore Place will adhere to the Pet Policy as included in the CHA HOP (and any future revisions).

APPENDIX A

ELIGIBILITY REQUIREMENTS

Residents who are admitted into the Project must be individually determined eligible and suitable. In order to meet the eligibility determinations, an applicant must meet the following criteria:

1. Applicant income must be at or below 30 % of the area median income at initial occupancy.
2. [Intentionally Omitted].
3. Official documentation that applicant is a United States Citizen, or a non-citizen who has eligible immigration status in one of the following categories:
 - a. Lawfully admitted for permanent residence as an immigrant, including special agricultural workers;
 - b. Entered the United States before January 1, 1972 and has maintained continuous residence thereafter, and who is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General of the United States;
 - c. Lawfully present in the United States pursuant to the granting of asylum (refugee status);
 - d. Lawfully present in the United States as a result of an exercise of discretion by the Attorney General for emergent reasons or reasons deemed strictly in the public interest (parole status);
 - e. Lawfully present in the United States as a result of the Attorney General of the United States withholding of deportation (threat to life or freedom);
 - f. Lawfully admitted for temporary or permanent residence (amnesty granted under Immigration and Naturalization Action Section 245A).
4. A background criminal check will be conducted on all applicants.
5. Any applicant who has committed fraud or any person who knowingly or intentionally aids or abets any other person in obtaining or attempting to obtain or in establishing or attempting to establish eligibility for, any public housing, or other subsidized program by the use of fraud or other fraudulent scheme or device is not eligible for public housing admission.
6. Owner reserves the right to require applicant status checks, changes to applications regarding income and family circumstances, etc, to be done in person or by mail.
7. Applicants determined ineligible will be promptly notified of their status, and upon request and within ten (10) working days after such determination, will be provided an opportunity for a hearing with Owner.
8. All applicants must be disabled, as defined by Section 103 of the McKinney Act (42 U.S.C. 11302). Applicants must provide documentation of a disability from a licensed professional. Applicants are not required to be a recipient of federal disability assistance to qualify as disabled.

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11. Fifty-five (51) of the Public Housing Units must be occupied by men or women who are homeless at the time of application to the Property. The term “homeless” shall be used as defined by Section 103 of the McKinney Act (42 U.S.C. 11302) which includes living in a shelter or transitional housing (for homeless men who originally came from the streets or emergency shelters) or in the process of an eviction from housing.

APPENDIX B

ON-SITE TRANSFER POLICY

There will be instances during property operations when residents need to be transferred from one unit to another within the Property. In some cases, these transfers will be at the discretion of Owner and in other cases, they will fall under the convenience or requirements of the resident. Those at the request of the resident should be treated as a move-out and a move-in into the new unit.

Policy and Procedures

1. Policy for Transfer

- a. Transfers Requested by Residents.
Owner reserves the right to approve or deny transfer requests by a resident based on existing market conditions, such as occupancy level and marketability of unit based on time of year and unit availability. Transfer will be approved or disapproved by management within 30 days of a resident request.
2. In general, transfer requests will be approved under the following standards:
 - a. Verified medical reasons such as inability to climb stairs; or
 - b. Verifiable permanent disability, not present at move-in, requiring special features which cannot be provided through reasonable accommodations;
3. Under these standards, a resident must meet all obligations under the Lease including:
 - a. No outstanding charges for rent or additional rent;
 - b. No chronic rent delinquency (more than one late payment in a four-month period); and
 - c. No insufficient funds charges for the preceding six months.
 - d. No defaults under the Lease and all applicable lease addenda for the preceding six months.
4. If these standards and obligations are met, a transfer may be approved under terms specified by Owner.

Appendix: HACA Renter Suitability, Credit History & Other Background Checks

Renter Suitability, Credit History & Other Background Checks

In order to determine the suitability of applicants, HACA will examine applicant history as it relates to meeting financial obligations, utilities and a general background check for the past four years. Such background checks will include:

Financial Obligations

HACA will review information from other PHAs and landlords of other federally subsidized housing programs, gathering information on evictions for non-payment of rent and for debts owed to the PHA or landlord. HACA will get Austin Energy confirmation that the applicant can get utilities turned on in his/her name.

If an applicant has no rental payment history, HACA will check court records of eviction actions and other financial judgments and credit reports. A lack of credit history will not disqualify someone from becoming a public housing resident.

If previous landlords or Austin Energy do not respond to requests from HACA, the applicant may provide other documentation that demonstrates their ability to meet financial obligations (e.g. rent receipts, cancelled checks, etc.)

HACA will deny admission for the following:

- HACA shall prohibit admission to the public housing program of an applicant for five years from the date of eviction or termination if a household or family member has been evicted or terminated from federally assisted housing for drug-related criminal activity.
- An applicant is deemed preliminarily ineligible and shall be rejected and not placed on the HACA waiting list if they were the head of household, spouse or co-head at the time of past residency at HACA and owes a move-out balance or debt to HACA which is not barred by a statute of limitations. There is a four-year statute of limitation, which ends the latter of:
 - Four years from the date the debt became delinquent, or
 - Four years from the date the final payment would have been due if a repayment agreement was signed by the former tenant.
- An applicant is deemed preliminarily ineligible and shall be rejected and not placed on the HACA waiting list if they were terminated or evicted for any reason other than drug-related activity from a federally assisted housing program within a two-year period from date of new application. Abandonment of unit in the housing choice voucher program is considered a termination; abandonment of unit in the conventional public housing program is considered an eviction. This restriction applies only to the former head of household and/or spouse or co-head.
- HACA shall prohibit admission to the public housing program if an applicant has been evicted for non-payment of rent at a federally subsidized housing program within the past two years.
- HACA shall prohibit admission to the public housing program if an applicant has a pattern of disturbance of neighbors, destruction of property or living or housekeeping habits at prior residences within the past two years which may adversely affect the health, safety or welfare of other tenants.

Appendix: HACA Renter Suitability, Credit History & Other Background Checks

- HACA shall prohibit admission to the public housing program if an applicant has a pattern of eviction from housing or termination from residential programs within the past five years (considering relevant circumstances). Abandonment of a unit in public housing is considered an eviction. This restriction only applies to the head of household and/or the cohead of household. If the head or cohead owes rent or other amounts to any other PHA or owner in connection with any federally subsidized housing program. Any amounts owed to HACA or other federally subsidized property will have to be repaid by the applicant before Admissions approval. HACA will not deny admissions if the head or cohead is moving from the HACA Public Housing program to the HACA Section 8 program (or vice versa) and is in compliance with their HACA repayment agreement.

HACA complies with all Fair Housing laws. Applicants have the right to request a Reasonable Accommodation. HACA will consider all Reasonable Accommodation requests under the Fair Housing Act and Section 504 of the American Disabilities Act. Information related to the Fair Housing Act, Section 504 and Requests for Reasonable Accommodation will be included in the denial letters.

If the basis for the denial relates to family violence, the applicant may qualify for an exception under the VAWA Amendments. Information related to VAWA will be included in the denial letters.

HACA Criminal Background Check Policy

HACA will deny Admission for the following:

1. If any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine in any location, not just federally assisted housing, and the family will be denied admission.
2. If any household member is currently registered as a sex offender under any State registration requirement, regardless of whether it is for lifetime or not, the family will be denied admission.
3. If any household member has engaged in or attempted any of the following criminal activities regardless of the date committed the family will be denied admission:
 - capital murder murder/manslaughter kidnapping
 - child molestation
 - rape or crimes of a sexual nature incest
 - gross lewdness arson
4. If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past four years, the family will be denied admission:
 - a. Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution or use of a drug or the possession of a drug with intent to manufacture, sell distribute or use the drug [24 CFR 5.100].

Appendix: HACA Renter Suitability, Credit History & Other Background Checks

- b. Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].
 - c. Illegal possession/discharge/display/carrying of firearm or illegal weapon/ deadly weapon.
 - d. Assault, aggravated assault, assault by threat, stalking.
 - e. Physical violence to persons or property, or criminal activity that has as one of its elements the use, attempted use or threatened use of physical force against the person or property of another.
 - f. Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or
 - g. Criminal activity that may threaten the health or safety of property owners, management staff, HACA staff, persons performing contract administration functions or other responsibilities on behalf of HACA including contractors, subcontracts or agents.
 - h. Three or more arrests or convictions of alcohol-related criminal activity, including Driving under the Influence and Public Intoxication.
 - i. Burglary of a habitation.
5. If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past three years, the family will be denied admission:
- a. A pattern of abuse of alcohol, including, but not limited to, public intoxication and driving while intoxicated.
 - b. A pattern of fraud committed against a governmental entity.
 - c. A pattern of theft or fraud.
 - d. A pattern of organized criminal activity.
 - e. A pattern of prostitution.
 - f. A pattern (for the purposes listed above) consists of three or more incidences, with at least one occurring within the past 3 years.

HACA's Standards for Making These Determinations:

1. HACA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Appendix: HACA Renter Suitability, Credit History & Other Background Checks

2. Evidence of such criminal activity includes, but is not limited to, any record of convictions, arrests or evictions for suspected drug-related or violent criminal activity of household members. A conviction for such activity will be given more weight than an arrest or an eviction.
3. HACA requires all applicant household and family members 17 years of age or older to submit a current criminal history report processed by the Texas Department of Public Safety (DPS). The criminal history report must be no more than 60 days old at the time of the scheduled initial Admissions interview date. This DPS report requires a fingerprint card and encompasses a statewide criminal history search.

If the applicant and/or household member 17 years of age or older or the live-in aide applicant has not resided in the state of Texas for the most recent 2 years from the date of application, HACA will require a FBI criminal history report that includes information from the National Crime Information Center (NCIC), in addition to reviewing the Texas DPS report.

4. An online National Sex Offender check covering sex offender registries in all states is performed for all adults.
5. HACA will consider the following factors prior to making its decision:
 - The seriousness of the case, especially with respect to how it would affect other residents.
 - The effects that denial of assistance may have on other members of the family who were not involved in the action.
 - The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or (as discussed further in section 3-III.G) a victim of domestic violence, dating violence, or stalking.
 - The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future.
 - Evidence of the applicant family's participation in social service or other appropriate counseling service programs.
 - In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully.
 - HACA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.
 - If previously incarcerated, the length of time the culpable family member has been released into society.

Appendix: HACA Renter Suitability, Credit History & Other Background Checks

HACA provides an Appeals process to those who have been denied.

1. If a denial is warranted, a written notice of denial will be mailed, which will provide the detailed summary of the criminal history that caused the reason for the proposed denial.
 - Additionally, the denial notice will advise the applicant of the right to request an informal hearing to dispute the accuracy of the data and the basis for the denial.
 - The request must be made in writing within 15 calendar days of the date of the denial notice.
 - If the family fails to request an informal hearing within 15 calendar days of the date of the official denial letter, the denial shall become final.

2. If the basis for the denial relates to family violence, the applicant may qualify for an exception under the VAWA Amendments. Information related to VAWA will be included in the denial letters.

HACA acknowledges that a victim of domestic violence, dating violence or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to an apartment, a prior arrest record) that would warrant denial under HACA's policies. Therefore, if HACA makes a determination to deny admission to an applicant family, HACA will include in its notice of denial information about the protection against denial provided by VAWA and will request that an applicant wishing to claim this protection notify HACA within 14 business days from the date of receipt from HACA of the notice of denial. HACA may extend the 14 business day period upon request from the individual.

3. If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, HACA will determine whether the behavior is related to the disability. If so, upon the family's request, HACA will determine whether admitting the family as a reasonable accommodation is appropriate. HACA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance.
4. As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit, stay as a guest, or reside in the assisted unit.

After admission to the program, the family must present evidence of the former family member's current address upon HACA's request.

HousingWorks Austin is an affordable housing advocacy organization that aims to increase the supply of affordable housing in Austin by providing research, education, advocacy and thoughtful, workable affordable housing policy recommendations.

For more information, visit HousingWorks' website:

<http://housingworksAustin.org/>

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