

Special Needs Housing Action Team

Final Report

June, 2007

Letter of Transmittal

June, 2007

The Hon. Tom Barrett
Mayor, City of Milwaukee

The Hon. Scott Walker
Milwaukee County Executive

Dear Mayor Barrett and County Executive Walker:

We the members of the Special Needs Housing Action Team have completed the assignments you have given us and submit herewith a report of our findings and recommendations for your review and implementation.

We thank you for demonstrating the leadership and vision that brought the members of this Team together to address one of this community's most pressing issues: the need to develop safe, decent and affordable supported housing for persons with mental illness. We believe that the findings discussed in this report and the recommendations we have made will result in better housing choices, better care, and ultimately a better quality of life for these individuals.

We are honored to have been asked to be a part of this important initiative, and we offer our assistance to you and your staffs in ensuring that these recommendations are implemented. Thank you again for allowing us to be of service in addressing this critical community need.

Respectfully Submitted,

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Executive Summary

The Special Needs Housing Action Team appointed by Mayor Tom Barrett and County Executive Scott Walker examined a broad range of issues that underlie the documented shortage of appropriate housing options for persons with mental illness in Milwaukee County. This evaluation led the Action Team to formulate recommendations designed to improve inter-governmental cooperation and broaden the sources of financial support for supportive housing development. For the last 30 years, public policy has mandated the deinstitutionalization of persons with mental illness. The Action Team believes that in order to address the unmet needs that have resulted, all levels of government must coordinate their policies, priorities and resources to provide adequate housing and services in the community.

It is clear from our research that supportive housing models that incorporate services necessary to support stability and recovery provide an exciting alternative to the far less adequate residential choices available to many persons with mental illness. This approach also may require an upfront investment of resources that may be more costly at first, but that ultimately should produce better and more cost-effective results than our current system. This approach also may offer lessons to guide improvements in existing housing that serves persons with mental illness.

Because of the work of the Continuum of Care, the presence of private developers new to Milwaukee who specialize in supportive housing, and the commitment of both City and County government to invest in quality housing for persons with mental illness, we are beginning to see significant progress in efforts to implement supportive housing models here. Those efforts will expand to meet the need only when State and federal governments also increase their commitment to provide adequate funding for both housing development, operation and service delivery.

Introduction

Throughout 2006, a series of articles in the *Milwaukee Journal Sentinel* focused attention on the lack of safe, decent and affordable housing in Milwaukee County for poor persons suffering from mental illness. The series highlighted a lack of coordination among various agencies in meeting the housing needs of vulnerable citizens. It also criticized local efforts to maximize housing funding from federal sources.

In response to these stories, Mayor Tom Barrett and County Executive Scott Walker convened a meeting of top city and county officials, officials from the U.S. Department of Housing and Urban Development (HUD), and representatives from the Milwaukee foundation community to determine what we might collectively do as a community to address this critical issue. One of the outcomes of that meeting was an agreement to form an inter-agency special needs housing Action Team. The Action Team was charged with the responsibility of completing four tasks:

1. Support the Milwaukee Continuum of Care (CoC) in its efforts to maximize the amount of HUD funding coming to Milwaukee County for housing development projects that serve homeless and special needs populations.
2. Assess the local affordable special needs housing infrastructure, identify the biggest gaps in that infrastructure, define the highest priority need, and develop a vision and roadmap for creating a sufficient supply of safe, decent and affordable housing for Milwaukee County's most vulnerable residents.
3. Develop practical strategies to help housing developers assemble the elements needed for successful special needs housing: sites, financing, and services that support residents.
4. Identify and establish strategies to secure the diverse range of fiscal resources that will be necessary for the continued development and support of affordable housing for persons

suffering from mental illness and/or substance abuse, including non-governmental sources of funding from foundations, corporate donors, etc.

Mayor Barrett and County Executive Walker invited representatives of government, local foundations, social service providers, mental health professionals, housing developers, advocacy groups and mental health consumers to join the team. City and county staff supported the group. A complete list of members and staff is found in Appendix I at the end of this report.

The Special Needs Housing Action Team held its first meeting on December 5, 2006 and met regularly for the first half of 2007. The group heard presentations from individuals representing a variety of perspectives regarding special needs housing development. Presenters included the U.S. Department of Housing and Urban Development (HUD); the Wisconsin Housing and Economic Development Authority (WHEDA); the Milwaukee Continuum of Care (CoC); the Milwaukee County Behavioral Health Division (BHD); the Milwaukee Department of City Development (DCD); agencies that provide services to people with mental illnesses; supportive housing developers; supportive housing operators; and consumers of mental health services who live in or are in need of supportive housing.

This report addresses the four tasks of the Action Team in the order given above. The recommendations are outlined in the “Recommendations” section following the discussion of the tasks.

A Word About “Special Needs” Housing...

Throughout the Action Team’s discussions, several members frequently expressed the view that the Action Team’s charge and focus on “special needs” housing is too narrow, and that this narrow focus has two negative impacts: 1) It obscures the important larger reality that the lack of decent, safe and affordable housing is a function of poverty in the community, not mental illness; and 2) It implies embracing a “segregated” approach to addressing the housing needs of

people with mental illness, suggesting that housing for this population can or should be physically isolated from housing in the community at large.

The Action Team wishes to state that it fully acknowledges the accuracy and legitimacy of these concerns. However, the Action Team believes that this cannot and should not prevent it from addressing the specific needs of this population, since it is equally clear that mental illness often makes it even more difficult to obtain affordable permanent housing. The duty to address the adverse effects of poverty in the community and society at large are well beyond its scope and capacity. In limiting its scope, however, the Action Team wishes to make it clear that it strongly supports approaches that integrate housing options for people with mental illness into other housing in the community.

The Action Team has used the term “special needs housing” to mean housing for people with mental illnesses (such as those served by BHD), and/or housing for people who are homeless (such as those assisted by programs supported by grants made to the Continuum of Care). Individuals living in special needs housing may require varying levels of on-site support, ranging from periodic visits by case managers to 24-hour presence of property managers and clinicians at the facility. This report uses that definition for the term "special needs housing."

Task 1: *Support the Milwaukee Continuum of Care*

The Milwaukee Continuum of Care (CoC) is an unincorporated coalition comprised of representatives of government, non-profit organizations, funding sources, advocacy groups, consumers, and other interest groups. The CoC is designated by HUD as the entity responsible for coordinating the homeless services system in Milwaukee, specifically for planning and coordination pursuant to the completion of the community’s annual response to the HUD Notice of Funding Availability (NOFA) for the Supported Housing Program.

As noted above, one of the primary charges given to the Special Needs Housing Action Team by County Executive Walker and Mayor Barrett was to develop strategies to assist the

Continuum of Care in its efforts to maximize the receipt of Federal homeless assistance dollars in Milwaukee County. The Action Team is pleased to note that significant progress already has been made toward that goal. The CoC developed several internal improvements in preparation for the 2006 and 2007 NOFA applications, and it has also worked closely with the City, County and Action Team to coordinate efforts to assist viable development projects and to better understand and strategically respond to HUD requirements and policy directives. Because significant improvements already have been made, there is now a limited need to propose new strategies. However, a key recommendation regarding appropriate administrative funding for the CoC is contained in the “Recommendations” section of this report.

To fully appreciate the progress that has been made by the CoC, it is important to understand the HUD application process and its components. The annual CoC application for HUD Supportive Housing and Shelter + Care funding has two components: 1) an Exhibit 1, which is a detailed description of the CoC’s membership, activities, performance, and proposed project; and 2) an Exhibit 2, which is a funding proposal for each project in that year’s CoC portfolio.

The success of the Milwaukee package depends upon the points awarded to Exhibit 1. In other words, if Exhibit 1 fails to score sufficient points, the entire package will fall below a threshold established by HUD for fully funding proposals submitted in that year. In 2005, the Milwaukee Continuum scored 80.5 points on a 100-point scale, placing the Continuum 1.5 points below the HUD cut-off score of 82.0 points. The scoring deficiency was the result of several factors, including low housing emphasis (i.e., the percentage of funds requested devoted to housing costs vs. the provision of supportive services); insufficient leveraging of additional resources; and the lack of a new permanent housing project. As a result of the low score, Milwaukee projects that had generally requested two- or three-year funding were only awarded funds for one year, and no new projects were funded. The CoC received an award of \$4,623,629 in 2005.

Several changes were implemented in the 2006 application to improve scoring, including more aggressive management of the Continuum’s portfolio of projects to increase housing emphasis, improved compliance with information system requirements, and the inclusion of a large

new permanent housing project for chronically homeless individuals. The 2006 CoC application fared significantly better than 2005, receiving an award of funding totaling \$10,486,582.

In the interest of securing the most viable permanent housing projects possible, the CoC issued a request for letters of interest in late 2006 and conducted a permanent housing application and review process shortly thereafter. By moving the Continuum's selection process up several months, the prospective housing projects were able to leverage the Continuum's commitment in their applications for Low Income Housing Tax Credits and other resources. This process was modeled on the Continuum's customary proposal application and peer review process and will be utilized in the 2007 cycle with refinements as appropriate to meet the timelines of other critical funding sources.

The Continuum's 2007 application will include 34 distinct project proposals. Aggressive management of the project portfolio continues, but the CoC has also set higher performance standards for projects being considered for renewal in this cycle. The Continuum also has selected two new permanent housing projects, which will be ranked #1 and #2 on the priority list. The first of these projects will receive the Samaritan Housing Bonus of \$950,000.

Another important improvement in 2007 was Milwaukee County's provision of funding support that enabled the CoC to secure a full-time coordinator. Supplementing the administrative coordination provided by Community Advocates and technical support provided by an outside consultant, this position will greatly enhance the Continuum's overall operation and effectiveness. Also this year, Continuum members have improved performance on key HUD indicators, successfully managed the transition of resources from ANET to a permanent housing project, transferred a permanent housing project from a nonprofit that dissolved to another Continuum organization, achieved 100% information system compliance, and addressed critical issues in transitional housing outcomes, employment programming, and access to mainstream resources.

Task 2: *Assess the special needs housing infrastructure*

Assessing the need for supportive housing and determining the community's ability to meet those needs are not simple tasks. The *Milwaukee Journal Sentinel* housing series noted that hundreds of people with mental illness are living in squalor in the community. There is no doubt that statement is true, but in order to address this problem, it is also necessary to understand the severity of mental illness experienced by individuals who are living in substandard housing, what (if any) treatment programs they are accessing, whether they agree that their current housing situation needs to be improved, and whether their individual circumstances make them eligible for the type of supportive housing that the Action Team and others believe must be developed in this community.

The Action Team acknowledges that significant additional work needs to be done in order to comprehensively assess the need for additional housing units in Greater Milwaukee to serve persons with mental illness. However, information on housing needs does exist for two specific populations of individuals: persons who are participants in BHD's Community Support Program (CSP) and Targeted Case Management (TCM) program, and persons who are homeless.

In an attempt to begin quantifying the need for housing for people with mental illnesses, BHD's Service Access to Independent Living (SAIL) staff conducted a survey of all case managers in the CSP and TCM programs between August 22, 2006, and September 28, 2006. The survey objective was to obtain a "snapshot" of the housing circumstances and housing needs of all the clients of these programs at a given point in time.

Each case manager was asked to complete an Internet-based survey for each of the clients assigned to her or him at the time of the survey. An identifying medical record number was included on the survey, which allowed BHD to follow up with contracted agencies with regard to enrolled clients for whom surveys had not yet been submitted. There were a total of 2,474 enrollments in the two community-based programs on the date the survey was launched; by the end of the survey, 2,463 unique client surveys had been submitted.

The analysis of the survey results disclosed 14 clients (0.6%) living “on the street or in shelters.” Another 66 clients (2.7%) lived in housing which, in the case manager’s assessment, met the HUD definition of “substandard.” Combining these two, therefore, a total of 80 mental health consumers (3.3%) enrolled in BHD’s TCM and CSP programs had substandard housing by HUD criteria in September 2006.

Staff were concerned that even the broad HUD definition of substandard housing might not capture the whole story, so the survey also asked case managers to assess whether the consumer’s present housing environment promoted the consumer’s mental health recovery, *regardless of whether the housing was substandard or not*. Including all those who were homeless or in substandard housing, a total of 404 clients (16.7%) were considered by their case managers to be living in environments that *did not* promote their mental health recovery. That is, there were 324 clients who were not in substandard housing but who were not in environments conducive to recovery.

This survey did not address housing concerns for consumers involved in outpatient treatment with Milwaukee County BHD. There are approximately 3,600 consumers in this level of care. Consumers who participate in outpatient treatment are predominantly low income individuals without insurance and whose illnesses are not as severe as those involved in targeted case management or community support programs. BHD has contracted with the Planning Council to find more specific data on what the housing needs are for all consumers involved in the BHD mental health system. This effort is already underway and will be finalized in 2007.

In terms of housing infrastructure for persons with mental illness who are enrolled in BHD programs, BHD has existing contracts to provide a continuum of housing options to those consumers. There are currently 130 Community-Based Residential Facility (CBRF) beds available for consumers requiring a highly structured level of care. There are also 42 supported apartment beds that can provide shared apartment units to consumers with some on-site support, and the county also operates a 7-bed Transitional Housing Program at West Samaria.

HUD-funded units are also available: 23 transitional housing beds through the Safe Haven program that provides safe and affordable housing to homeless individuals with disabilities in a supported setting; and 309 subsidized permanent apartment units under the Shelter + Care program for consumers who meet the HUD definition of homelessness and who are involved in long-term case management. The Shelter + Care HUD-funded units used by BHD consumers are a part of a larger Continuum of Care network of permanent housing units that total 653, as stated in the 2006 HUD application.

The CoC, for its part, is also required to assess the need for housing in the community as part of its annual application process. According to the CoC's 2006 application, there was/is an unmet need of 387 units of permanent housing in Milwaukee for individuals who are considered homeless using HUD criteria. It is unclear how many of those individuals have been diagnosed with mental illness and/or are participants in BHD programs.

There are also many housing providers in the community who do not have a formal contractual relationship with Milwaukee County, but who nevertheless provide safe, clean and affordable housing to people with mental illnesses, both those receiving case management or other services from BHD, as well as those who are not and do not wish to be served by BHD. Consumers rent apartment units directly from many private landlords, room-and-board and rooming-house operators. They live in duplexes, triplexes and single-family homes. The Housing Authority of the City of Milwaukee (HACM) states that it provides permanent housing to almost 400 individuals with mental illness. BHD relies on all of these forms of housing to meet the various housing needs of its consumers, and the vast majority live safely and successfully in them.

Compounding the difficulties in assessing the level of need in the community is the fact that for a variety of reasons, many persons with mental illnesses and substance abuse issues are not and never have been connected with the public mental health treatment system in Milwaukee County. In order to serve their housing and treatment needs, individuals must either voluntarily

seek services from BHD or be brought to BHD's crisis service involuntarily under an emergency detention. Until one or the other of these contacts occurs, an accurate and complete assessment of the housing needs of these individuals will be difficult to obtain, and serving their needs through the mental health system will be impossible.

The following summarizes recent efforts to assess the housing needs of persons with mental illness:

- **2,463** persons with mental illness enrolled in BHD's Community Support Program and Targeted Case Management Program in September 2006 were assessed regarding their housing conditions at that time.
 - 14 (0.6%) were living on the street or in shelters
 - 66 (2.7%) lived in substandard housing as defined by HUD
 - 324 (13.1%) lived in housing environments not conducive to recovery
- **387** people were identified by the Milwaukee Continuum of Care as homeless under HUD's homeless definition, and in need of housing with service coordination.
- **3,600** individuals receiving Milwaukee County Outpatient Treatment, whose treatment needs were considered less severe, were not included in the September 2006 housing assessment, but are predominantly low-income and may also be in need of supportive housing.

The following summarizes infrastructure known to be available to meet this need. This summary does not include housing providers who do not have a formal contractual relationship with public sector entities but who nevertheless provide housing to persons with mental illnesses.

- **130** beds under BHD contract in Community-Based Residential Facilities
- **42** supported apartment beds funded by BHD

- 7 transitional housing beds funded by BHD in West Samaria
- 23 Safe Haven beds funded by HUD
- 309 Shelter + Care beds funded by HUD
- 400 units of housing provided to persons with mental illness by HACM

Task 3: *Elements of successful special needs housing, and development challenges*

According to the Continuum of Care 2006 Housing Inventory, there are nearly 700 units of existing permanent supportive housing in the Milwaukee. They have been developed by a variety of organizations and partnerships, and receive operating support from both public and private sources. Testimony to the Action Team, and multiple studies of special needs housing nationally, identify several common elements that create a successful independent living environment for individuals who have mental illness or who are homeless. These elements are:

- Housing must be **affordable**. Mental health problems can severely restrict earning potential, and most residents of special needs housing are poor. Mercy Housing, the largest supportive housing provider in the Midwest, told the Action Team that its average resident income is less than \$9,000/year. Rents must be extremely low to make supportive housing available to those who need it most.
- Housing must provide **safety and comfort**. This requires high-quality physical facilities and top-notch property management. A report entitled “Transforming Housing for People with Psychiatric Disabilities Report” and published in 2007 by the U.S. Department of Health and Human Services, notes that “...poor housing is correlated with poor community adjustment outcomes.... Greater choice in housing is also positively correlated with happiness and life satisfaction ratings and, ultimately, with community success.” According to the Milwaukee Mental Health Task Force, “Failure to attend to this issue diminishes the promise of integration for persons with psychiatric disabilities and undermines the goal of recovery.”

- Housing must include elements that tenants can utilize as a springboard to increase their **levels of independence**. Some supportive housing providers provide job training, literacy tutoring, and tenant employment programs. Others encourage resident councils and involvement in local block watch organizations. Housing that mixes several populations was viewed as most likely to foster independence.

- Housing must provide **support services** that are accessible, flexible and target residential stability. The Action Team heard testimony from a number of consumers who discussed the importance of case management, opportunities for social interaction, and peer mentoring relationships. Mary Neubauer, a certified peer support specialist who has battled mental illness and experienced several periods of homelessness, called for “places where people can succeed.”

- Fundamental to the success of special needs housing is the presence of **site-based case management**, especially where large numbers of individuals with mental illnesses are living. In recent years, the term “supportive housing” has been used to describe residential buildings in which case management services are available on site to residents who choose to take advantage of them. On-site case managers play two complementary roles. They connect residents with appropriate services, and communicate regularly with property managers and housing subsidy providers in order to ensure that the housing quality contributes to the stability and recovery of the residents.

According to the Corporation for Supportive Housing, “Supportive housing is proven to help people who are persistently homeless find stability in a home of their own. Supportive housing's combination of permanent, affordable housing and available services works well for people who face the most complex challenges – people who are not only homeless, but who also have very low incomes and serious, persistent issues that may include substance use, mental illness, and HIV/AIDS.”

This model has proven to be particularly effective in serving individuals who would not maintain a stable housing situation without tightly linked services. The Action Team heard compelling presentations from several developers who have had great success in building and operating supportive housing, and who are committed to bring that model to Milwaukee.

Housing development is, on the surface, a pretty simple process. A builder secures land, obtains permits, constructs a building, and secures a buyer who qualifies for a mortgage or tenants with adequate income to pay the rent. That process is supported by an infrastructure that includes local permitting agencies, real estate brokers, and financial institutions.

The infrastructure required to support special needs housing development is, however, far more complex. The infrastructure must respond to particularly challenging circumstances surrounding this development niche:

- **Tenant rent payments are insufficient to offset development and operation costs for special needs housing.** Supplemental Security Income (SSI) is often the sole source of income for tenants who live in special needs housing. In 2007, an individual living on SSI in Wisconsin had a monthly income of \$706.78. Under accepted “housing affordability” standards that suggest rent should not consume more than 30% of income, people living on SSI can afford to pay \$212 monthly for rent. Such rent levels are well below the amount required to pay debt service and operating costs for such housing, including the cost of on-site property and case management staff.

As a result, special needs housing development requires an extraordinary degree of development subsidy from multiple funding streams. The executive director of Mercy Housing Lakefront, a Chicago-based supportive housing developer, vividly described the strategy of piecing together development funds from multiple sources as “lasagna financing.” A typical Mercy project supplements bank financing with one or more HUD funding programs, Low Income Housing Tax Credits, locally-administered HOME funds, housing trust funds, and philanthropic contributions.

Section 8 Housing Choice rent vouchers, which supplement tenant rent payments, can be a critical ingredient for special needs housing. As a result of little to no growth in funding for federal housing programs, as well as changes in the renewal funding process, public housing authorities (PHAs) have a very limited supply of new, tenant-based vouchers available for use.

- **The housing development must include a service delivery component.** The “housing first” model supported by HUD and many mental health advocates is built on the notion that stable housing itself contributes to an individual’s recovery. Delivery of services such as case management in the residential building helps to ensure that people remain housed as they work toward greater levels of independence. According to the National Coalition for Homeless Veterans, service-enriched housing “has been linked to a decrease in emergency room visits, detoxification services and incarceration rates, and more than 80% of clients remained in housing for at least one year.”
- **Special needs housing development may draw neighborhood opposition.** Although well-managed special needs housing can serve as a stabilizing force for a neighborhood, developers can face opposition from neighbors who fear that such development will negatively affect property value, safety, and quality of life.

The Action Team also identified specific deficiencies in the local housing development infrastructure that must be addressed if the community is to successfully develop high-quality special needs housing. One significant deficiency is that each development funding source requires separate applications seeking separate information, submitted to different agencies on different forms to meet different deadlines. Often, funding sources that are vital to the financing package have conflicting requirements. Development schedules lengthen and costs increase because of the effort required to assemble resources.

Another impediment to successful development is that local agencies that allocate resources for social services have traditionally had little involvement in housing development. There is no well-established forum for these agencies to coordinate their financial support for projects that must receive resources for both development and services in order to succeed. Also, many social services resources are linked to individuals, not to buildings. This makes it difficult to target social service assistance to a particular project.

Task 4: *Recommendations*

The foregoing discussion illustrates the complexities of assessing the need in the community for supported housing, and the challenge that meeting this need presents to public and private entities involved in treatment and housing. It is clear that there is much that can and should be done to improve how this community's private and public agencies address the need for safe, decent and affordable special needs housing.

The Action Team has identified a number of recommendations which, if adopted, we believe will result in better coordination and use of local, state and federal resources and substantially increase both the quality and availability of this housing for the benefit of both consumers and the community. These recommendations are as follows:

- 1. The Action Team recommends that the Mayor and County Executive appoint a permanent Commission on Supportive Housing (CSH) consisting of governmental and community leaders, mental health and community advocates, and mental health consumers. The core purpose of the CSH will be to establish goals and benchmarks for the effort to address housing needs for persons with mental illness and other special needs in the community, and to monitor progress and hold the community accountable for meeting those goals.**

It is recommended that the CSH adopt the following mission and guiding principles:

Mission: To create a community infrastructure with the institutional commitment and the financial resources necessary to provide safe, affordable, and accessible housing options with supportive services for persons with mental illness and other special needs.

Guiding Principles:

- Persons with mental illness and other special needs should be able to choose the housing options and supportive service plans that best fit their needs and interest from the variety of best practice models, all offered within the context of recovery and support for their integration into the broader community.
- The input of persons with mental illness and other special needs is a critical component in every special needs housing policy, plan, and program.
- Affordable housing initiatives, especially for persons with mental illness and other special needs, must be developed with a full understanding of the profound impact of poverty on individuals' ability to maintain permanent housing.
- Affordable housing initiatives for persons with mental illness must be developed and operated with a full understanding that, for many individuals, mental illness is a chronic condition, requiring ongoing treatment and support services. Most individuals with severe and persistent mental illness do not have adequate, sustained access to such services. Inadequate public funding, and restrictive caps on the level of mental health treatment reimbursed by standard health insurance plans, are at the root of this problem. The lack of adequate, long-term services and treatment contribute to housing instability for people with mental illness.
- The community's commitment to a "housing first" model requires the development of a sustainable infrastructure for coordination of financial resources, attraction of high quality developers, and the maintenance of effective permanent housing options.

- Housing developments serving people with mental illness or other special needs should be subject to the same level of zoning regulation and review as all other housing developments.
- Regulatory barriers to the cost-effective development and operation of permanent housing for people with mental illness or other special needs must be eliminated, whether those barriers exist at the federal, state, county or city levels of government.
- Resources beyond those made available by better coordination of existing local, state and federal resources are necessary to offer the best special needs housing possible; additional resources, especially funding, to address supportive services must be developed.

The Action Team recommends that the CSH consist of the following members:

From the city:

- The Director of the Department of Administration;
- The Executive Director of the Housing Authority of the City of Milwaukee;
- One representative from the Common Council appointed by the Common Council President.

From the county:

- The Director of the Department of Administrative Services;
- The Director of the Department of Health and Human Services;
- One representative from the County Board of Supervisors appointed by the County Board Chairman.

From the philanthropic foundation community:

- Two representatives nominated (one each) by the Mayor and the County Executive and confirmed by the Common Council and County Board.

From the Continuum of Care:

Two representatives nominated (one each) by the Mayor and the County Executive and confirmed by the Common Council and County Board.

From mental health advocacy organizations:

Two representatives nominated (one each) by the Mayor and the County Executive and confirmed by the Common Council and County Board.

From the consumer community:

Two mental health consumers appointed by the Administrator of the Milwaukee County Behavioral Health Division.

From the business community:

One business representative appointed jointly by the Mayor and President of the Common Council; and

One business representative appointed jointly by the County Executive and Chairman of the County Board.

It is recommended that the CSH meet at least quarterly to establish goals for the community based on the above mission and guiding principles and to monitor progress toward meeting those goals. It is further recommended that the CSH prepare and submit annual reports to the Mayor, Common Council President, County Executive and County Board Chairman that describe the community's progress. It is further recommended that CSH provide input regarding special needs housing to the governments of Milwaukee, Milwaukee County, Wauwatosa and West Allis, in connection with the preparation of the Consolidated Plan/Action Plan submitted by those units of government to the US Department of Housing and Urban Development for CDBG, HOME, Emergency Shelter Grants, and Housing Opportunities for Persons with AIDS funds.

An agenda item at each CSH meeting shall be a report from the Supportive Housing Development Committee (SHDC) described in Recommendation #2 below. Staffing for the CSH shall be provided by the Housing Authority of the City of Milwaukee and the Milwaukee County Department of Health and Human Services.

Implementation: Legislation creating the CSH shall be jointly prepared by the City's Department of City Development and the County's Department of Administrative Services and Department of Health and Human Services and submitted to the Common Council and County Board by September 2007. Legislative approval shall occur by November 2007 and appointments shall be made to the CSH and confirmed by legislative bodies by December 2007, allowing for an initial organizing meeting in January 2008.

- 2. The Action Team recommends formalizing City-County collaboration and cooperation by appointing an ongoing Supportive Housing Development Committee to be responsible for coordinating countywide efforts to develop and support selected supportive housing projects, and ensure timely delivery of financial commitments from local governments.**

Perhaps the overriding recommendation of the Special Needs Housing Action Team is that the City of Milwaukee and Milwaukee County establish a permanent, ongoing body to strategically plan and coordinate the development of quality housing to meet the needs of individuals with mental illness and other special needs. This recommendation is based on the clear benefits that have been engendered by the commitment to City/County coordination that was made by Mayor Tom Barrett and County Executive Scott Walker in the fall of 2006.

In the wake of that commitment, senior officials from the City's Department of City Development and Housing Authority and the County's Department of Health and Human Services, Behavioral Health Division and Department of Administrative Services have met regularly to discuss and coordinate respective efforts to support individual development projects and to create funding mechanisms for special needs housing. This coordination has re-

sulted in decisions to jointly support three major projects (Guest House/Heartland, United Christian Church/Cardinal Capital, and Mercy Housing). Two of the three projects completed successful applications to WHEDA for Low Income Housing Tax Credits in 2007; the third project will apply for WHEDA tax credits in 2008. City/County collaboration also led to enhanced coordination with the Continuum of Care with regard to the permanent housing projects that it has prioritized. All three development teams have pointed to this coordination as a key element in their ability to rapidly develop effective project proposals.

In order to formalize this city/county coordination and better define its charge, the Special Needs Housing Action Team recommends that a Supportive Housing Development Committee (SHDC) be appointed by the Mayor and the County Executive. It is recommended that the SNDC consist of the following members:

From the City:

- 1 representative from the Department of City Development;
- 1 representative from the Community Block Grant Administration office;
- 1 representative from the Low-Income Housing Trust Fund;
- 1 representative from HACM

From the County:

- 2 representatives from the Behavioral Health Division (1 from the Housing Section and 1 from the Community Services Branch); and
- 2 representatives from Economic and Community Development Division (1 from Housing and 1 from CDBG); and

The specific charge of the SHDC would be as follows:

- a) **Assist special needs housing developers to access information about the development, service and ongoing operations resources they need to make projects work.**

The SHDC would serve as a “one-stop shop” for developers to access information from City and County experts that will help them design their proposals. It is envisioned that developers would present their ideas and proposals to the Committee, which in turn would educate them about city, county, state, federal and other funding sources and the requirements associated with those sources. This would include not only information about development funding, but also about funding for supportive services and rental subsidies (e.g. Section 8 vouchers) so that projects can succeed operationally. The Action Team also recommends that any developer seeking financing from either the City or County for a supportive housing project be required to submit proposals to the SHDC for review and recommendation prior to submitting their proposals to relevant governing bodies for approval.

b) Provide useful advice to the bodies that make special needs housing funding decisions.

The SHDC would consider the various projects seeking funding from competitive funding sources (e.g. WHEDA tax credits, HUD Homeless Assistance, City Low-Income Housing Trust Fund, County Capital funds); “screen” proposals to ensure that the developer has appropriately matched physical development resources with supportive service resources required to assist vulnerable tenants, and recommend to the agencies that control limited resources to focus their resources on a limited number of projects each funding cycle, in order to ensure the success of the selected projects. The SHDC also would letter of support to funders on behalf of projects that meet its approval.

c) Develop templates for supportive housing and encourage developers and current providers of service to adhere to those templates.

Among other things, these templates would outline elements and criteria for appropriate sites and corporate management structures for projects to be considered for city and county support that are responsive to the unique needs of the homeless population and individuals served by the Milwaukee County Behavioral Health Division; specify necessary on-site case management, programming and supportive service components, especially at sites serving 10 or more persons; and define the Committee's overall expectations regarding housing quality.

While the Action Team has focused on reducing barriers to the development of new supportive housing, we note that existing residential facilities that serve persons with mental illness and homeless individuals may be improved by incorporating these approaches to integrating case management and support services within the residential setting. The team encourages those who provide and fund services or housing to special needs populations to examine these approaches, and make operational modifications if appropriate.

d) Recommend allocations of city and county low-income housing funding sources and establish specific set-asides for special needs housing.

Both the city and county administer CDBG, HOME and Section 8 funds, and each has taken steps in the past year to develop ongoing sources of non-federal development funding, but there is currently no strategic coordination to ensure that mutual objectives are met via the use of those funds. The SHDC would establish special needs housing development as a key mutual objective and would recommend to policymakers specific annual allocations of City and County funding sources to ensure that special needs housing projects that meet the Commission's criteria are developed and supported.

- e) **Provide periodic reports to the Commission on Supportive Housing, and to the city and county regarding the performance of projects funded with local government resources.**
- f) **Analyze all HUD funding options for special needs housing and develop strategies to maximize use of those funding options.**

Despite the considerable progress that has been made in the past several months to bring additional HUD funding to Milwaukee and to work with the local HUD office to better understand and take advantage of HUD grant programs, much more progress can and should be made. The SHDC would further research and coordinate efforts to maximize the use of HUD resources in Milwaukee and provide technical assistance to entities seeking these resources for projects that meet the Commission's housing model criteria.

- g) **Identify other sources of funding for development of supportive housing, including other federal agencies, state agencies, and foundations.**
- h) **Study and make recommendations concerning property tax assessment policies for supportive housing.**

Property taxes, which typically increase on an annual basis, are of special concern to supportive housing developments because tenants in these buildings have extremely low incomes, and operators must also absorb the cost of on-site service delivery. The SHDC would study the impact of property assessments on supportive housing developments to determine whether changes in assessment policy are warranted.

- i) Develop a simple instrument that municipalities in Milwaukee County can use to determine whether their zoning ordinances welcome the development and operation of supportive housing, including on-site services.**

It is envisioned that Committee members will devote several hours per month to the activities of the SHDC. However, in recognition of the fact that each member also will have significant additional job responsibilities, the Action Team believes that a nearly full-time consultant will be needed to coordinate the work of the Committee and administer its responsibilities. Consequently, it is recommended that both the City and County appropriate \$25,000 annually to retain a consultant to provide this staff function.

Implementation: The SHDC shall be appointed by the Mayor and the County Executive within 60 days following the adoption of this report.

- 3. The Action Team recommends that the Common Council and County Board collaboratively establish a fund to help fill the equity gap in capital funding needs of well-qualified proposals for special needs and homeless housing to encourage greater use of 4% tax credits and bond financing.**

The State's tax credit program, administered by WHEDA, provides 9% federal tax credit, which in turn typically produces up to 80% of the equity required for affordable housing developments. However, the total amount of 9% tax credits available to Wisconsin annually is limited, and the application process is highly competitive, leaving many well-qualified housing proposals unable to proceed without resources. Projects could qualify for 4% tax credits, which are issued automatically with tax-exempt bond financing, but 4% credits do not provide quite enough equity to allow most projects to go forward. A City-County Equity-Gap Fund for Special Needs and Homeless housing could help overcome the critical need for such housing.

During the past year, both the County and City have established "funds" that are intended to contribute to the financing of special needs and/or low-income housing. Consideration could be given to merging some or all of the dollars contained in these funds to establish the Fund suggested in this recommendation.

Implementation: Evaluation of the feasibility and logistics of implementing this recommendation will be assigned to the Commission on Supportive Housing (CSH) to be created by adoption of recommendation #1 of this report.

4. The Action Team recommends that the City of Milwaukee, Milwaukee County, and the Continuum of Care coordinate application processes and deadlines for programs that provide resources to special needs housing development.

The development of supportive housing requires assembly of financing from a great variety of resources, many from government agencies. Local sources of development support include the City of Milwaukee (HOME, CDBG, Milwaukee Housing Trust Fund, and rent vouchers from the Housing Authority of the City of Milwaukee); Milwaukee County (HOME, CDBG, Affordable Housing Initiative and rent vouchers from Milwaukee County Housing Authority); and the Milwaukee Continuum of Care (a variety of HUD programs).

At present, each of these development funding sources has its own application process and deadlines. The complexity of this process acts as a barrier to housing development because it increases risk, reduces certainty, lengthens development schedules and increase development costs.

The many local agencies that administer affordable housing resources should work together to create a coordinated application process and common deadlines for locally-controlled resources. In 2007, the Continuum of Care changed its application process to make their preliminary selections of permanent projects prior to the application deadline for

Low Income Housing Tax Credits. This creative approach can serve as a model to other local agencies tapped for supportive housing development resources.

Implementation: Upon its establishment, the SNDC will work with representatives of the three public entities to examine the potential for and logistics of modifying the schedules to accomplish the intent of this recommendation. Schedule changes that can be made administratively will be implemented as soon as practical, but no later than December 31, 2007. Schedule changes requiring action by the entities' governing bodies will be drafted as resolutions and submitted to those bodies for their disposition before December 31, 2007.

- 5. The Action Team recommends that the Mayor and County Executive convene the community's philanthropic leadership to discuss the report and what role private philanthropy has played and can continue to play in addressing the major issues of supportive housing as identified in this report.**

Private philanthropy has been an important resource for programs serving the homeless and persons with special needs, particularly in support of demonstration projects and innovative programs. It may also provide an additional independent voice on behalf of persons with special needs and advocacy for adequate and appropriate housing options and help identify best practices and model programs from around the country. The meeting should identify both "targets of opportunity", i.e., specific projects, and a longer-term framework to support sustainable housing for those with special needs.

Implementation: The meeting will take place before September 30, 2007. Conclusions and recommendations, if any, will be communicated promptly to the appropriate individuals and organizations.

- 6. The Action Team recommends that the City of Milwaukee, Milwaukee County, the Milwaukee area philanthropic community and CoC members equally share an administrative support budget for the CoC that equals 2.0% of the annual HUD request.**

Currently, the Milwaukee CoC has an operating budget of \$90,000; this represents 0.9% of the 2006 HUD request (Supportive Housing Program and Shelter + Care) of \$9,778,707. Funding is provided through the City of Milwaukee Community Development Block Grant, Milwaukee County, foundation support, and an assessment on organizations that are HUD grantees. This current level of funding is not sufficient to adequately staff the CoC year-round and manage the annual HUD Exhibit 1 preparation and competitive application process.

A level of support equal to 2.0% of the annual HUD request, apportioned among the current funding entities consistent with current allocations for this purpose, would provide \$195,574 with which to staff the Continuum. This amount will fully support its working committees, provide technical assistance to improve the performance of individual supportive housing projects and the Continuum as a whole, coordinate the Continuum's activities with other entities, support additional grant-writing activities, and insure consistently high-level performance in the national HUD competition.

Implementation: Upon adoption of this recommendation and the final report, the Co-Chairs of the Action Team will send a letter to the funding entities, including the three foundations represented on the Action Team, requesting the apportioned amounts of funding from each.

- 7. The Action Team recommends that the Mayor and the County Executive jointly ask the WHEDA Executive Director to appoint a developer specializing in supportive housing to WHEDA's Qualified Allocation Plan (QAP) Advisory Committee.**

Every two years, WHEDA writes a Qualified Allocation Plan (QAP) that spells out the process by which Federal Low-Income Housing Tax Credits (LIHTC) will be awarded to projects. These tax credits are a critical component of the financing mix for many new affordable housing developments, especially those that serve special needs populations.

The QAP establishes a scoring system for tax credit applications, evaluating criteria such as project location, project characteristics, tenant populations and sponsor characteristics. The QAP also delineates the dollar value of “set-asides” for projects in specified categories (such as projects developed by non-profit organizations). WHEDA has established an Advisory Committee that provides public input to the QAP.

Successful special needs housing deals are typically more complex than other affordable housing deals. To ensure that the scoring and set-asides in the QAP fairly consider the particular needs of such projects, it is important that experts who are intimately familiar with the demands of supportive housing development have a voice in the creation of the QAP.

Implementation: The recommendation has been implemented. A letter to this effect was prepared and sent in May 2007.

- 8. The Action Team recommends that the Mayor and the County Executive submit the following suggestions for WHEDA’s QAP Advisory Committee consideration:**
 - a) Create a specific set-aside of annual tax credits for proposals addressing special needs housing;**
 - b) Establish an additional scoring category (or points) for written confirmation from local governments that a special needs housing proposal addresses the top priority housing need of the local community;**
 - c) Restructure current project scoring categories so that special needs housing proposals, which carry the extra cost burden of providing on-site services, may be more competitive**
 - d) Seek an alternative to local government or HUD fund commitment letters, such as letters of intent prior to official public action, for the purpose of verifying the feasibility of special needs housing projects.**

These recommendations seek to correct structural impediments in the WHEDA application process which leave special needs housing projects at a competitive disadvantage relative to others. For example, “Category 6” of the WHEDA review criteria restricts points to all projects receiving HUD Section 8 rental assistance because of WHEDA’s policy that the subsidy already renders the housing “affordable,” and therefore the project does not have as great a need for tax credits. Yet, special needs housing costs much more to operate than standard rental housing due to the supportive services required for the population; and tenants with special needs typically have the lowest of income. “Category 11” requires written financial *commitment* of participation from other sources of funds such as HUD, cities or counties be included with the tax credit application. Yet, the timing for final governmental decisions on annual budgets is often incompatible with WHEDA’s tax credit application submittal date.

Implementation: A letter outlining the items suggested in this recommendation will be drafted, signed by the Mayor and County Executive, and sent to WHEDA not later than 60 days following the issuance of this final report.

9. The Action Team urges Governor Doyle to support creation of a state low-income housing tax credit, to be used exclusively to support development of supportive housing.

The Federal Low Income Housing Tax Credit is the nation’s most important resource to create affordable housing. Nationwide, use of the credit has resulted in development of more than 1.4 million units since the credit was authorized by Congress.

The competition for federal Low Income Housing Tax Credits is keen in Wisconsin. In 2007, developers sought credits to develop about 2,800 units of affordable housing, but credits were available to support the construction of less than 1,500 units. Because the credits are such a significant source of equity financing for affordable housing development, projects that fail to receive an allocation, or receive far less in credits than needed, often cannot proceed.

Recognizing the need to provide additional resources to make development of affordable housing financially viable, a number of states, including Illinois, Missouri, Massachusetts, and New York, have created state low-income housing tax credit programs to supplement the federal LIHTC. Some states award State credits only to projects that receive or apply for Federal credits. State housing agencies that award Federal credits often have responsibility for awarding state credits as well.

The Action Team urges the State of Wisconsin to follow the lead of these states by establishing a state low income housing tax credit, dedicated exclusively for supportive housing development. Creation of a state tax credit would provide an ongoing source of equity financing for supportive housing projects outside the highly competitive environment of the federal tax credits. We recommend that WHEDA be given the responsibility to develop and administer the state tax credit program.

Implementation: Within 60 days following adoption of this report, the Mayor and the County Executive will submit resolutions to their legislative bodies calling for their support for state legislation to this effect.

10. The Action Team recommends that the Mayor and the County Executive jointly nominate an individual with knowledge of the development and operation of supportive housing for membership in the Community Investment Advisory Council of the Federal Home Loan Bank of Chicago.

The Affordable Housing Program operated by the Federal Home Loan Bank of Chicago provides grants for affordable housing development in Wisconsin and Illinois. A Community Investment Advisory Council advises the Bank on the operation of the Affordable Housing Program, including the criteria used to score applications. An individual who represents supportive housing interests will be in a position to ensure that grant scoring criteria are responsive to the unique structure of supportive housing developments.

Implementation: Within 60 days of the adoption of this report, the Mayor and County Executive will identify an individual for nomination to the Community Investment Advisory Council and submit the nomination form. Nominations are accepted September 1 through October 23, 2007.

11. The Action Team recommends that the Governor, the Legislature and the federal government work in partnership with the City and County of Milwaukee to adequately fund treatment and support services to people with mental illness, and commit sufficient state fiscal resources to enable the county to both meet and sustain its existing responsibilities, and to meet new responsibilities for site-based case management in new special needs housing units.

The State of Wisconsin has the primary responsibility for funding the human services it mandates counties to provide. The county has neither sufficient nor appropriate fiscal resources to meet the existing need for housing and support services which are critical to the ability of individuals with mental illnesses to live independently in the community. Yet, without adequately funded support services, housing initiatives designed to address the special needs of this population will fail. State government must increase its commitment of fiscal resources to ensure that these needs can be met.

In particular, state government must do its share to provide sufficient fiscal resources to fund the site-based case management approach in new special needs housing units that is advocated in this report. That approach likely will require an increase in annual case management funding as additional units are constructed and a broader and more effective means of providing case management to BHD clients in new and existing housing units is implemented. The county cannot and should not accommodate that increase solely with local property tax dollars.

In fairness to the State, it too has suffered from federal human services mandates that have not been accompanied by increases in Social Services Block Grant and Medicaid funding. The federal government also should be called upon to increase its support for mandated human services programs.

Implementation: Within 90 days following adoption of this report, the Mayor and the County Executive will submit resolutions to their legislative bodies calling for their support for state and Federal budget action to this effect.

Appendix I (cont'd)

Members

Tim Beaudoin, Mental health services consumer

Tom Brophy, Chairman, Milwaukee Continuum of Care

Supv. Lynne DeBruin, Milwaukee County Board

Kathryn Dunn, Community Investment Officer, Helen Bader Foundation, Inc.

Scott Gelzer, Executive Director, Faye McBeath Foundation

Sr. Lucina Halbur, President and CEO, SET Ministries

Peter Hoeffel, Milwaukee Mental Health Task Force

Paula John, Vice President, AMS Fund

Adam Kroshus, Wisconsin Housing and Economic Development Authority

Cheryl Lofton, Wisconsin Department of Health and Family Services

Jim Marks, Vice President and Program Director, Milwaukee Foundation

Lynn Oehlke, President and CEO, St. Catherine Residence

Tony Perez, Executive Director, Housing Authority of the City of Milwaukee

Connie Pukaite, Retired WHEDA Program Coordinator, former mayor of Mequon

Leo Ries, Program Director, Local Initiatives Support Corporation (Milwaukee office)

Dr. Lucille Rosenberg, retired psychiatrist

James Tarantino, Owner, Tarantino and Co.

Julia Taylor, President, Greater Milwaukee Committee

Jerry Tepper, Mayor, City of Glendale, representing the Intergovernmental Cooperation Council

Appendix I (cont'd)

Staff

Judy Allen, Milwaukee Department of City Development

Martha Brown, Milwaukee Department of City Development

Judy Feierstein, Milwaukee County Department of Health and Human Services

Rob Henken, Milwaukee County Department of Administrative Services

Jim Hill, Milwaukee County Behavioral Health Division

Jim Mathy, Milwaukee County Behavioral Health Division

Appendix II

Glossary of Abbreviations Used in This Report

ANET	A homelessness prevention and outreach program developed by Milwaukee County’s Disabilities Services Division and funded by the U.S. Department of Housing and Urban Development (HUD).
BHD	The Milwaukee County Behavioral Health Division. A public entity under the Milwaukee County Department of Health and Human Services (DHHS) responsible for providing a wide range of mental health and substance abuse services to Milwaukee County residents.
CBRF	Community-Based Residential Facility. A housing unit of typically 4-8 unrelated disabled residents who receive intensive clinical and therapeutic support services and assistance with daily living tasks. Sometimes called a “group home.”
CDBG	Community Development Block Grant. A federally funded program providing financial assistance for a wide range of activities designed to promote community and neighborhood development.
CoC	Continuum of Care. A HUD-mandated, unincorporated coalition comprised of representatives of government, non-profit organizations, funding sources, advocacy groups, consumers, and other interest groups responsible for coordinating the HUD-funded homeless services system in Milwaukee County.
CSH	Commission on Supportive Housing. The proposed name of the entity recommended in this report to be created to coordinate efforts to develop safe, decent and affordable housing with on-site support services.
CSP	Community Support Program. A level of community-based care provided to persons with mental illnesses who require intensive clinical intervention and support in order to live independently in the community.
DCD	The Department of City Development. A public agency of the city of Milwaukee responsible for promoting neighborhood and community social and economic development.
HACM	The Housing Authority of the City of Milwaukee. A federally funded public entity (see PHA below) responsible for the development and management of affordable housing and related housing programs for low-income residents of the city of Milwaukee.

Appendix II, (cont'd)

HOME	The HOME Investment Partnerships Program. A HUD-funded and sponsored program to promote development of affordable housing through partnerships between State and local governments, public housing authorities, and nonprofit organizations.
HUD	U.S. Department of Housing and Urban Development. An agency of the federal government whose mission is to increase homeownership, support community development and increase access to affordable housing free from discrimination.
LIHTC	Low Income Housing Tax Credit. A federal (and sometimes state) income tax incentive that is designed to attract equity capital for investment in rent restricted affordable housing.
NOFA	Notice of Funding Availability. An official notice issued by a government agency announcing the availability of funds, and the project and criteria necessary for applicants to be considered eligible for award.
PHA	Public Housing Authority. A federally authorized public entity responsible for the development and management of affordable housing and related housing programs for low-income residents of a municipality or region.
QAP	Qualified Allocation Plan. The process and criteria by which federal Low-Income Housing Tax Credits (LIHTC) will be awarded to qualifying projects.
SAIL	Service Access to Independent Living. The section of the Milwaukee County BHD which evaluates and determines the service needs of individuals with mental illnesses that will enable them to live independently and successfully in the community
SHDC	Supportive Housing Development Committee. The name of the city-county entity recommended to be created in this report to provide staff-level technical assistance, advice, recommendations and coordination of resources to assist in the efficient development of supported housing for individuals in Milwaukee County.
TCM	Targeted Case Management. A level of community-based assistance provided to persons with mental illnesses who do not require intensive clinical intervention but who can benefit from assistance with daily living skills in order to live independently in the community (compare CSP above)
WHEDA	Wisconsin Housing and Economic Development Authority. An independent state finance authority that works through a network of Wisconsin lending institutions to provide low-cost financing for housing and economic development.

Appendix III

A Brief Description of HUD Programs Referenced in or Relevant to This Report

McKinney-Vento Homeless Assistance Act. A law passed by the Congress in 1987 that, among other things, created a number of programs focused specifically on ending homelessness, including the HUD programs listed below (except for HOPWA). See also **NOTE** below.

Emergency Shelter Grant Program (ESG). A non-competitive, formula-funded federal grant program designed to help improve the quality of existing emergency shelters for the homeless, to make available additional shelters, to meet the costs of operating shelters, to provide essential social services to homeless individuals, and to help prevent homelessness. Provided to cities, counties and the state if qualified.

Housing Opportunities for Persons with AIDS (HOPWA). A federal grant program with funding available both through formula and competitively. Funds may be used for a wide range of housing, social services, program planning, and development costs. These include, but are not limited to, the acquisition, rehabilitation, or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds also may be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services.

Shelter Plus Care Program (S+C). Provides grants for rental assistance for homeless persons with disabilities through four component programs: Tenant, Sponsor, Project, and Single Room Occupancy (SRO) Rental Assistance. Competitive via NOFA.

Single Room Occupancy Program (SRO). Rental assistance within the Section 8 program specifically provided on behalf of homeless individuals in connection with moderate rehabilitation of SRO dwellings. Competitive via NOFA.

Supportive Housing Program (SHP). Provides housing, including housing units and group quarters, that has a supportive environment and includes a planned service component. Includes transitional housing and permanent housing for the handicapped. Competitive via NOFA (see definition, Appendix II).

NOTE: Persons with mental illness who live in substandard housing are, generally speaking, ineligible for HUD housing assistance programs administered through the local Continuum of Care because such individuals are not considered “homeless” under the federal definition of “homelessness.”