



North Carolina Coalition

securing resources ■ encouraging public dialogue ■ advocating for public policy change

to End Homelessness

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To: Mary Reca Todd, Supportive Housing Development Program, NC Housing Finance Agency

CC: Bob Kucab, Director, Executive Director, NC Housing Finance Agency

From: Denise Neunaber, Executive Director, NCCEH

Re: Comments on NC HFA's Supportive Housing Development Program

Date: October 31, 2013

NCCEH appreciates the opportunity to provide comments on the Supportive Housing Development Program's application and criteria for funding. The SHDP is an important resource for programs that serve homeless persons and persons with disabilities.

NCCEH appreciates HFA staff's commitment to ensuring that the program is adjusted to recent changes in larger funding streams and best practices. We applaud the efforts to integrate changes into the program and offer the following suggestions to support this direction:

- **Eligible Residents**

The program's definition of homeless should be updated to reflect the definition of homelessness in HUD's Final Rule published on December 5, 2011. HUD defines literal homelessness as:

“Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: (i) Has a primary nighttime residence that is a public or private place not meant for human habitation; (ii) Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or (iii) Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation”

It is unclear why homelessness is included in both target populations. Target population b should be corrected to: “Non-homeless with special housing needs. Special needs are defined as: ~~homelessness,~~ persons with disabilities...”

A large portion of target population b is the same as the target population for the DOJ Olmstead Settlement Agreement.

Historically, the Supportive Housing Development Program's funding has been used to fund housing that will not contribute to the State's goal to provide 3000 integrated housing slots under the agreement between North Carolina and the DOJ. NC HFA should carefully consider how projects funded through this program may adversely affect the State in light of the agreement with the DOJ.

- **Eligible Projects**

- **Emergency Shelter**

Emergency shelter is an essential component to a successful housing crisis response system. Unfortunately, whether new or expanded shelter beds are needed is not a clear-cut answer and a policy like "no new shelter" is not effective. NC HFA will have to take an in-depth look into each application. Emergency shelter meets an immediate need, but does not address a household's permanent housing needs. As communities become more successful at returning households to permanent housing through rapid re-housing and permanent supportive housing, the need for shelter beds will decrease. However, before the need for shelter will decrease, communities must have the right resources in order to be able to accelerate exits to permanent housing. When evaluating the need for new shelter in a community, it is important to look at the housing crisis response system as a whole to evaluate if more shelter beds are needed.

SHDP funds are an important resource for homeless programs. Access to the funds should not be eliminated by the decision not to fund shelter or transitional housing, but should be shifted to fund rapid re-housing programs that are proven to cost-effectively and quickly move households into permanent housing. In order to be part of the solution, NC HFA cannot back away from funding shelter or transitional housing without funding a solution that decreases the need for these programs.

We encourage NC HFA to consider how the agency can support rapid re-housing programs that decrease the need for shelter and decrease the length of time households remain homeless.

NCCEH appreciates the application guidelines that require emergency shelter projects to describe their collaboration with the local Continuum of Care planning process and their utilization of ESG funds and rapid re-housing principles. NCCEH encourages program staff to work with NCCEH and/or the NC ESG Program to clarify "rapid re-housing principles" and to formally ask CoCs and the ESG office to comment on or verify the applicant's response to this question.

Access to renovation funds for emergency shelters is essential and should be continued under the SHDP as planned.

- **Transitional Housing**

Transitional housing is a temporary housing option. As HUD shifts homeless funding towards permanent housing, NC HFA should carefully consider continuing to support homeless-specific transitional housing. While it was made clear in the training on 10.30.13 that NC HFA is not receiving the amount of applications it once did for homeless transitional housing, it would be an important alignment with federal HEARTH legislation and the NC Emergency Solutions Grants

Program to make new transitional housing an ineligible expense as there is no new operations funding available for these projects.

NC HFA can provide resources to support the current shift agencies and communities are making towards a homeless system that is focused on permanent housing by providing funding to renovate existing transitional housing to repurpose it for permanent supportive housing or other permanent housing.

- **Permanent Supportive Housing**

HFA should use a corrected permanent supportive housing definition. Facilities such as group homes should not be included as permanent supportive housing.

We suggest using the definition and key elements of permanent supportive housing as provided in SAMHSA's Evidence-Based Practice KIT (<http://store.samhsa.gov/shin/content//SMA10-4510/SMA10-4510-06-BuildingYourProgram-PSH.pdf>):

“What Is Permanent Supportive Housing?”

As its name implies, Permanent Supportive Housing is the following:

- Permanent. Tenants may live in their homes as long as they meet the basic obligations of tenancy, such as paying rent;
- Supportive. Tenants have access to the support services that they need and want to retain housing; and
- Housing. Tenants have a private and secure place to make their home, just like other members of the community, with the same rights and responsibilities.

Key Elements:

- Tenants have a lease in their name, and, therefore, they have full rights of tenancy under landlord-tenant law, including control over living space and protection against eviction.
- Leases do not have any provisions that would not be found in leases held by someone who does not have a psychiatric disability.
- Participation in services is voluntary and tenants cannot be evicted for rejecting services.
- House rules, if any, are similar to those found in housing for people who do not have psychiatric disabilities and do not restrict visitors or otherwise interfere with a life in the community.
- Housing is not time-limited, and the lease is renewable at tenants' and owners' option.
- Before moving into Permanent Supportive Housing, tenants are asked about their housing preferences and are offered the same range of choices as are available to others at their income level in the same housing market.
- Housing is affordable, with tenants paying no more than 30 percent of their income toward rent and utilities, with the balance available for discretionary spending.
- Housing is integrated. Tenants have the opportunity to interact with neighbors who do not have psychiatric disabilities.

- Tenants have choices in the support services that they receive. They are asked about their choices and can choose from a range of services, and different tenants receive different types of services based on their needs and preferences.
- As needs change over time, tenants can receive more intensive or less intensive support services without losing their homes.”

- **Integrated Settings**

The SHDP Application Guidelines and Instructions state that “applicants are encouraged to operate their housing services, programs, and activities in the most integrated setting appropriate.”

However, historically, the program has funded models that are site-based, disability-only projects. In most cases, these are not the most integrated settings possible.

NCCEH supports a range of housing options for persons with disabilities. While this may include site-based projects that only serve persons with disabilities, we believe this should not be the dominant option, but rather an option reserved for individuals for which a scattered-site option has proven to be unsuccessful. A community should be encouraged to look at their full permanent supportive housing portfolio to ensure that site-based projects balance scattered-site PSH resources and do not serve as the only PSH option in the community.

- **Letter of Consistency**

It is essential that any proposed homeless-specific project receive a letter of consistency from the Continuum of Care (CoC), not the Consolidated Plan.

Homeless programs do not operate on their own; they must work within the larger homeless system. While an individual agency may identify a need, it is essential that the CoC agrees on the identified need, priority, and intervention. Any program that has beds that are designated to serve homeless persons must be listed on the Continuum of Care’s Housing Inventory Chart. Additions of programs, particularly those that are temporary housing situations such as shelters or transitional housing, may negatively impact the CoC’s ability to draw down CoC or Emergency Solutions Grants Program (ESG) funds.

- **Establishing Community Need**

Under 2.9 Market, the application guidelines state “If the proposal is for shelter expansion, there must be evidence of need and demand through historical lists of persons who have been turned away by the existing shelter or referred to other facilities out of the existing shelter’s catchment area.” These lists are not the best measure to use for demand as there is no evidence as to what happened to the households who were turned away.

NC HFA should consider integrating the following data in the evaluation of need:

- Coordinated Assessment

Under HEARTH, CoCs are required to implement coordinated assessment systems. Data from coordinated assessment will be a better source than duplicated waiting lists in that it will show which intervention or program would best meet each household’s need and if that program or intervention was available, thus clearly identifying gaps.

- Ratio of sheltered vs. unsheltered households in Point-in-Time count

This ratio is helpful in understanding whether current shelter capacity is meeting the demand.

- **Housing Inventory Chart**

Each CoC is required to submit an updated Housing Inventory Chart (HIC) to HUD by the end of April. This chart must include all beds that are designated to serve the homeless in emergency shelters, transitional housing, rapid re-housing, and permanent supportive housing. These charts also include program utilization rates. NC HFA should require applicants proposing a homeless-specific project to use this information in their identification of need, or NC HFA should request these documents from the CoC or obtain them from NCCEH's website for internal review.

- **Ongoing Operating Funding**

NCCEH encourages NC HFA to carefully consider if ongoing operating funding is available for each housing model that is eligible in the SHDP program. As operations funding is changing, the models that NC HFA supports should also change.

- **Standard Outcomes**

The SHDP program should standardize the outcome information that is required from applicants. Outcomes for homeless programs should be aligned with HEARTH outcome measures and should be developed in consultation with the NC ESG program.

- **Project Ranking**

NCCEH recommends that the SHDP partner with DHHS to evaluate service plans to utilize DHHS's expertise and knowledge of service funding. The NC ESG office or the CoC should be consulted on service plans for homeless-specific projects.

NCCEH comments will be made public on our website and we hope all comments that are received by NC HFA will be made available to the public.

NCCEH encourages NC HFA to take time to incorporate comments into the SHDP before the final application is released in order to strengthen the program in 2014.

NCCEH would like to thank NC HFA board and staff for the opportunity to comment on the Supportive Housing Development Program and looks forward to continuing to partner to end homelessness in North Carolina.