

*Law Office Of Jasleen K. Anand  
11 Sunrise Plaza, Suite 304  
Valley Stream, New York 11580  
Tel: (516) 536-3350  
Fax: (516) 536-3352  
Email: Ri2besq@aol.com*

## **SUPPORTIVE HOUSING AS A SOLUTION TO HOMELESSNESS**

*Homelessness* hurts governments and societies at social, political, economic and at emotional levels and if ignored or paid less attention to, may cripple the workings of the various systems that run the day to day lives of people. I don't believe any country and its people can afford to see its people stay homeless for any length of time without finding a solution to end it. Unfortunately, various countries around the world and many states within the United States continue to experience homelessness and the struggles associated with chronic homelessness.

A country and its people that allow homelessness to exist for a great length of time, then begin to co-exist with chronic homelessness. Chronic Homelessness is long-term or repeated homelessness along with a disability<sup>1</sup>. "The Department of Housing and Urban Development (HUD) defines a "chronically homeless" as an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has at least four (4) episodes of homelessness in the past three (3) years. In order to be considered chronically homeless, a person must have been sleeping in a place not meant for human habitation (eg. Living on the streets) and/or in an emergency homeless shelter. A disabling condition is defined as a diagnosable substance abuse disorder, serious mental illness, developmental disability including the co-occurrence of two or more of these conditions. A disabling condition limits an individual's ability to work or perform one or more activities of daily living."<sup>2</sup>

Governments and its people need to strategize ways to end chronic homelessness. **Supportive housing**, is one such solution that has indeed achieved the objectives of reducing chronic homelessness and continues to promise to end such homelessness. Supportive Housing is permanent housing coupled with supportive services that enable people to live in the community as long as they are able and chose to do so. The plethora of services may include: housing, employment services, mental health/psychiatric services, support groups, mediation, conflict resolution, daily living skills assistance, recreational/socialization opportunities, personal money management, legal assistance, tenant's rights education, transportation and food/nutritional services, on site preventative health and nursing services, classrooms/meeting rooms and others.

Supportive Housing is a cost-efficient way of offering a solution to ending homelessness. In 2004, the Lewin Group performed a study of the "Costs of Serving

Homeless Individuals in Nine Cities”, of Atlanta, Boston, Chicago, Columbus, Los Angeles, New York, Phoenix, San Francisco and Seattle and deduced that the cost of providing Supportive Housing to the homeless was the cheapest, in comparison to providing other social services such as Jail, Prison, Shelter, Mental Hospital and Hospital. As an example, the cost of providing Supportive Housing in New York Per Day Per Person is \$41.85 in comparison to keeping such person in Jail at \$164.57, in Prison at \$ 74.00, in Shelter at \$54.42, in Mental Hospital at \$467 and in Hospital at \$1,185. According to this study, in each of the other states, Supportive Housing was charted to be the cheapest social service provided to the homeless individuals.

A Housing Policy Debate on the issue of Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing, centered on a comparative analysis between placing homeless people in supportive housing and not placing such persons in housing. The discussions showed that persons placed in supportive housing have markedly reduced demands on shelter use and hospitalizations.

Research examined whether the reduction in use of services resulted in a net savings of public financial resources, after accounting for the cost of providing supportive housing. In New York, the supportive housing program termed the New York/New York Initiative resulted in a net cost of \$1,908 per unit per year. This demonstrated that although the cost of providing supportive housing may seem to setoff the reduction in money spent, it rendered many prospective financial benefits such as residents being more apt to seek paid employment and non financial benefits such as improvement in standard of living, increased social values engendered from having reduced homelessness and greater social protection for the disabled.<sup>3</sup>

### ***A Testimonial***

Supportive housing has been proven to be an effective and most humane way to end homelessness. It reduces dependency on the use of emergency services for healthcare and treatment. Robert Sanborn of Westhab, Inc., a Not-For-Profit that builds supportive housing on its own as well as in partnership with For Profit Developers would agree that building supportive housing is a sound means to ensure that homelessness shall be reduced. I interviewed him to unravel the mysticism associated with building low income/supportive housing.

### ***INTERVIEW WITH ROBERT SANBORN***

Good Morning Robert.

I would like to ask you a few questions pertaining to Supportive Housing.

1. What is the mission statement of Westhab, Inc.?

*Westhab's mission is to build communities through the expansion of affordable housing, community economic development and new business enterprises. We target low to moderate-income population who have been displaced but wish to remain within the community that is undergoing substantial investment. We basically anchor neighborhoods so that a rich diversity remains socially and economically.*

2. Why did you choose to build supportive housing as opposed to building luxury condominiums for the upper strata of society?

*Supportive housing is one aspect of our housing production program. We target three areas: supportive, work force housing and preservation of existing housing stock meaning expiring use 236/ Mitchell Lama building. With regard to supportive housing, there is a great need to provide individuals or families with a range of services that assist these households in their ability to live independently. This includes job training or placement, medical assistance, safe environments from abusive family members, and other social needs.*

3. What segment of the populace do you build supportive housing for? Mentally ill, homeless individuals, people affected with HIV virus, people with psychiatric disabilities, individuals aging out of foster care system or others.

*Our target supportive population are homeless or disabled veterans. This group of individuals includes those with mental illness, drug dependent or those simply in need of an affordable unit.*

4. Do you believe building supportive housing and placing individuals in permanent homes contributes to or is the primary force behind reducing and/or potentially eliminating chronic homelessness?

*There is no question, that individuals who succeed at living within a supportive unit will be less likely to become homeless again. The key aspects of supportive housing include: 1) affordable rent, 2) accessible on-site and off-site service, 3) sense of home or community, 4) ability to take on increased responsibilities including employment.*

5. What kind of funding do you seek when building supportive housing? Federal McKinney Vento Homeless Assistance Programs, Shelter Plus Care Program, HUD's Supportive Housing Program, Section 811, Section 202, HOME, HOPWA, CDBG, New York State Sources –HHAP, OSAH, HOPWA, SHFYA (Supported Housing for families and Young Adults Program), DHCR-Housing Trust Fund, Home Investment Partnership Program, Low Income Housing Tax Credits, SLIHC, OMH-Supported Housing, HUD Shelter Plus care, New York/New York Agreements (I, II, III), OASAS-HUD Shelter Plus Care OASAS Program;

New York City Sources-HPD-Supported Housing Loan Program, LAMP – Low Income Affordable Marketplace Program, MIRP (Mixed Income Rental Program) etcetera.

*You need capital and operating support. For capital we use the New York Office of Temporary and Disability Assistance (OTADA), Homeless Housing and Assistance Program (HHAP), for capital investment. We also use either 9% or 4% LIHTC's along with HTF, the Federal Home Loan Bank's Affordable Housing Program (AHP), HUD Supportive Housing Program (SHP) capital grant, Local HOME funds and commercial loans. On operating side, SHFYA, Shelter Plus Care, VA per diem program and HUD SHP non-capital program.*

*We just received our first NY NY award through OMH. We envision this award with provide at least sixty units of supportive housing that will combine an OMH grant along with tax exempt bonds and 4% LIHTC's. For us, using only two sources is a much easier deal to implement.*

6. Can you describe a Supportive Housing Project you completed and just some highlights of the steps you took to bring it to fruition?

*We just completed a 12 bed transitional project that required five sources of funds. The building is situated at 28 Pier Street, Yonkers. It is a building we owned that was converted into 12 SRO's . This 6,000 square foot structure required a gut renovation for a total cost of \$1.3 million. The sources used were a VA grant, HUD SHP, Yonkers HOME, Federal Home Loan Bank and a commercial loan. Operating funding came from the VA grant and per diem program.*

*The process included obtaining zoning and site plan approvals over a six-month period. The first floor of the building was made completely handicapped accessible. On-site laundry is on the second floor with the exception of one washer and dryer unit on the first floor. Each floor has four bedroom, two baths, a common living room and kitchen with air conditioning and four refrigerators for each tenant. We use green features such as cement boards as siding ( it looks exactly like wood clapboards), energy star appliances and extra insulation.*

*This was Westchester County's first community based transitional program for disabled veterans.*

7. Depending upon the segment of the populace that you are looking to build supportive housing for, what design standards are you guided by?

*Green building features, handicapped accessible or adaptable units, use of natural light, energy efficient cooling (needed for those who take medication), reinforced hardware, 24/7 security, colors and wood to create a home like environment.*

8. If you were building for people with HIV, how would the design of those buildings differ from low income housing in general?

*We have not developed a site for the population HIV to date. However, if we did, we would use the same features we used for the veterans.*

9. Is Acquisition of land a concern for you? How would you compare this concern today with it in 1980s or early 1990s?

*There is no comparison to the 80's and 90's. Land values are 10-15 times higher now than during that period. . Of particular concern is the lack of city owned property or affordable sites in the NYC or Westchester County. In prior decades we purchased buildings using a square foot dollar amount on the raw land. Now we pay based on buildable square feet. Current acquisition pricing is typically between \$40-\$60 a buildable for new construction compared to \$15-\$20 a square foot of raw land in the mid to late 90's.*

10. Do you believe accepting Federal and State Grants cause a bigger headache than the title- 'Grant' may lead one to think? Why are they difficult sources of funding in general and which Grants in particular are easier to deal with from a compliance standpoint in comparison to others?

*The level of difficulty for each program is defined by the experience of the particular staff person assigned to your project. HPD has streamlined its operations to assist projects in the early stages of development. By doing so, staff the developer has better understanding of the process and needs of each project. The draw back in certain programs, particularly with HPD's supportive housing program, is a small developer fee (capped at \$7,500 per unit). However, HDC works quickly because most of its users are for profit entities using tax-exempt bonds and 4% LIHTC's. I found this to be true as well with local IDA's who process bond and credit applications.*

*Although DHCR has clear deadlines, they tend to add items required at closing that make the process difficult. OTADA's administration of HHAP is hampered by a lack of professional real estate staff: they have only one attorney assigned to the program, all outside financials are reviewed by a CPA in Massachusetts, while the architectural drawings are reviewed by the NYS Dormitory Authority. This is cumbersome process.*

*Overall, NYS provided much more subsidy to affordable housing than most other States. As long as you can navigate multiple personalities the end result should be ok.*

*Finally, one curious effect concerning the lack of NYC or government owned sites is that most non-profit developers are unprepared to acquire private sites without substantial assistance from government agencies. For those of us not use to having OMH support or HPD owned sites, we are actually able to gain access to funding quicker. Go figure!*

Thank you Robert.

### ***Building-A Daunting Task, Considering The Various Sources Of Financing***

Historically in the United States, all programs pertaining to building low income housing and those associated with battling with homelessness were funded and administered by local bodies at the grassroots level. In 1983 the first federal task force

on homelessness was formed to inform local governments and interested parties on ways to obtain surplus federal property, Title V. Congress passed the Homeless Persons' Survival Act the same year. After Chief Republican sponsor, Representative Stewart B. McKinney's death, the Act was renamed the McKinney-Vento Homeless Assistance Act. It was signed into law by President Ronald Reagan on July 22, 1987. The McKinney Act contains fifteen (15) programs, all contained within Title IV, including but not limited to the Continuum of Care Programs: the Supportive Housing Program, the Shelter Plus Care Program, the Single Room Occupancy Program and Emergency Shelter Grant Program.

**Federal** Under the McKinney-Vento Homeless Assistance Act, the McKinney-Vento Homeless Assistance Programs are distributed competitively to local communities through a Continuum of Care planning and application process. A Supportive Housing builder must apply through its local Continuum of Care planning process to seek financial assistance. The U.S. Department of Housing and Urban Development (HUD) scores the overall Continuum of Care plan and ranks them nationally. Continuums that score highly get funding based on their localities' pro rata needs. HUD also offers communities a permanent housing bonus for top ranked projects as an incentive to develop permanent supportive housing.

There are three separate programs that are used to run and build supportive housing as well as provide services to the tenants housed in the supportive housing programs and they are:

- a) Shelter Plus Care,
- b) Supportive Housing Program and
- c) Single Room Occupancy Moderate Rehabilitation Program.

**Shelter Plus Care Program** is designed to provide housing and supportive services on a long term basis for homeless persons with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and HIV/AIDS or related diseases, and their families who are living in places not intended for human habitation (such as streets or emergency shelters). S+C pays for rental assistance, based on Fair market rents determined by HUD. S+C funds are allocated to a state or local government which then further suballocates the funds to a non profit agency.

**Supportive Housing Program** is HUD's program to help homeless persons in transitioning from the streets to permanent housing and achieve self sufficiency to the maximum extent possible. The funds can be requested for acquisition, rehabilitation, construction and leasing of supportive housing as well as operating costs of supportive housing and supportive services. SHP has five parts from which applicants can choose to meet the needs of the people-

- (i) permanent housing for people with disabilities
- (ii) transitional housing with a length of stay up to two years
- (iii) support services only when a housing or outside agency brings services to supportive housing tenants
- (iv) safe havens-low demand housing programs that may be permanent or transitional targeting hard-to-reach, chronically homeless individuals
- (v) innovative supportive housing

**Single Room Occupancy (SRO) Moderate Rehabilitation Program** provides rental assistance for homeless persons in relation with the moderate rehabilitation of SRO dwellings. Unlike the S+C program, the tenant does not have to have a chronic disability and the subsidies are tied to the project, not the tenant.

**Section 811** provides financing for not for profit organizations for the acquisition, rehabilitation or construction of supportive housing for persons with disabilities-those with chronic mental illness, physical disabilities and/or developmental disabilities.

**Section 202** program serves the homeless elderly who are low income and ready for permanent housing and independent living. This program provides capital and rental subsidies for rehabilitation or construction and operation of supportive permanent supportive housing for the elderly.

**Home Investment Partnership Program (HOME)** is the largest federal block grant for state and local governments designed exclusively to create affordable housing for low income households. HOME's flexible funds such as grants, loans, loan guarantees, or credit enhancements are an important source of capital for acquiring, rehabilitating or constructing supportive housing and transitional housing projects. States and local governments decide as to how to distribute the grant within their communities.

**Housing Opportunities for persons with HIV/AIDS** is a federal source of capital for developing housing for people with HIV or AIDS. HOPWA funds can be used for acquisition, rehabilitation, construction, costs for facility operations, rental assistance, short term payments to prevent homelessness, health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living and other supportive services. The grant is made available to developers via a competitive process.

Amongst the *New York State* sources are:

**Homeless Housing Assistance Program** used for capital grants and loans given to not for profits, charitable and religious organizations, municipalities and public corporations across New York to acquire, construct or rehabilitate housing to assist the homeless and persons with special needs.

**New York State Division of Housing and Community Renewal (DHCR)** supervises, maintains and develops low and moderate income housing in New York State. Four programs that apply to supportive housing are:

- (i) Housing Trust Fund Program-It provides funding to construct low income housing to rehabilitate vacant or under-utilized residential property, or to convert vacant non residential property to residential use for occupancy by low income tenants or tenant cooperators.
- (ii) Home Investment Partnership Program-It provides grants to states and localities that communities can use in partnerships with local not for profit groups to fund a range of activities that build, buy and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low income people. The two types of HOME funding include site specific to develop rental housing and local programs, which provide rehabilitation, home ownership or rental assistance in an identified program service area.

- (iii) Low Income Housing Tax Credits provide a dollar for dollar reduction in federal tax liability for developers who build, acquire or rehabilitate rental housing serving low income households. The various States receive a pool of credits based on their population. The primary allocating agency within each State then allocates the awards of tax credits to corporations in a competitive application process. The amount the developers receive in awards are based on the number of units they reserve for low income households and the capital costs involved in building or rehabilitating the development. In order to be eligible, projects must have substantial rehabilitation or new construction with at least 20% of apartments reserved for low income households. These tax credits are then sold to investors. The equity is then used to fund the construction of affordable housing rental units.
- (iv) New York State Low Income Housing Tax Credit is similar to the Federal LIHTC program with a difference that eligibility is set to assist households earning up to 90% of the area median income rather than the 60% standard of the federal LIHTC program. This program also provides a dollar for dollar reduction in certain New York State taxes to investors in qualified low income housing that meets the requirements of Public Housing Law.

The New York/New York Agreement reflects a partnership between New York City and New York State wherein on both the Mayor of New York City and the Governor of New York State pledged to build 9,000 units of supportive housing for homeless and at risk individuals and families in New York City, over the next ten years.

New York has led the nation in the field of building low income affordable housing for the homeless and in helping the potentially homeless people manage their lives. In fact, New York has become a pioneer in building supportive housing and in producing models for the world to learn. The enormous task of ending homelessness must begin somewhere and although there may be many avenues to resolve the same problem, the issue of homelessness has found its respite within the brick, mortar and cement of the four walls of a 'supportive home.'



---

<sup>1</sup> There are approximately 150,000 to 200,000 chronically homeless individuals in the United States nationwide according to National Alliance to End Homelessness tabulations of Continuum of Care 2005 point in time estimates.

<sup>2</sup> National Alliance to End Homelessness. March 2007. Fact Checker: Accurate Statistics on Homelessness

<sup>3</sup> [http://www.fanniemaefoundation.org/programs/hpd/pdf/hpd\\_1301-culhane.pdf](http://www.fanniemaefoundation.org/programs/hpd/pdf/hpd_1301-culhane.pdf)