



Permanent Supportive Housing

October 9, 2024



Overview of Permanent Supportive Housing

Housing and Homelessness Working Group

Wednesday, October 9, 2024

Supportive Housing Consulting
firm founded by Zoe LeBeau &
Katie Symons

Over 50 years of collective
experience working with Tribes,
rural & urban communities

Experience from direct homeless
services to affordable housing
development

Offer “PSH Toolkit” in Colorado,
and Project Management &
Technical Assistance in 12 states



What is PSH?

A cost-effective, outcome-driven, and more humane solution to ending homelessness

Serves families & individuals struggling with **untreated trauma, addiction, mental illness and disabilities**

Provides subsidized housing along with supportive services



...is not time-limited

(may be permanent for some)

- Allows for open-ended stay
- Focuses on long-term housing stability
- Provides long-term housing options that clients get to decide when they're ready



...is affordable

Tenants pay rent, but no more than 30% of their income

Ongoing operating subsidies must be attached to the PSH building in order to supplement the rest of the rent payment



...is independent living

- Provides tenants with a lease for their unit
- Focuses on helping tenants adjust to living in a housed environment
- Supports tenants in treating past traumas



Supportive Housing is NOT



Who lives in PSH?

Families & individuals who *were*:

- Experiencing homelessness, including those living on the streets and in shelters
- Living in overcrowded conditions and/or couch-surfing
- Being discharged from prison or other institutionalized settings
- Living in places not meant for human habitation, i.e., cars, garages, abandoned buildings, etc.



Photo by Katie Symons

Families & individuals who *have:*

Serious chemical dependency and/or mental health issues who need supportive services to maintain stable housing
Frequently utilized emergency services in the community because they lack stable housing

Experienced various past traumas, including Adverse Childhood Experiences (ACEs) and historical trauma



Photo by Stephen Hunt



Housing provides a foundation

A person or family can
access the services &
supports they need to
achieve stability, begin
the healing process &
pursue personal goals...

...on their own timeline.

Housing First

Housing is a right.

People do not need to be
“housing ready.”

Housing should never be used to
coerce people into services they
would otherwise not choose.

Housing & services are
interconnected but with separate
criteria (property management
and supportive services teams
working together).

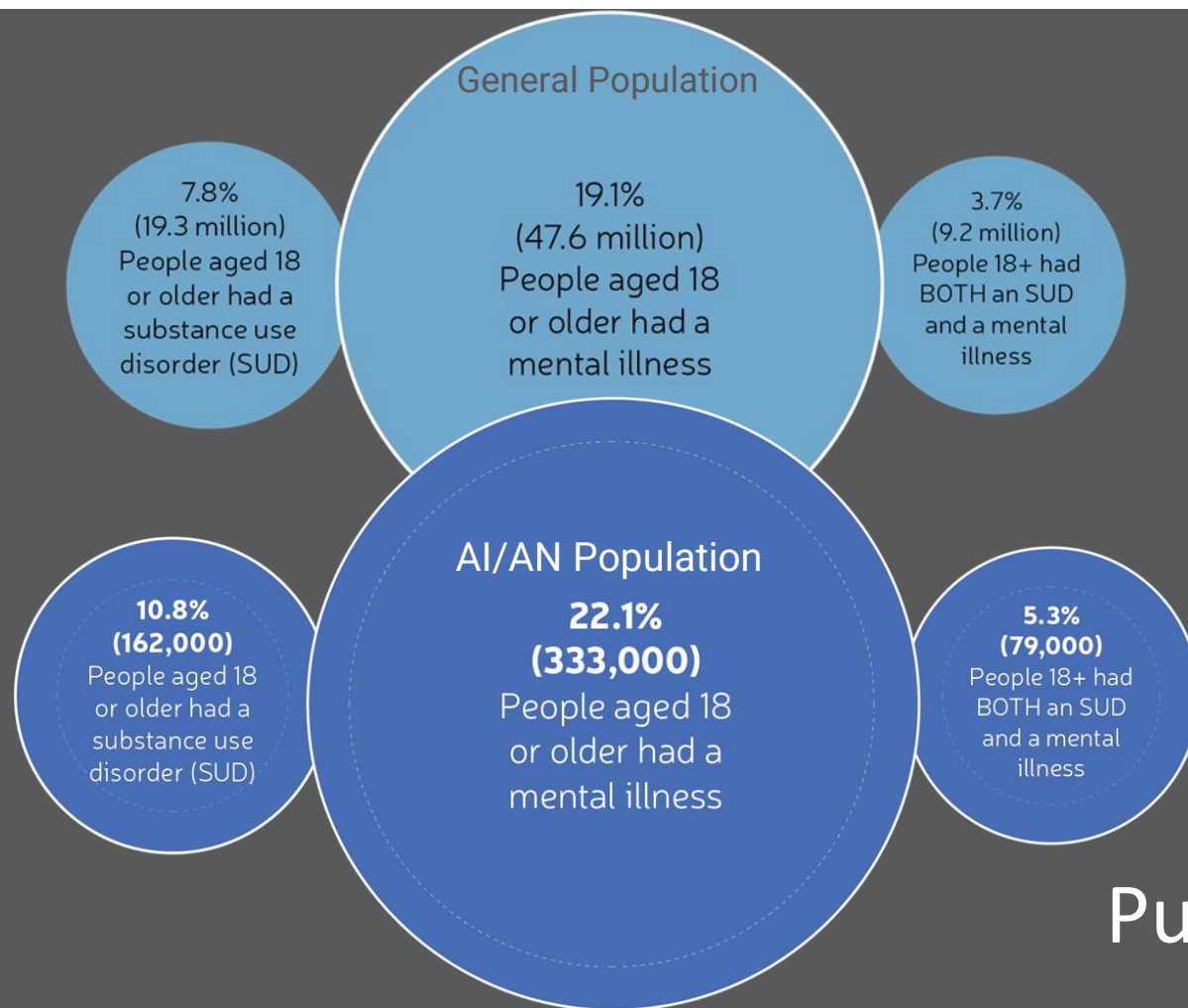


Harm Reduction

Reduces the adverse health, social & economic consequences of the use of legal & illegal substances and drugs without necessarily reducing drug consumption.

Is an approach that does not punish people who use drugs, their families and the community but rather strives to reduce harm.





Trauma as a Public Health Issue

How is Supportive Housing different than typical affordable housing?



Supportive Housing takes a long time to develop



This is a complex process involving multiple partners across disciplines

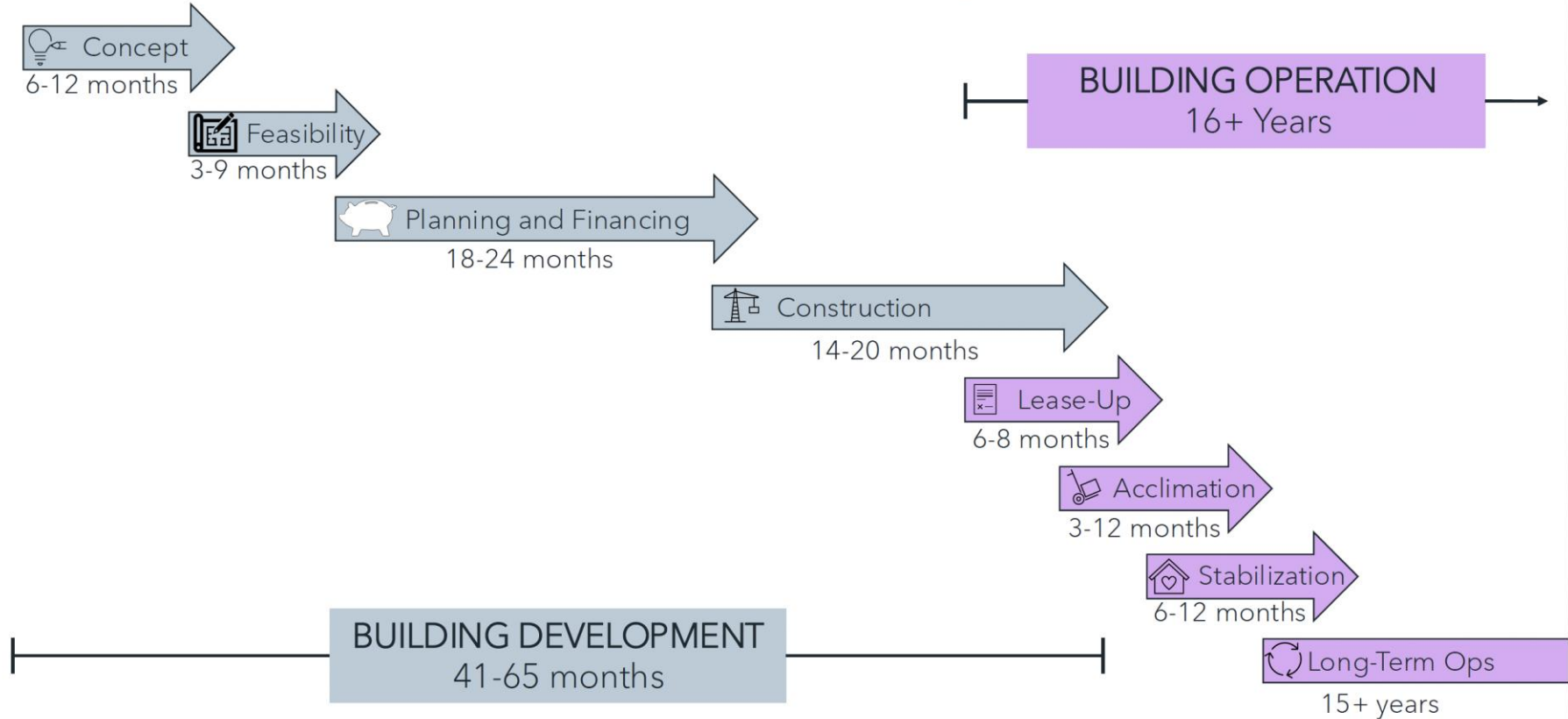


Three separate budgets are involved



Funding sources can be complicated and are limited

HOW LONG DOES A PROJECT TAKE



Services are Key (and also the hardest to fund)



- Counseling
- Health & mental health services
- Alcohol & substance use services
- Independent living skills
- Money management
- Community-building activities
- Employment training & job placement
- Mentoring
- Benefits Acquisition
- Children/Family Services

Tenant Centered Services

Targeted: Based on populations served

Flexible: Responsive to residents' needs

Voluntary: Participation is not a condition of residency

Independent: Focus is on housing stability



Unique Staffing Needs in PSH

- Front Desk Staff (24/7)
- Program Manager / Director of Resident Services
- Case / Care Managers
- Peer Specialists
- Licensed Clinician
- Mental Health professionals / counselors
- Child/Family Advocate
- Property Manager
- Maintenance tech



Challenges in Supportive Housing

- Higher costs for 24/7 service support and staffing
 - Tenancy Support Service (TSS) dollars vary from voucher issuer
 - Lengthy process to become a Medicaid billable agency
- Higher operating costs
 - Additional security needs
 - More "wear and tear" on units; more timely/expensive to turn
 - Additional property management time to work collaboratively with service providers and residents
 - Training needed for harm reduction, mental health first aid, overdose prevention, suicide prevention, trauma-informed care
- High development costs without consistent capital subsidies
 - LIHTC is highly competitive
 - Per unit subsidies are not sufficient and vary from city to city to state

Why is PSH important?

- People feel safe (maybe for the first time in their lives)
- Employment retention
- Improved physical and mental health
- Housing stability
- Reduced substance use
- Engagement increases in services when given choice

**Supportive Housing
Improves and Saves Lives!**



Residents at St. Francis Apartments at Cathedral Square at Year Six. 12 of the original residents are still there.

-Photo by SFACS staff

Questions?

Appendix

Videos



How Childhood Trauma Affects Health
Across a Lifetime

Websites & Supportive Housing Guide

National Alliance to End Homelessness:

<https://endhomelessness.org/>

Financing multi-family affordable housing 101:

<https://localhousingsolutions.org/housing-101-the-basics/>

Supportive Housing Engagement Guide:

<https://robinkniech.net/supportivehousingguide/>

Colorado Division of Housing's supportive housing projects have an 94% housing stability rate demonstrated through the Homeless Management Information System (HMIS).

In the last 10 years (since 2014), Colorado has created:

- 4,352 new supportive housing opportunities across 72 housing developments
 - ❑ 3,102 project-based supportive housing units across
 - ❑ 1,250 tenant-based supportive housing opportunities.

- Approximately 2,980 PSH are project-based units in Denver (since 1995).*



*Does not include scattered site units

Cost Savings

Supportive Housing drives significant reductions in returns to homelessness, emergency room visits, days in hospitals, psychiatric admissions, Medicaid costs, and justice involvement.



ER Visits
decreased
24% - 34%



Hospital Days
decreased
27% - 29%



Psych Admissions
decreased
82% - 87%



Medicaid Costs
decreased
41% - 67%



Incarceration
decreased
42% - 45%



Housing Stability
increased
79% - 93%

Thank you



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Permanent Supportive Housing Overview

Definitions

Coordinated Entry: A systematic process used to assess and prioritize individuals and families experiencing homelessness for available housing resources and services. The Metro Denver Homeless Initiative (MDHI) uses OneHome as Metro Denver's coordinated entry system.

Housing First: This model recognizes that having a safe and secure place to live, without preconditions, is essential for individuals to effectively access supportive services, such as mental health care, substance abuse treatment, and job training.

Permanent Supportive Housing: Non-time-limited, leased affordable housing units with voluntary wrap-around services for people exiting homelessness. HOST considers projects with 40% PSH units as supportive housing.

Project-based vouchers (PBV): Project based vouchers are attached to a specific unit through a contract with a property owner to rent the unit to low-income households.

Tenant-based vouchers (TBV): Tenant-based vouchers allow low-income households to choose rental housing within the area of the participating jurisdiction or transfer to any other area that supports the voucher program. This assistance belongs to the tenant and not the unit, and therefore stays with the tenant as they move to a different unit.

Tenant selection plan (TSP): The tenant selection plan helps to ensure that tenants are selected for occupancy in accordance with program requirements and established management policies.

HOST's PSH Investments

- 1. Gap Financing:** PSH is primarily developed/preserved via the LIHTC program, HOST provides gap financing via a performance loan at approx. \$45k/unit
- 2. Supportive Services:** Requires at least \$7,200/unit/year. HOST funds \$1,500/unit/year over a 15-year contract.
- 3. Project-based Vouchers:** HOST has adopted DOH's Voucher Payment Standards and awards 20-year Housing Assistance Payments (HAP) contract

PSH Gap Financing

- Higher gap financing needs compared with non-PSH LIHTC developments, same cost to develop
- Often more non-revenue generating spaces for classrooms, case managers, service providers, etc.
- Projects often take on less private debt to generate surplus cash flow to fund supportive services
- Units with PBV can generate higher rent revenue



Supportive Services

- Case management, health care including mental health, substance use, employment, social services, children and family services, etc.
- Funded through HOST, CDOH, Medicaid, Project Cash Flow, Developer Fee, Sponsor/Service Provider Fundraising (min. \$7,200/unit/year)

SERVICES BUDGET

Forecast of Expenses (Year 1 Taken from Budget)	Year 1	Year 2	Year 3	Year 4	Year 5
Annual inflation factor of __3_% applied to Years 2-5	\$ 921,112.00	\$ 948,745.36	\$ 977,207.72	\$ 1,006,523.95	\$ 1,036,719.67

Forecast of Sources

Name of Funder	Year 1	Year 2	Year 3	Year 4	Year 5
Project Cash Flow	\$0	\$0	\$0	\$0	\$0
PSH Developer Fee Boost	\$ 259,794	\$ 429,609	\$ 250,261	\$ 248,048	\$ 268,154
Medicaid	\$ 100,000	\$ 120,000	\$ 140,000	\$ 160,000	\$ 170,000
DOH TSS Funding	\$ 148,680	\$ 148,680	\$ 148,680	\$ 148,680	\$ 148,680
WV Donor Fundraising (Start-Up & Gn'l Operating Contrib. R)	\$ 150,000	\$ 65,000	\$ 10,000	\$ 13,729	\$ 11,031
Deferred Developer Fee	\$ 64,138	\$ 66,956	\$ 69,766	\$ 72,566	\$ 75,354
HOST Services Gap Funding	\$ 118,500	\$ 118,500	\$ 118,500	\$ 118,500	\$ 118,500
Continuum of Care					
Non-deferred Developer Fee	\$ 80,000	\$ -	\$ 240,000	\$ 245,000	\$ 245,000
Warren Village G'l Operating Contributed Funds					
Total Annual Sources Forecast	\$921,112	\$ 948,745.15	\$ 977,207.15	\$ 1,006,523.15	\$ 1,036,719.15

PSH Vouchers

Applicants requesting Housing Vouchers apply through the quarterly Creation of Supportive Housing Request for Applications (PSH RFA) for any PSH project that intends to apply to DOH, Denver Housing Authority (DHA) and/or HOST for any of the following:

Project-Based Rental Assistance:

- HUD-Veterans Affairs Supportive Housing (HUD-VASH)
- State Housing Vouchers (SHVs)
- HOST Funded Rental Assistance
- Housing Choice Vouchers (Section 8)

Section 811 Project Rental Assistance (811 PRA)

Tenant-Based State Housing Vouchers

Tenancy Support Services (TSS) funding from DOH or HOST

50% of PBV units source tenants from OneHome

2024 CDOH Payment Standards vs 30% LIHTC Rents:

	0 BR	1 BR	2 BR	3 BR	4 BR
CDOH	\$1,495	\$1,705	\$2,025	\$2,630	\$2,955
30%	\$684	\$733	\$880	\$1,017	\$1,134





Questions



Appendix

Awarded 9% Projects 2020-2024

2023

10th and Sheridan, 60 units

Henninger Legacy Homes, 60 units

2020

Valor on the Fax, 72 units

Renaissance Legacy Lofts, 98 units (9%/4% combo)

Awarded 4% + State Projects 2020-2024

2023

901 Navajo, 190 units

Chrysalis Apartments, 70 units

2022

Residences on Acoma, 128 units

Warren Village III, 89 units

2021

2700 Wewatta, 56 units

2020

Rhonda's place, 50 units

4% Projects 2019-2024

2022: St. Francis Center West, 60 units

2019: Charity's Housing, 36 units