



New Mexico Behavioral Health Purchasing Collaborative Long Range Supportive Housing Plan

Prepared by the Technical Assistance Collaborative
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Part One – Overview

Since its inception in 2004, New Mexico Behavioral Health Purchasing Collaborative (the Collaborative) has been working to develop a coherent comprehensive community-based care system for people with behavioral health problems in New Mexico. This effort is intended to benefit consumers and their families by reducing roadblocks to services, improving access and providing evidence-based best practice community recovery and resiliency services. The effort is also intended to benefit all of New Mexico, through more appropriate and efficient use of resources to support high priority consumers with behavioral health problems and related disabilities and youth transitioning from the foster care and juvenile justice systems to adulthood, while at the same time reducing the system’s reliance on hospitals, residential treatment centers, nursing homes, homeless shelters, and criminal justice facilities.

Evidence-based practices indicate that independent, decent, safe and affordable community-based housing linked to flexible community-based supports is desired by consumers as an essential ingredient to foster and support their own journeys towards recovery and resiliency. Increasingly across mental health, substance abuse, long-term care and homeless services systems, this type of housing is referred to as permanent supportive housing. This term is used to draw a clear distinction between this housing model and other more restrictive housing/services models (i.e., residential treatment, group homes, transitional housing etc).

As is the case with virtually all public behavioral health and disability services systems, there are significant barriers to consumers’ access to permanent supportive housing in New Mexico. To address these barriers, it has become clear that the Collaborative must have a comprehensive permanent supportive housing strategy as a pre-condition to meeting other service development and resource redeployment objectives in the community. The need for this strategic housing plan has been recognized as part of the Collaborative’s overall strategic plan. For these reasons, the Collaborative has contracted with the Technical Assistance Collaborative, Inc. (TAC) and its local partner, the Supportive Housing Coalition of New Mexico to conduct a community resource analysis and develop a long-term and strategic housing plan.

Having this Plan is essential to the Collaborative achieving its supportive housing goals. The Plan:

1. specifies concrete and feasible strategies to increase the access of priority consumers to permanent supportive housing that meets their needs and choices in the community;
2. serves as a guide for local and state officials and stakeholders as they build supportive housing capacity for people with disabilities and other vulnerable populations in New Mexico describing the essential “nuts and bolts” of acquiring or producing permanent supportive housing in New Mexico;
3. articulates how the Collaborative and its community partners can leverage their own limited resources and maximize consumers’ access to all mainstream affordable housing resources provided by federal, state and local government programs for very low-income households and persons with disabilities;
4. Identifies the specific housing need among various populations and regions of New Mexico; and
5. Serves as the basis to increase resources and to amend policies and practices.

Thus, this supportive housing strategic plan also incorporates service delivery and system management recommendations designed to make the new housing work for high priority consumers for whom it is developed.

The time frame for implementation of supportive housing under this strategic plan is ten years and *New Mexico's goal is to create 5,000 supportive housing opportunities* (e.g., tenant-based rent subsidies and assisted project-based units). The Collaborative will create both “bridge” rental resources and support state and local housing organizations to create a pipeline of permanent affordable housing resources for high priority consumers. A “pipeline” approach refers to securing funding housing projects (i.e., a new HUD-funded or tax credit project) but it does not necessarily produce the units immediately. However funds, once committed, can be counted on for planning purposes to be available for occupancy at some predictable future date. The Collaborative will also assure consumers using these housing resources are linked with flexible community services and supports designed to sustain tenancy as well as foster community-based recovery and resiliency for the consumers moving into the new housing.

This Plan focuses on initiating a long-term, ongoing process of supportive housing expansion and service system re-alignment that continues well into the future. Over the long-term, the new supportive housing paradigm will have significant benefits for consumers and families across the entire state. It must also be emphasized that this permanent supportive housing plan builds on initiatives already underway in New Mexico to transform the behavioral health system.

Process for developing this Plan

A substantial portion of the effort related to developing this strategic plan has been devoted to a careful review of current resources and needs in New Mexico. Many of the housing and service system issues and priorities for the Collaborative and stakeholders are the same as the issues and priorities in other states. New Mexico can learn from both the successes and the mistakes of other jurisdictions that have undergone similar supportive housing strategic planning and development activities.

However, New Mexico has its own set of local resources, priorities, traditions, relationships and other environmental factors that must be reflected in the strategic housing plan. Each recommended solution must be tailored to issues as they exist specifically in New Mexico, and each recommended initiative must be feasible to implement within New Mexico's existing set of resources, opportunities and constraints. The review of New Mexico's current affordable housing and community service system included reviews of housing data, population demographics and statistics; on-site interviews and focus groups; housing forums conducted by local Collaboratives throughout the state and meetings with the Collaborative, the Collaborative's Housing Leadership Team and the Behavioral Health Planning Council.

Many people and organizations within New Mexico contributed to developing this Plan. The authors heard much about the plight of many consumers living in unaffordable and/or sub-standard housing, facing long-term homelessness, and institutionalization including incarceration. However the most striking theme heard while compiling the report is that the capacity to actually develop supportive housing is lacking in New Mexico and that the Collaborative must first invest in capacity building if the Collaborative's goals for housing are to be achieved.

The Collaborative has also heard loud and clear that housing is a priority for stakeholders. The local Forums were attended by nearly 300 people. They were extraordinarily helpful to both identifying needs and reinforcing the fact that housing is a high priority throughout the state. The extensive degree of stakeholder involvement in producing this plan should make it more reflective of their actual needs,

choices and priorities, while at the same time providing motivation and a strong foundation for the implementation of the recommendations.

As this Plan was being developed, Governor Richardson requested state funding for FY 2008 so the Collaborative could begin implementation of components of the Housing Plan immediately. Therefore the Collaborative established Guiding Principles and Core Elements for this Plan and selected funding strategies for FY 2008. These Principles, Core Elements and Funding Strategies have guided the work of this formal Plan document (see Appendix 1 for a copy of these original guiding principles).

Federal Housing Funding Outlook

The development of this plan is taking place at a time when the prospects for a renewed federal commitment to affordable rental housing are beginning to improve somewhat after years of stagnation. For example, during the past year, Congress has acted to stabilize funding for the Section 8 Housing Choice Voucher Program and has also taken up several bills directly related to the creation of a National Housing Trust Fund that – among other goals – is targeted for people with the lowest incomes.

The outlook for the U.S. Department of Housing and Urban Development (HUD) Fiscal Year 2008 budget has also improved with both House and Senate appropriators proposing new Housing Choice Vouchers for certain target populations including homeless veterans and people with disabilities. Additional funding for McKinney-Vento Homeless Assistance programs focusing on people with disabilities who are chronically homeless has also been proposed by House and Senate appropriators.

However, Congress continues to disagree on the extent to which federal “discretionary” programs – including HUD programs – can increase so federal affordable housing funding will continue to be a precious and scarce resource for the foreseeable future. Understanding these federal funding realities is important to craft the best use of all affordable housing funding streams in New Mexico and the need to “jump start” a pipeline of permanent supportive housing across the state for the highest priority consumers.

Importance of Permanent Supportive Housing to New Mexico

Researchers and practitioners have demonstrated repeatedly that people with disabilities and other people with special needs can live successfully in homes of their own in the community.¹ To succeed, they need decent, safe, affordable, and accessible housing that also provides access to the array of community-based supports and services they want and need to live as independently as possible. This type of housing is now commonly referred to as permanent supportive housing.

¹ *The Applicability of Housing First Models to Homeless Persons with Serious Mental Illness*. U.S. Department of Housing and Urban Development, July 2007.

What Is Permanent Supportive Housing?

Permanent supportive housing is decent, safe, integrated rental housing in the community. It is housing that is affordable to individuals with low or no incomes. In permanent supportive housing, the consumer has all the rights and obligations of tenancy.

Ideally, permanent supportive housing is affordable, meaning tenants pay no more than 30% of their income toward housing costs. Permanent supportive housing recognizes that for many consumers, access to quality, community-based supportive services can ensure a successful tenancy in the housing. As such, the housing is linked with voluntary and flexible supportive services to support tenancy and address other needs.

Ideally, permanent supportive housing is affordable, meaning tenants pay no more than 30% of their income toward housing costs.

The term permanent supportive housing was created and is used to make a clear distinction between housing that is a person's permanent home versus other supportive housing settings that provide both housing and supports but are either time limited or require mandatory participation in a services program as a condition of continued occupancy.

Permanent supportive housing refers to housing that is integrated within a community not time limited; and linked with flexible community-based services that are available to tenants when they need them but are not mandated as a condition of occupancy. Typically this involves rental homes or housing units but in rural New Mexico other ideas may need to be explored as this Housing Plan is implemented. The permanent supportive housing model is based on a philosophy that supports consumer choice and empowerment, rights and responsibilities of tenancy, and appropriate, flexible, accessible, and available supports that meet each consumer's changing needs. This approach to housing parallels with the harm reduction and recovery and resiliency movements already underway in New Mexico.

A growing body of knowledge has documented the effectiveness of permanent supportive housing and helped generate the systems changes needed to create it. A study conducted by the Center for Mental Health Policy and Services Research at the University of Pennsylvania² found that homeless people with disabilities who moved to permanent supportive housing experienced marked reductions in shelter use, hospitalizations (regardless of type), length of stay per hospitalization, and time incarcerated. Perhaps though more important to New Mexico are the results of newly published study in Maine illustrating even in a more rural, less resource rich environment "permanent supportive housing appears to allow individuals significantly more efficient and appropriate service delivery with tangible cost savings". In Maine, permanent supportive housing cut by more than half emergency room costs (62% reduction), health care costs (59% reduction) and shelter visits (98% reduction). The overall annual reduction in costs for the 99 participants in the Maine study was \$93,436.³

² *The Impact of Supportive Housing for Homeless People with Severe Mental Illness on the Utilization of the Public Health, Corrections and Emergency Shelter Systems: The New York-New York Initiative.* Dennis Culhane, Stephen Metraux and Trevor Hadley, Center for Mental Health Policy and Services Research, University of Pennsylvania, Fannie Mae Foundation, May 2001.

³ *Cost of Homelessness: Cost Analysis of Permanent Supportive Housing: State of Maine-Greater Portland.* Melany Mondello (Shalom House, Portland, Me.), Anne B. Gass (ABC Consulting), Thomas McLaughlin and Nancy Shore (University of New England). Prepared for Maine Housing, Maine Department of Health and Human Services and Corporation for Supportive Housing. (2007).

Studies also document the effectiveness of permanent supportive housing. A Corporation for Supportive Housing study in Connecticut⁴ compared Medicaid costs for residents for six-month periods prior to and after their move into permanent supportive housing. Costs for community-based mental health and substance abuse treatments decreased by \$760 per service user while costs for psychiatric in-patient and nursing home services decreased by \$10,900. This study also documented that supportive housing has a positive – as opposed to the often feared negative – effect on neighborhood property values.

Additional HUD research focusing on the specific problem of chronic homelessness⁵ recognized that not only does low demand permanent supportive housing successfully get homeless people with disabilities off the street and into housing but is also most effective at keeping them in housing. The study stated:

“these low-demand programs can bring difficult-to-recruit individuals into permanent supportive housing. People will come in, they do use services even though not required to, they do reduce their substance use, and mostly they do not return to the streets. Other mechanisms facilitate the process of recruiting people into the housing programs and assuring that, with maximum efficiency and effectiveness, they get the array of services they need.”⁶

There will be instances when the Collaborative may want to develop “transitional” housing. For example, transitional housing can be effective for persons with substance abuse disorders for a short period of time while a person who chooses sobriety is transitioning back into the community from a treatment program, jail or an institution. It is typically utilized for persons who will not require supportive housing but rather for individuals returning to work, able then to afford their own housing and not requiring long-term supports. However, the preponderance of high priority consumers will be individuals who can benefit more readily from permanent supportive housing.

Supportive Housing as “Best Practice

The President's New Freedom Commission asserted Supportive Housing as a “best practice” behavioral health intervention and this assertion is backed up by numerous studies. There is strong evidence that for supportive housing to be effective for the highest priority consumers it must be:

- a) available to and accessed by high priority consumers at the place and time that they need it;
- b) effectively linked with a flexible array of community services and supports tailored to the individual needs and choices of tenants; and
- c) developed and managed in an environment in which the entire behavioral health system is focused on preventing institutionalization, premature long term care, incarceration and/or homelessness among people with behavioral health problems as well as helping young adults transitioning out of the foster care or juvenile justice systems make successful transition to adulthood.

⁴ Arthur Andersen, LLC. (2002). *Connecticut Supportive Housing Demonstration Program Evaluation Report*. New York, NY: Corporation for Supportive Housing

⁵ HUD and other federal agencies define persons who are chronically homeless as individuals with disabling conditions who have been consistently homeless for 12 months or more or who have had four episodes of homelessness over a three year period.

⁶ Strategies for Reducing Chronic Street Homelessness: Prepared for:

U.S. Department of Housing and Urban Development, Office of Policy Development and Research, January 2004

Permanent supportive housing also reduces human services system costs when compared to traditional residential services programs, because some of the capital and/or rental subsidy costs associated with permanent supportive housing are covered through affordable housing programs rather than service system funding streams. Despite its demonstrated effectiveness, the permanent supportive housing approach challenges traditional thinking and may involve changes in behavioral health housing and services philosophy, policies, and practices, particularly for the most vulnerable and highest priority consumers. These systems changes can occur over time as permanent supportive housing becomes a reality in the community and meets consumer needs in a more effective manner. See Appendix 2 for Permanent Supportive Housing Best Practice examples.

Part Two – Guiding Principles

New Mexico’s Behavioral Health Purchasing Collaborative adopted Guiding Principles at its May 24, 2007 meeting. The Collaborative ardently supports the creation of permanent supportive housing as a viable and necessary vehicle to address the significant housing needs of the State’s most vulnerable populations.

This need for decent, affordable housing for people with disabilities is undisputable. The national standard for affordable housing is that a household should not have to pay more than 30% of their monthly income toward housing costs. For the first time, in 2006, national average rents for both one-bedroom and efficiency units were more than the entire monthly income of an individual with disabilities relying solely on the federal Supplemental Security Income (SSI) program.⁷ The combination of rising rents and static SSI benefits has resulted in people with disabilities being priced out of housing markets across the country. In New Mexico a person receiving SSI would have had to spend on average 98% of their monthly income on rent. In certain metropolitan areas such as Santa Fe (119% of SSI), the crisis is particularly severe. However, even in the rural areas of the state a person with a disability would still need to have spent 72% of their monthly income to afford a modest one-bedroom apartment – leaving little else for food and other necessities and putting them at great risk of homelessness.

The Collaborative is leading an effort to develop clear and proactive housing and service strategies to better meet the housing needs of the State’s most vulnerable populations. In order to develop supportive housing, the Collaborative recognizes that specific steps must be taken to ensure a productive and successful outcome.

The Collaborative recognizes that:

1. Permanent supportive housing is an extremely effective intervention. When permanent supportive housing is implemented consistent with a set of core operating principles, housing retention rates are 75-85% for at least five years with parallel improvements in mental health and substance use status and increased recovery (studies generally have data up to five year). This data appears to be consistent across a number of populations including previously unstably housed persons living with HIV/AIDS, high-need families and youth transitioning from juvenile services and foster care.
2. Permanent supportive housing is cost effective. When permanent supportive housing is implemented consistent with a set of core operating principles there is a corresponding reduction of public

⁷ *Priced Out in 2006*. Boston, MA: The Technical Assistance Collaborative (2007)

expenditures for 1) emergency room and inpatient care (medical, psychiatric and substance abuse); 2) jail, police, and the court system; and 3) shelters and other services for homeless persons. Permanent supportive housing is also more cost effective than transitional and other residential programs. Most persons with special needs, except some of those persons needing nursing care, can benefit from and remain stably housed in permanent supportive housing.

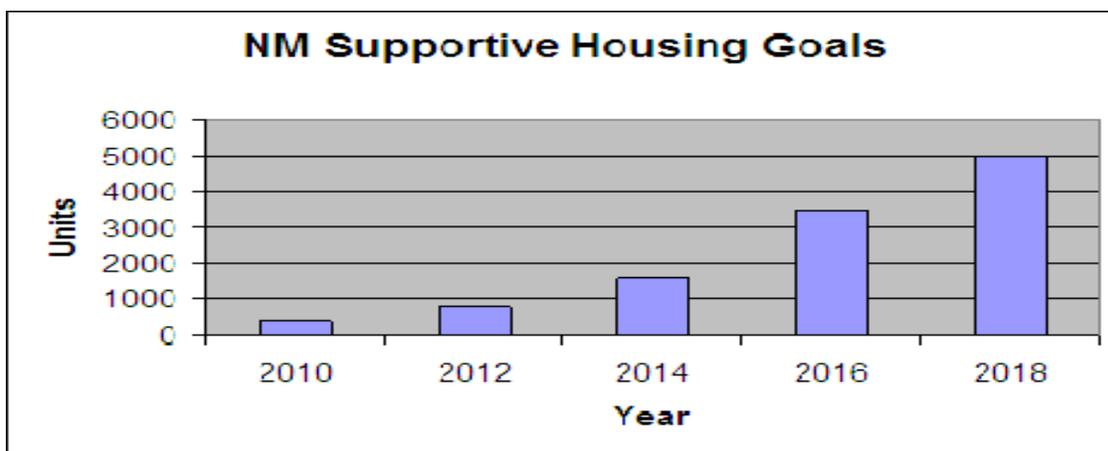
3. Creating permanent supportive housing is an ideal fit for public capital funds. Permanent supportive housing has three component parts: (1) capital, (2) operating or rental subsidies and (3) services and supports. Each requires a dedicated funding stream. Affordable housing resources such as HOME, CDBG, Housing Trust Fund, LIHTC, etc. are used successfully in many states to create permanent supportive housing units.⁸
4. Consumers consistently voice their preference for a decent stable place of their own to live. Independent, quality, safe and affordable community-based housing linked to flexible community-based supports is desired by consumers as an essential ingredient to foster and support their own journeys towards recovery and independence.

Adopting/integrating a system-wide housing first philosophy for the development and implementation of programs and services is also recognized as necessary. The “Housing First” model has been shown to be more effective at reducing and ending homelessness and maintaining tenancy more quickly than previous models. Consumers have access to “housing first” with choice of housing, not conditioned upon treatment success or service requirements and with all the rights of tenancy afforded any tenant in their jurisdiction.

Part Three – Recommended Goals, Overall Approach and Rationale

The Collaborative also adopted Core Elements at its May 24, 2007 meeting, which set the stage for establishing goals for this Initiative and an overall approach to implement this Plan. This Plan proposes five Supportive Housing Goals for the Collaborative:

Goal 1: Develop 5,000 Units of Supportive Housing



⁸ These housing resources are more fully described in Chapter 3 of this Housing Plan.

The first goal is to create 5,000 supportive housing units in 10 years. While it is a very ambitious goal, it will not address the entire need for permanent supportive housing in New Mexico. Instead this goal reflects the maximum number of units that could be created given resource and capacity limits during this 10 year time frame. The Plan calls for 400 units by 2010, 800 units by 2012, 1,600 units by 2014, 3,200 units by 2016 and 5,000 units by 2016. The dramatic increase in the last six years is based on the premise that housing organizations can increase production and tap into housing resources more effectively as they build capacity.

The cost of implementing this plan is difficult to assess given the number of variables and length of time involved in this effort. However, below is an estimate and set of assumptions that led to this estimate.

Assumptions:

1. The average rental cost for a one bedroom fair market rate (FMR) rent in New Mexico is \$531. FMRs vary according to regions with cities such as Santa Fe and Albuquerque having higher FMRs than more rural communities. Based on the average statewide FMR, if all 5,000 people were to be provided a one bedroom market rate rent apartment and they were only paying 30% of their fixed income (most likely SSI) the cost would be approximately \$25,000,000 annually in today's costs.

2. No precise prediction can be made about what sources of funds can cover what percentages of this overall cost. All the potential federal, state, private and local resources that can be mustered will be needed and no one fund source is expected to be adequate for the task at hand. However by the 3rd year of implementation, the Collaborative should be able to predict with some greater accuracy what percentage of funds to implement this plan can and should come from each of the federal, state, private and local resources. Unquestionably the Collaborative will need to be proactive to increase resources to implement this Plan across all these funding sources. For example if all 2,000 people could have the opportunity to live in units financed with tax credits at the end of ten years that would be bring the cost down by approximately 20%. Another likely source for some offset will be the access consumers could get to federal Section 8 Housing Choice Vouchers (HCVs) or other rental subsidies. Gaining access to 2,000 HCVs or other types of rental subsidies over this 10 year period would bring this overall cost down 40%. The degree to which funds can be added to subsidize the actual production of units, the need for rental subsidies can be reduced.

3. The service related assumptions are based on costs for housing support and intensive services such as Housing First/ ACT supportive housing related costs. A portion of these costs can be covered by Medicaid. Assuming 70% of the consumers in the program will be eligible for Medicaid and assuming 70% of the costs of the services can be covered by Medicaid, 49% of the overall cost of delivering service can be reimbursed from Medicaid. Other federal sources can also be tapped from the US Department of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA), the federal Chafee Foster Care Independence Program, the Medicaid Money Follows the Person, etc.

Providing funds for housing support services can be an offset to more expensive forms of treatment and housing including an offset to jail, prison, institution, residential treatment, health care including emergency room and long-term care, protective services, homeless services and other public safety and health care related costs. The key to the offset is the direct relationship between who gets housing support services and their past and future costs would be. If people getting into housing have not or would not be high users of publicly funded services in the future the offset is smaller and vice versa.

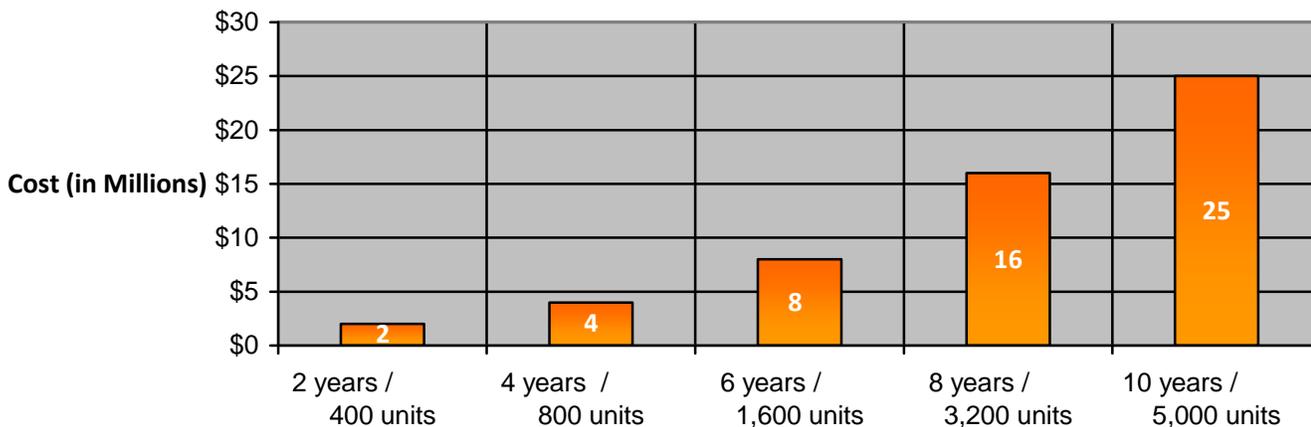
Examples of these estimated offsets in New Mexico include the cost of a day in jail is 3 times greater, hospital costs per day is 20-30 times greater and even, the cost per person for a homeless shelter is the same as the cost for a person in supportive housing per day. Supportive housing costs are 2/3 the cost of nursing home care.

Arriving at the overall cost of services can be drawn from other states experiences translated into costs for delivering services in New Mexico. Assuming there will be a mix of very high need priority consumers whose needs for services don't diminish over time and other consumers whose recovery results in their reducing their needs for services and other supports over time, it is estimated that the cost for services for 5,000 people will be \$35,000,000 annually in ten years (without an inflation factor).

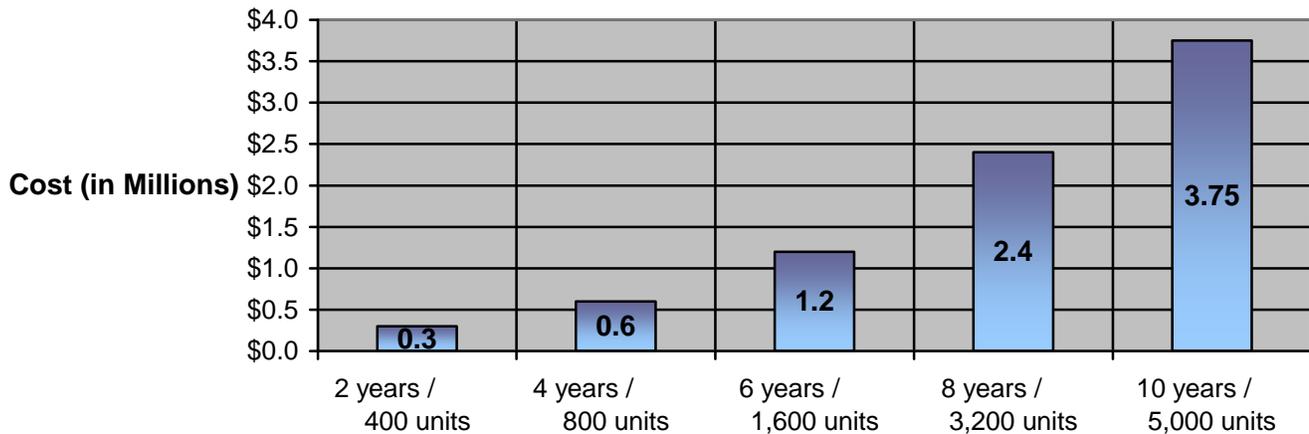
Based on experiences in other states, this will likely be 20% less than the cost for serving those same 5,000 people if supportive housing was not available. However there is a transformational cost associated with this prediction. Transformational cost is defined as the cost to the state to shift from the current services approach to another approach. Costs associated with retooling systems to substitute supportive housing related services for current services is a transformational cost as are the costs associated with serving consumers who are less likely to drop out of services. Additionally, there are fixed costs associated with the more expensive or more traditional services that cannot be shifted to cover supportive housing costs.

Using the trajectory of projected implementation of this initiative over ten years, assuming a redundancy factor for fixed costs cannot be reduced, assuming that some consumers will be new to the system and assuming that 49% of the total costs for services can be covered by FFP, the Collaborative will need to invest funds into capacity building and supportive services even though the overall services costs for 5,000 high priority consumers moving into supportive housing units will go down during this period. The degree to which a reduction in other services costs can be reduced to cover these costs is unknown at this time. Assuming other costs can't be reduced, the state will budget an additional \$3,750,000 annually by the end of the 10 year period when 5,000 supportive housing units are available.

Housing Cost: \$25 million total annually for 5,000 high priority consumers



Services Cost: \$3,750,000 annually in state costs for 5,000 high priority consumers



Goal 2: Create Locally Based Supportive Housing Partnerships

Creating supportive housing for people with disabilities is successful when local groups work collaboratively, create capacity across organizations and collectively seize opportunities to garner needed resources. Local public housing authorities, community development offices within county and city government, behavioral health providers contracted through the Statewide Entity (Value Options of New Mexico), for-profit and non-profit affordable housing developers, homeless and disability advocates and organizations and city and county officials all have a stake in creating housing opportunities in their local community. Resources to create and sustain supportive housing come from a myriad of federal, state and local resources, both private and public, and these resources come together at the local level. Resources do not typically come to a community automatically—they are often competitive—in big demand and short supply. All of the resources come with statutory and regulatory requirements and not one single organization will qualify or be the best fit for all the funding.

A local partnership among these organizations can get things done in a way that can't be done alone and local partnerships can help create opportunities where none exist today. The Collaborative's operating model is ideally suited for this challenge. Local Collaboratives can spearhead, convene or become part of an already existing local effort to attract more affordable housing to its community(ities) and can bring people together so supportive housing can be a priority. The Purchasing Collaborative will need to provide tools and support for this to effectively happen across the entire state over time.

Goal 3: Create a Supportive Housing "Pipeline"

Establishing a Supportive Housing "pipeline" means that both public and private funders and housing developers develop housing that is affordable to very low and extremely low-income residents as part of their overall housing development strategies. This requires four approaches:

1. Create capacity and interest within the housing development community to create supportive housing units funded to ensure long-term affordability.
2. Make financing opportunities for supportive housing a priority at the state, regional and local level.

3. Create new opportunities for making housing affordable for people whose income is below 40% of the Area Median Income.

4. Attract national and regional funds from organizations that have heretofore not been interested in New Mexico due to the small and fragmented affordable housing activity within the state.

Goal 4: Create Rental Assistance

Opportunities

Rental assistance is the resource most frequently used to ensure that housing is affordable for consumers who live on fixed, low incomes. Rental assistance in a housing market with available vacant units can be the quickest way to secure housing. The development of new housing takes two to three years while available rental subsidies in an existing unit can happen immediately. There are multiple strategies the Collaborative can pursue to create immediate rental opportunities and take advantage of potential rental resources. The Collaborative has begun this pursuit with two rental pilot projects in FY 2008, a project in Bernalillo County for transitional age youth and an adult project in Santa Fe, Bernalillo and Grant Counties. These projects will yield up to 50 rental slots this fiscal year and will also provide valuable experience for future endeavors.

CYFD Housing First Pilot

New Mexico youth transitioning out of Juvenile Justice Services or out of Protective Services – those who have aged out of foster care - will now have the opportunity to live in supportive housing before transitioning into the community. Children, Youth and Families Department, the Behavioral Health Purchasing Collaborative and the Supportive Housing Coalition of New Mexico joined together to implement a 20-unit permanent supportive housing program in Albuquerque. These agencies have come together to provide housing to 20 CYFD-involved youth between the ages of 18-21 in the Albuquerque area. CYFD transition staff will help the participants connect to educational, behavioral health and vocational services. The goal of this project is for each participant to be successfully reintegrated into the community. Each participant will receive a rental subsidy that will limit their rent obligation to 30% of income and receive assistance locating housing in the community.

Goal 5: Develop Best Practice Housing Supports and Services

The key to any successful supportive housing program is to assure consumers have access to services and supports they need and choose to attain and sustain successful tenancy in their community. A number of strategies will be taken to align, target and provide services and supports to specific individuals moving into and living in supportive housing. Services will be tailored to the specific individuals in part because of their individual recovery goals but also because of their unique disability or circumstances. Where possible, best practice models will be utilized, consumers will play key roles in the design and delivery of services and existing services and supports will be either transformed, made more flexible or expanded using current and potential reimbursement streams.

Rationale

Broadly speaking, achieving the goals of this Plan will take a deliberate and concentrated effort to build capacity for supportive housing all across New Mexico. Specifically this approach includes:

1. Local capacity and local partners to secure a broad base of development, subsidy and services funding, produce quality housing and manage the housing and subsidy funding. Since funding comes from different sources and not one source works to create and maintain housing, local partnerships are necessary.

2. An infusion and targeting of public and private funds is needed and these funds are often allocated and awarded by a myriad of federal, state, regional and local sources.
3. Creating housing means creating a “pipeline” that includes securing financing, acquiring property, constructing new or rehabilitation of existing housing stock that takes more than 2-3 years to create.
4. Deeply affordable rental units are the type of housing that have to be made available through this initiative. Rental and operating subsidies are key to the Initiative’s success as rental subsidies are in short supply and the Collaborative’s target populations are unable to buy or rent their own home without a subsidy. Housing is simply out of reach for many consumers.

It will not be enough for subsidies to be made available. Making certain consumers are aware of these resources is also essential. Many states and communities establish a central web based clearinghouse/inventory of available rental housing and rental subsidies by location, type, accessibility features, application requirements and protocols, and eligibility requirements.

5. Goal setting for supportive housing is generally done in longer time increments than 2-3 years and is expediential---meaning more units can be established in the out years of the Plan than in the early years.
6. Services transformation is also a necessary ingredient to success of this initiative. This means consumers actually can get the amount, type and duration of services to be successful in housing. Services for people living in supportive housing are not more expensive than services provided for people living in other settings but current service approaches have to be altered for this to occur. While some services can be “added on”, fundamental changes in the system supportive housing have to be made and taken to scale for this initiative to be successful.

Inherent in services transformation are four key policy imperatives. First, consumers are given a choice of where to live and who to live with—if anyone. Second, housing is not contingent on any specific service requirement. Third, housing is a part of a consumer’s own recovery or resiliency plan. Fourth, consumers participate in the delivery of housing supports. Services should be home-based whenever possible. Tenants should be able to access services they need and desire in a timely way. Tenants should not be “discharged” but rather put on inactive status, with the ability to access services on demand.

7. As is the case with so much of the Collaborative’s work, a cross agency Leadership Team with consumer representation is essential to bring these changes about over time.

Overview of the Plan

This Plan’s first three Chapters provide the basic facts, goals and rationale for this long range Plan. The remaining Chapters are a guide to the Plan’s implementation. Chapter Two specifically details the need for permanent supportive housing in New Mexico. Chapter Three focuses on for-profit, non-profit and governmental entities building capacity to produce and manage housing resources. Chapter Four focuses on how to expand deeply affordable units through rental and operating subsidies with a focus on how the Collaborative can launch this expansion. Chapter Five is devoted to the transformation of the service system as described in the rationale for this goal.

Chapter Six has two sections. The first is a guide on how to organize and sustain this initiative through state and local leadership management and implementation processes and mechanisms. The second

section provides a template for the ongoing evaluation of this initiative with an emphasis on collecting meaningful data and establishing a scorecard for success.



Background

While there has been significant discussion on the Collaborative level and within the local Behavioral Health Planning Councils regarding the incredible need for permanent supportive housing, a core element of the Collaborative's Housing Plan was to identify the extent of specific housing needs among New Mexico's vulnerable populations to ensure that the Plan is targeted to these needs. An initial component of the development of this Housing Plan was to conduct an assessment of the need for permanent supportive housing among the populations served by the Collaborative agencies.

This Chapter discusses the findings of this housing needs assessment that served as a foundation for the broader strategy outlined later. The research included statistics from the U.S. Census, the State of Health in New Mexico/2000 Report, client records from the Children, Youth and Families Department; analysis of data from the National Low Income Housing Coalition and the Technical Assistance Collaborative; and a review of existing permanent supportive housing resources including public housing and Section 8 Housing Choice Voucher programs and federal McKinney Vento permanent supportive housing units.

Summary of Needs

While New Mexico has significant broad affordable housing needs across the state and across various populations. This assessment identified a specific critical need for permanent supportive housing among particular vulnerable populations in the State. These needs include individuals with serious mental illness who are also disproportionately extremely low income, have had limited successful housing histories, and require some housing support services to be successful in housing. There are over **30,000** individuals in New Mexico with serious mental illness who are low income and cannot afford housing in the community without housing subsidies and housing support services. In addition to people with serious mental illness, this assessment identified youth transitioning from both the foster care system and the juvenile justice system as having high housing need. Transitioning youth, lack financial resources to afford most modest housing in the community and are often shunned by private landlords due to their lack of housing histories and presence of criminal records. In addition many transitioning youth lack the skills and the experience to independently make the transition to community-based housing without some housing support services to link them to community-based resources. There are close to **300** youth transitioning out of these systems each year in need of permanent supportive housing. Another vulnerable population are adults, generally frail elders, who are abused or at risk of abuse and face emergency housing crisis. Annually the Adult Protective Services (APS) Division of the Adult and Long Terms Services Department (ALTSD) serve up to 160 individuals at risk of homelessness.

Snapshot of New Mexico Population Statistics

Total Population

According to the U.S. Census Bureau and the University of New Mexico's, Bureau of Business and Economic Research (BBER) the total population of New Mexico continues to increase. According to the U.S. Census Bureau's July 1, 2005 estimate, the population of New Mexico was 1,928,384, an increase of 6% since its 2000 estimate. The University of New Mexico's, Bureau of Business and Economic Research (BBER) estimates a 8.2 percent increase from April 1, 2000. Overall, BBER projects the state's

population to grow to 2,112,986 by 2010 and to 2,507,548 by 2025, which represents an increase of 27% over the next 20 years. See Appendix 3 for New Mexico population estimates by county.

TABLE 1: BBER ESTIMATES AND POPULATION PROJECTIONS

Year	Total New Mexico Population
2005	1,928,384
2010	2,112,986
2025	2,507,548

Source: Bureau of Business and Economic Research, University of New Mexico and U.S. Census, Population Division, 2005 Round of Estimates

New Mexico Population with Disabilities

In addition to population estimates, the U.S. Census Bureau collects data on persons with disabilities⁹ aged five years and older. Table 2 on the following page summarizes the national and New Mexico population statistics of persons with disabilities. Types of disability include sensory, physical, mental, and self-care and for those over 16 years of age going outside the home and employment. A full description of the Census Bureau’s definition of disability status is included in Appendix 4.

As Table 2 demonstrates, the percent of New Mexicans with disabilities is higher than the percent nationwide and when compared with neighboring states. The overall proportion reporting any disability is higher in New Mexico than surrounding states and the proportion reporting a disability is also higher in within each type of disability.

Disability Status and Poverty.

Seventy-five thousand one hundred thirty-one (75,131) people with disabilities in New Mexico had incomes below the poverty level in 1999. The proportion of people with disabilities that are poor is substantially higher (22.29%) than among people without disabilities (16.66%). However, the disparity between people with disabilities and those without a disability living in poverty is greatest among the working age population 16-64. For that age group, 23.79% of people with disabilities

⁹ For details on U.S. Census Bureau definitions of disability and questions asked to obtain data, refer to Appendix 3.

TABLE 2: BUREAU OF BUSINESS AND ECONOMIC RESEARCH POPULATION ESTIMATES
JULY 1, 2001 TO JULY 1, 2005

County	Census 2000	BBER Estimates as of July 1...				
		2001	2002	2003	2004	2005
Bernalillo	556,678	571,440	581,118	590,153	600,439	614,508
Catron	3,543	3,589	3,595	3,595	3,643	3,712
Chaves	61,382	61,343	61,146	61,085	61,722	62,203
Cibola	25,595	25,865	26,140	26,498	28,278	28,506
Colfax	14,189	14,304	14,326	14,351	14,351	14,375
Curry	45,044	45,267	45,395	45,609	45,670	46,289
De Baca	2,240	2,258	2,255	2,263	2,274	2,256
Dona Ana	174,682	177,981	180,162	182,497	185,872	192,474
Eddy	51,658	51,728	51,813	51,877	51,909	52,167
Grant	31,002	31,191	31,232	31,300	31,337	31,511
Guadalupe	4,680	4,722	4,730	4,730	4,725	4,743
Harding	810	809	811	805	790	778
Hidalgo	5,932	5,919	5,913	5,903	5,918	5,966
Lea	55,511	55,587	55,644	55,783	56,657	57,006
Lincoln	19,411	19,783	19,871	20,333	20,904	21,898
Los Alamos	18,343	18,524	18,551	18,888	19,190	19,864
Luna	25,016	25,425	25,554	25,766	26,350	26,394
McKinley	74,798	75,638	76,247	76,792	77,125	78,013
Mora	5,180	5,211	5,233	5,248	5,380	5,440
Otero	62,298	62,598	62,609	62,643	63,190	63,994
Quay	10,155	10,220	10,217	10,174	10,109	10,106
Rio Arriba	41,190	41,652	41,769	41,911	42,118	43,024
Roosevelt	18,018	18,252	18,076	18,293	18,429	18,771
Sandoval	89,908	92,990	96,161	99,231	102,862	106,165
San Juan	113,801	116,075	119,690	122,019	124,808	126,008
San Miguel	30,126	30,337	30,497	30,561	30,606	30,719
Santa Fe	129,292	132,462	134,645	137,358	139,760	143,306
Sierra	13,270	13,585	13,638	13,652	13,647	13,657
Socorro	18,078	18,276	18,321	18,362	18,389	18,513
Taos	29,979	30,382	30,870	31,301	31,556	31,931
Torrance	16,911	17,307	17,362	17,471	17,692	18,282
Union	4,174	4,179	4,175	4,240	4,210	4,315
Valencia	66,152	67,838	68,523	69,152	69,804	71,459
New Mexico	1,819,046	1,852,740	1,876,287	1,899,846	1,929,713	1,968,352

Source: University of New Mexico, Bureau of Business and Economic Research.

are poor compared to 15.02% of people without disabilities. Table 3 summarizes poverty status of people with disabilities by age.

TABLE 3: POVERTY STATUS OF PEOPLE WITH AND WITHOUT A DISABILITY BY AGE | 1999

	Number for whom poverty status determined	With Disability		Without Disability	
		Number	Percent below poverty level	Number	Percent below poverty level
Population over 5	1,647,122	337,004	22.29%	1,310,118	16.66%
Age 5-15	316,029	17,848	32.21%	298,181	24.28%
Age 16-64	1,125,502	227,141	23.79%	898,361	15.02%
Age 65 and over	205,591	92,015	16.68%	113,576	9.68%

Mental Disability.

According to the 2000 U.S. Census and the 2005 American Community Survey there are estimated to be between 90,000 (Census) to 106,000 (ACS) persons over age 5 with a mental disability in New Mexico.¹⁰ Furthermore, according to The State of Health in New Mexico/2000 Report using figures from the Federal Center for Mental Health Services (CHMS) of the Substance Abuse and Mental Health Services Administration (SAMHSA), an estimated 79,700 (6.5%) New Mexican adults suffered from serious mental illness (SMI) in 2000. This did not include everyone with a disorder, only those with schizophrenia, manic depressive (bipolar) disorder, major depression, panic disorder, obsessive-compulsive disorder or PTSD; and who also have a significant impairment. It was further estimated that 44,406 New Mexican children and adolescents (under 18) suffered from Serious Emotional Disturbance (SED) defined as any diagnosable mental disorder that seriously interferes with the child's role or functioning in family, school or community activities. Again, this only includes those who are seriously impaired¹¹. These figures suggest that Census data gathered through self-reporting mechanisms most likely underestimate the number of persons in New Mexico with a mental disability.

Geographic Distribution of Mental Disability. Almost 30% of all people with a mental disability live in Bernalillo County. Further, 63% of all people with a mental disability live in the seven most populous counties (Bernalillo, Dona Ana, McKinley, Sandoval, San Juan, Santa Fe, and Valencia) and more than 75% of people with a mental disability live in the eleven most populous counties (in addition to the above: Chaves, Otero, Lea, Eddy). Data presented in Appendix 5 includes a county breakdown of population with a serious mental illness.

Characteristics of Persons with a Mental Disability. Fifty-one percent (51%) of New Mexicans with a mental disability are male; forty-nine percent (49%) are female. Almost 60% are in the age group 16-64; with approximately 16% age 5-15; and 24% age 65 and older. Nationwide 70% of people with a mental disability reported having two or more disabilities.

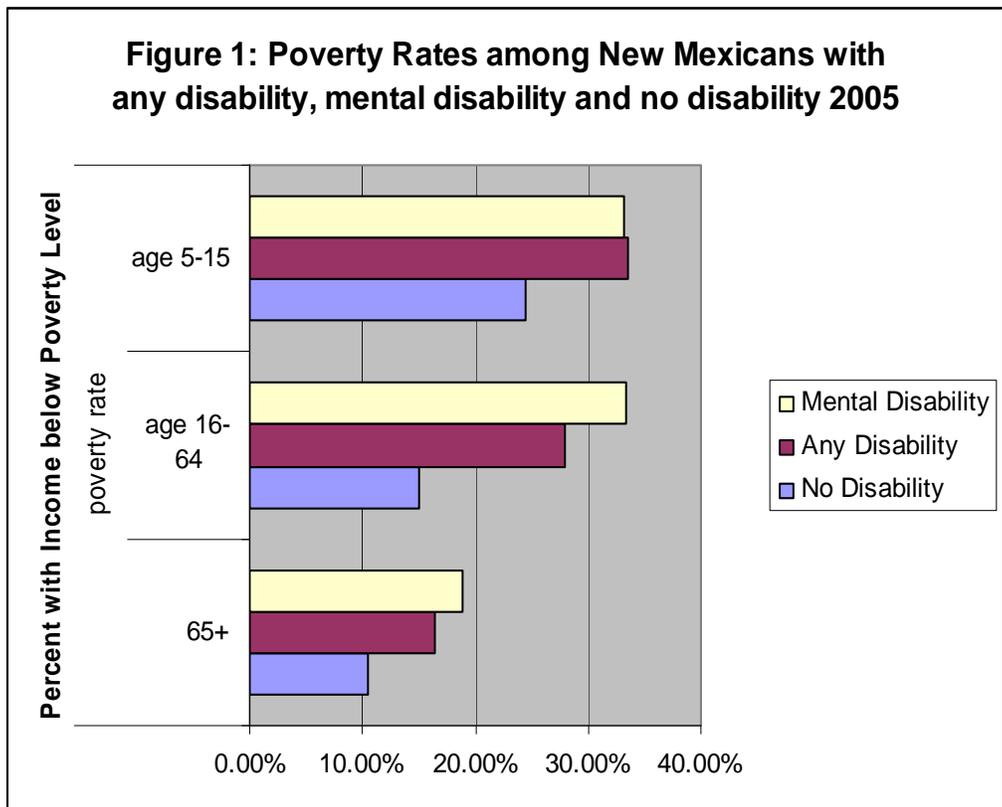
Mental Disability and Poverty. The Census Bureau estimates 31,288 (+/- 7,721) New Mexicans with a mental disability in 2005 had incomes below the poverty level.¹² The rate of poverty among persons with

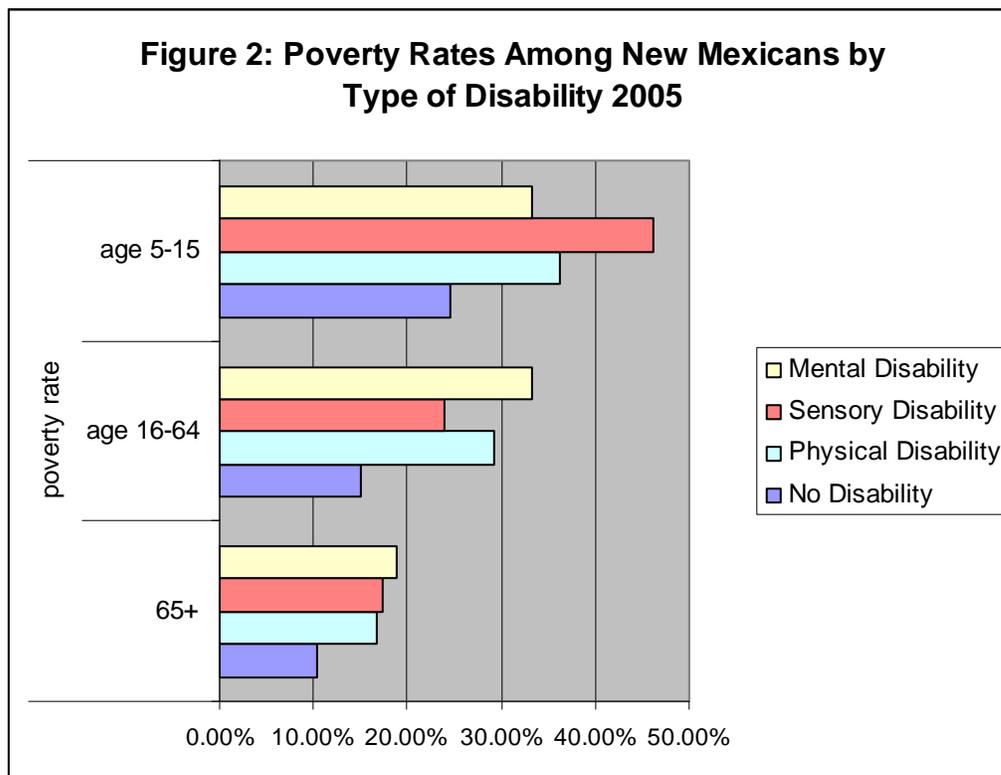
¹⁰ ACS data is collected only for households and does not include people living in institutions, college dormitories, or group quarters.

¹¹ The State of Health in New Mexico/2000 Report; Kessler RC, Berglund PA, Ahao S, et. al. The 12-Month Prevalence and Correlates of Serious Mental Illness (SMI). In Mental Health, United States, 1996, R.W. Manderscheid & M.A. Sonnenschein, Eds. U.S. Dept. of Health and Human Services, Public Health Service, Substance Abuse and Mental Health Services Administration, Center for Mental Health Services, 5600 Fishers Lane, Rockville, MD 20857.

¹²U.S. Census Bureau, 2005 American Community Survey.

a mental disability is not only greater than for people without a disability it is also greater than those with any other type of disability. The difference in poverty rates is particularly significant among those aged 16 to 64 years old as shown in Figure 1. Figure 2 shows poverty rates among the different age categories by type of disability. While childhood poverty rates are high among persons with a sensory or physical disability, they fall for the working age population 16-64 years old, but poverty rates for persons with a mental disability are highest among the working age population.





The State of Health in New Mexico/2000 Report states:

Mental disorders occur in every social, ethnic and economic group, but are generally *more common in people with fewer resources*. This seems to be due to at least two mechanisms: serious mental illness limits one’s earning power; and certain kinds of stress, including that of poverty and disadvantage, can increase the risk of becoming ill. Reducing economic stress could prevent some cases of mental illness and lessen the severity of others (emphasis added).¹³

Table 4 shows the estimated total number of persons with a mental disability by County living below the poverty level in 2005.¹⁴

TABLE 4: PERSONS WITH A MENTAL DISABILITY BELOW POVERTY 2005 BY GEOGRAPHY

Geography	Estimate	% total
New Mexico	31,288	
Bernalillo County, New Mexico	7,305	23%
Dona Ana County, New Mexico	2,730	9%
Santa Fe County, New Mexico	1,901	6%
Valencia County, New Mexico	1,869	6%
Otero and Chaves Counties, New Mexico	3,253	10%
McKinley County, New Mexico	1,439	5%
Sandoval County, New Mexico	1,023	3%

¹³Ibid; Kessler RC, Olsson M, Berglund PA, 1998. Patterns and predictors of treatment contact after first onset of psychiatric disorders. Am J Psychiatry 155(1):62-69 c

¹⁴ These figures are estimated from the 2005 American Community Survey (ACS) and the margin of error (MOE) is somewhat large.

Geography	Estimate	% total
San Juan County, New Mexico	891	3%
Rio Arriba, Taos, Mora, San Miguel, and Guadalupe Counties, New Mexico	3,409	11%
Eddy and Lea Counties, New Mexico	955	3%
Colfax, Union, Harding, Quay, Curry, DeBaca, Roosevelt and Lincoln Counties	3,674	12%
Cibola County, New Mexico	342	1%
Catron, Socorro, Torrance, Sierra, Grant, Luna and Hidalgo, New Mexico	2,400	8%

Poverty and rising housing costs translate into the overall inability of people with disabilities to afford housing. According to *Priced Out in 2006*¹⁵ a publication that helps measure the gap between Fair Market Rents and the incomes of individuals and families with disabilities, an individual receiving SSI in New Mexico would need to pay between 72 – 96% of that SSI income to rent an efficiency apartment at the HUD FMR level and between 72% and 119% to rent a one bedroom apartment. Table 5 below summarizes the *Priced Out* data for New Mexico.

TABLE 5: NEW MEXICO PRICED OUT DATA

Area	0 Bdrm FMR	One Bdrm FMR	Total SSI	One Person Income	SSI as % of One Person Income	% Of SSI To Rent Efficiency	% Of SSI To Rent One-BR	NLIHC Housing Wage	One Bdrm Housing Wage as % of Hrly SSI
Albuquerque, NM MSA	\$502	\$591	\$603	\$37,900	19.09%	83.25%	98.00%	\$11.37	326.70%
Farmington, NM MSA	\$448	\$474	\$603	\$30,900	23.41%	74.29%	78.60%	\$9.12	262.02%
Las Cruces, NM MSA	\$433	\$467	\$603	\$27,400	26.40%	71.80%	77.44%	\$8.98	258.15%
Santa Fe, NM MSA	\$578	\$717	\$603	\$46,200	15.66%	95.85%	118.90%	\$13.79	396.35%
Statewide Non-MSA	\$391	\$431	\$603	\$27,370	26.43%	64.77%	71.53%	\$8.30	238.46%
Statewide	\$462	\$531	\$603	\$32,340	22.37%	76.57%	87.98%	\$10.20	293.27%

TABLE 6: NEW MEXICO MSAs REQUIRING MORE THAN 100% OF SSI TO AFFORD 1 BEDROOM UNIT

MSA	% SSI
Los Alamos County	113.43%
Santa Fe	118.91%
Taos County	100.83%

Homeless

There are an estimated 5,256 persons who are homeless in New Mexico at a single point in time based on data from a point-in-time count conducted in January 2005. Three thousand six hundred forty-nine (3,649) or almost 70% of those who are homeless live in Albuquerque. Of those who are homeless at a point in time, 1,007 are severely mentally ill and 1,116 have chronic substance abuse problems. The New Mexico

¹⁵ *Priced Out in 2006*. Technical Assistance Collaborative, Consortium for Citizens with Disabilities Housing Task Force, March 2007

Coalition to End Homelessness (NMCEH) estimates that 744 homeless persons with a severe mental illness are unsheltered in Albuquerque and 695 persons with a chronic substance abuse problem are unsheltered in Albuquerque.

Youth

The Behavioral Health Purchasing Collaborative and specifically its Children, Youth, and Families Department (CYFD) consistently struggle to meet the housing needs of youth who are transitioning out of the Juvenile Justice system on either probation or parole and youth who are transitioning out of Protective Services (foster care). These young adults emerge from being in the state’s care to a situation where they obtain their independence without adequate affordable housing or community-based supports.

Youth Transitioning from the Juvenile Justice System

In FY 07, there were one hundred sixty (160) parolees leaving the Juvenile Justice system to live in the community. For the majority of these young adults, the search for independent housing is extremely difficult given their lack of financial resources, their criminal records, and their lack of any independent housing history. Of this group, the majority are males (88%). The majority of those leaving the Juvenile Justice system on parole are between the ages of 17 – 19. In this age group, the youth are more likely to seek independent housing rather than return to family.

TABLE 7: FY 2007 DISCHARGED CLIENTS BY AGE

Age	Count	Percent
14	1	0.6%
15	11	6.9%
16	13	8.1%
17	50	31.3%
18	56	35.0%
19	25	15.6%
20	4	2.5%
Total	160	100.0%

Protective Services Youth

In FY 06, there were 139 youth transitioned from foster care to emancipation. For many of these young adults aged 18 or older, emancipation translates into the need to identify independent housing, housing subsidies and community-based supportive services. Of these 139, 34 (25%) transitioned out of Bernalillo Treatment programs.

In New Mexico the average wage of a renter household is \$9.72 per hour. Federal minimum wage is \$5.85 for communities outside Santa Fe and Albuquerque. The minimum wage in Santa Fe is \$9.50 and in Albuquerque it is 6.75. Calculated as an hourly rate, SSI benefits in New Mexico would be equal to a wage of \$3.50 per hour – over \$2.00 lower than the federal minimum wage.

Transitioning youth and homeless persons who are successful in obtaining employment, are more likely to obtain jobs that pay at or near minimum wage. According to the National Low Income Housing Coalition, the average hourly wage needed to rent a zero bedroom apartment in New Mexico is \$8.88 and the wage needed to rent a one-bedroom unit is \$10.20. As such, individuals earning minimum wage or SSI cannot afford to rent neither a zero bedroom nor a one bedroom housing unit without the rent being subsidized.

TABLE 8: SUMMARY OF RENT BURDEN

Region	Hourly Wage Needed to Rent Unit at FMR	Minimum Wage	SSI as an Hourly Rate
New Mexico Average	\$10.20	\$5.85	\$3.50
Santa Fe	\$10.12	\$9.50	\$3.50
Albuquerque	\$10.52	\$6.75	\$3.50

Source: National Low Income Housing Coalition - Out of Reach 2006

Data included in Appendix 6 illustrates the work burden that is necessary for a worker earning minimum wage to afford housing. A minimum wage earner would need to work 69 hours per week to afford an efficiency apartment in New Mexico or 79 hours per week to afford a one-bedroom unit. Similarly, a worker earning minimum wage would need to work 1.7 or 2.0 full-time jobs to afford an efficiency and one-bedroom respectively.

Adults in Need of Protective Services

Annually the Adult Protective Services (APS) Division of the Adult and Long Terms Services Department (ALTSD) is made aware of between 125 -160 individuals who have been or are at risk of being abused, neglected and/or exploited statewide who need an emergency intervention to maintain health and safety. As a result APS, has been paid out between \$20,000 and \$25,000 every month for the past five years, to cover the costs of emergency shelter or care that provides temporary, emergency services to vulnerable adults who have been or are at risk of being abused, neglected and/or exploited until a safe, permanent situation can be found for them.

Native Americans

Nationally, Native Americans are disproportionately represented in high-needs populations, including people who are incarcerated, have alcohol and/or drug abuse problems, exposure to trauma, and children in foster care; these high-risk categories are especially vulnerable to homelessness or precarious housing situations.¹⁶ And although Native Americans represent less than 1.5 percent of the population in the US, it is estimated that they make up 8 percent of the homeless population in this country.¹⁷

In New Mexico, according to the 2000 Census, approximately 36% of individuals have incomes below the poverty line. And 42,491 Native Americans between the ages of 16-24 live with a disability, the largest proportion of Native Americans with a disability in New Mexico, with 4,721, 7,577, and 5,187 individuals in this age group living with a sensory, physical, or mental disability, respectively. Both of these factors contribute to higher rates of mental health issues and precarious housing in Native Americans, demonstrating a urgent need within this population for supportive housing in NM.

Current Affordable Housing Units in New Mexico

In 2000, there were 34,859 subsidized housing units in New Mexico¹⁸. However, the number of public housing units and Section 8 Housing Choice Vouchers has declined in the last five years. Table 9 on the following page identifies units by program.

¹⁶[1] Zenger, Suzanne. Health Care for Homeless Native Americans. National Healthcare for the Homeless Council, Feb. 2004, 1-2.

¹⁷[2] Office of the Surgeon General, Substance Abuse and Mental Health Services Administration. Mental Health: A report of the Surgeon General, Mental Health Care for American Indians and Alaska Natives. 1999. www.mentalhealth.org/cre.

¹⁸ A Picture of Subsidized Housing, 2000, U.S. Department of Housing and Urban Development.

TABLE 9: NUMBER OF SUBSIDIZED UNITS BY PROGRAM 2000

Program	Total Units
All HUD Programs	24,297
Public Housing	4,864
Section 8 Certificates and Vouchers	12,753
Section 8 Moderate Rehab	440
Section 8 New Construction or Substantial Rehab	2,999
Other HUD	884
Section 236 (FHA)	1,447
Other Multifamily*	1,473
Low Income Housing Tax Credits	6,758

Source: U.S. Department of Housing & Urban Development, *A Picture of Subsidized Housing -2000*

*includes FHA insured

Data reported by public housing authorities for the period July 1, 2005 to October 31, 2006 show only 4,713 public housing units and 11,923 Section 8 Certificates and Vouchers.

The New Mexico Coalition to End Homelessness reports 1,178 permanent supportive housing units specifically for homeless people with a disabling condition. Table 10 shows the number of permanent supportive housing units available in New Mexico for homeless individuals with a disability. These units are funded through a multitude of sources.

TABLE 10: PERMANENT SUPPORTIVE HOUSING UNITS 2006

Inventory	Albuquerque	Balance of State	Total
Total Units 2005	549	308	857
New Units (Feb 2005 - Jan 2006)	119	19	138
Units under Development	157	26	183
Total	825	353	1178

Source: 2006 CoC Housing Inventory Charts, *Continuum of Care Applications*

Waiting Lists

The average waiting time in New Mexico for a HUD subsidized unit in 2000 was 21 months. It was 12 months for public housing and 24 months for Section 8 certificates or vouchers. In December 2006, Albuquerque Housing Services had 1900 qualified applicants waiting for housing assistance. The average wait time for applicants with preferences is 18 months. Preferences are provided for households that have been involuntarily displaced are employed or going to school, are participating in welfare-to-work or job training, or are disabled. There are 950 public housing units in Albuquerque and 3700 certificates or vouchers. The waiting list for Bernalillo County Housing Authority vouchers is closed and Bernalillo county public housing units are restricted to senior and disabled populations with preferences for elderly and mobility impaired families. Santa Fe County Housing Authority has a Working Family Preference as well as preferences for attending school, elderly, handicapped or disabled. There is a 12 month waiting list for public housing in Santa Fe and a 3-4 year waiting list for vouchers. Santa Fe has 209 public housing units and 241 vouchers. The Housing Authority of the City of Las Cruces and Dona Ana County gives preferences for victims of domestic abuse, involuntary displacement, working families and elderly and handicapped or disabled. Las Cruces has 1400 vouchers and 400 public housing units. The waiting time for public housing is 8 to 18 months.

Summary

As the above analysis demonstrates people with serious mental illnesses, youth transitioning out of foster care or juvenile justice systems, and low-income persons with other disabilities face the daunting reality that their income is not sufficient to afford modest apartments in any of New Mexico's communities without housing subsidies. Furthermore, the available subsidies are not enough to keep up with the growing demand for housing resources and assistance for these low-income populations. These vulnerable populations need resources to enable them to 1) afford housing in their communities; and 2) available support services to obtain and remain in housing.

Detailing the realities facing the groups specifically listed above, does not mean that a wide range of individuals with behavioral health and related in needs in New Mexico beyond these groups don't also face challenges in accessing affordable housing. This needs data is the best available statewide data but it should be updated on a regularly scheduled basis but no less than every two years. The Collaborative can then review and continue or modify priority groups. The Collaborative should also consider input from consumers, Local Collaboratives, the Behavioral Health Planning Council and other stakeholder groups.

The following chapter outlines potential housing resources that could be channeled to create new permanent supportive housing to address some of New Mexico's housing needs as outlined above.



This Chapter aims to provide an overview of the federal, state, and private resources potentially available to New Mexico to fund permanent supportive housing. Each source brings with it a complex set of regulations and requirements. Other states and localities have been successful in accessing many of these resources to create a pipeline of successful permanent supportive housing units.

While the listing of resources seems lengthy and many states have experienced success, access to these resources for permanent supportive housing can be difficult and limited due to: 1) competing demand; 2) reluctance to fund new models and new programs; 3) restrictive requirements; 3) inflexible funder demand for investment returns, 4) complexity, 5) timing and inconsistent regulations in finance packaging, 6) dearth of interested and able developers, and 7) overall limited funds. These resources are described briefly in this chapter to provide the Collaborative with the means to develop a comprehensive strategy for creating permanent supportive housing. A more detailed description of these resources is included in Appendix 7.

Overview of Funding Sources for Financing the Housing in Permanent Supportive Housing

Because permanent supportive housing integrates housing and services for extremely low-income people with disabilities, it has more funding components/ requirements than other types of affordable housing. Depending on how the housing is provided, there are either two or three separate funding components in permanent supportive housing projects: 1) capital funding; 2) rental or operating subsidies; and 3) supportive services.

Each of these components is critical to the implementation and sustainability of permanent supportive housing. Below is an overview of the types of funding sources needed to finance the housing in permanent supportive housing. The accompanying chart on page 40 provides more information regarding some of the available housing resources commonly used to create this type of housing.

Federal housing resources/programs specifically targeted to expand permanent supportive housing.

The following section summarizes the following federal housing programs:

1. Section 811
2. McKinney Vento Homeless Assistance Programs
3. Section 202
4. Section 232

Section 811 Housing Programs Section 811 Supportive Housing for Persons with Disabilities Program

HUD's Section 811 Supportive Housing for Persons with Disabilities program (Section 811) is the oldest federal housing program dedicated exclusively to the creation of supportive housing for persons with disabilities. There are two separate components of the Section 811 program. The first component, the Section 811 Capital Advance/Project Rental Assistance Contract (PRAC) program, provides capital funding to acquire, rehabilitate or newly construct permanent supportive housing for persons with disabilities along with a five year renewable PRAC to ensure affordability for the lowest-income households. The second component of the Section 811 Program is the tenant-based rental assistance program administered by HUD, known as the Section 8 Mainstream Housing Opportunities for Persons with Disabilities Program.

Section 811 Capital Advance/PRAC

For more than 16 years, the Section 811 Capital Advance Program has funded the creation of supportive housing through local non-profit organizations, called sponsors, who apply directly to HUD for these funds through an annual Notice of Funding Availability (NOFA)¹⁹. The Section 811 Capital Advance program is referred to as the "one stop shopping" program because it provides both a capital grant and a project rental assistance contract (PRAC) to successful applicants .

Section 811 resources are allocated based on regions and New Mexico is included in the Ft. Worth Texas HUD region for these purposes. The number of units awarded to the Ft. Worth hub has declined from 114 units to 85 units between 2005 and 2007. New Mexico has had one or two projects funded with new Section 811 resources in each of the last three years. Projects may not exceed a total of fifteen units, which makes transaction and operational costs challenging to manage. In 2006 New Mexico had two projects funded for a total of 24 units. This included \$2,064,700 Capital Advance and \$223,200 three-year rental subsidies. In 2005, one project was funded for 14 units. In 2004, two projects were funded for a total of 28 units.

Section 811-funded Section 8 Mainstream Housing Opportunities for Persons with Disabilities Program

Since 1997, 25 percent of Section 811 funding has been competitively awarded as tenant-based rental assistance through the Section 8 Mainstream Housing Opportunities for Persons with Disabilities program (Mainstream vouchers). These funds, which can be awarded to either a non-profit disability organization or to a PHA, must also be used to expand supportive housing. Overall, New Mexico has obtained over 561 Section 8 Mainstream or set-aside vouchers.

Assessment of Future Section 811 Opportunities in New Mexico

Unfortunately, while Section 811 is a valuable supportive housing program, the program is funding fewer and fewer new units of housing nationwide each year. Federal funding for this program was cut by 50 percent in 1995 and has never been restored, making it a limited resource. At best, future Section 811 appropriations from Congress are expected to be "flat," and with rising program costs, this means fewer new units funded every year. Because of these funding limitations, although the Section 811 program is a valuable resource, it should not be considered a core element of state strategies to expand supportive housing in New Mexico.

¹⁹ Prior to 1990, the Section 811 Capital Advance Program was known as the Section 202 Supportive Housing Program for Persons with Disabilities

McKinney/Vento Homeless Assistance Programs

The HUD McKinney/Vento Homeless Assistance programs have formed the backbone of local efforts intended to address the needs of homeless individuals and families in New Mexico, including the creation of new supportive housing. McKinney Vento resources are awarded through a competitive application process through Continuum of Care communities.²⁰

HUD's McKinney/Vento Homeless Assistance Programs include the Shelter Plus Care (S+C) program, Section 8 Moderate Rehabilitation Single Room Occupancy (Section 8 MOD SRO) program, and the Supportive Housing Program (SHP). All of these programs provide valuable rental assistance funding for supportive housing for homeless people with disabilities. The SHP program can also provide up to \$400,000²¹ in capital funding for permanent supportive housing, but it must be "matched" with at least an equal amount of non-McKinney/Vento capital funding. It is important to note that HUD McKinney/Vento permanent housing programs can only assist people with disabilities who meet HUD's restrictive definition of "homeless". See Appendix 8 for details regarding eligibility for McKinney-Vento funded programs.

New Mexico has two Continuum of Care jurisdictions: Albuquerque and the Balance of State. In 2006, the two CoCs were successful in each having at least one new permanent housing project funded as well as a number of renewals. These projects are listed in Appendix 9.

In FY 2005, the two CoCs had similar results with each having one new permanent housing project funded and a number of existing programs renewed for a total of \$4,175,546 in Albuquerque and \$2,878,868 in the Balance of State. Due to limited resources, the new permanent supportive housing projects contain a very small number of units (e.g., total of 8 units in Albuquerque)

Assessment of McKinney/Vento Opportunities

Under current HUD CoC guidelines and policies, the two New Mexico CoCs are limited to their existing allocation of approximately \$4 million for the Albuquerque CoC and \$2.6 million for the Balance of State plus seeking the permanent housing bonus, which is approximately \$220K for Albuquerque and \$300K for the Balance of State. The Albuquerque CoC renewal burden exceeds the annual pro rata share for Albuquerque, which results in a situation where adding any new project, except through the housing bonus, would result in a reduction in overall funding. Furthermore, the bonus limit makes it virtually impossible to develop a project under the Section 8 Moderate Rehabilitation program or the Shelter Plus Care program and it has even proved challenging to design a SHP project that can work within the strict funding limits and program guidelines.

Section 202 Supportive Housing for the Elderly Program

HUD provides capital advances to finance the construction, rehabilitation or acquisition with or without rehabilitation of structures that will serve as supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable. This program is operates similar to the Section 811 program except that it is targeted only to the elderly.

New Mexico received funding for a Section 202 project in 2004 for 20 units and in 2006 for 24 units.

²⁰ HUD introduced the Continuum of Care structure in 1994 to encourage communities to address the problem of homelessness in a more coordinated, comprehensive, and strategic fashion. With the introduction of Continuum of Care planning, communities were encouraged to envision, organize, and plan comprehensive, long-term solutions to address the problem of homelessness.

²¹ SHP program allows for \$200K in SHP funds for acquisition and rehabilitation but that number can be increased based on HUD "high cost area" formulas up to a maximum of \$400K. \$400K is available for new construction. PH stands for permanent housing; TH stands for Transitional Housing; SSO is Supportive Services Only; and HMIS is Homeless Management Information System.

Section 232 Mortgage Insurance

Section 232 insures lenders against the loss on mortgage defaults. Section 232 insures mortgages that cover the construction and rehabilitation of nursing homes and assisted living facilities for people who need long-term care or medical attention. The program allows for long-term, fixed rate financing (up to 40 years) for new and rehabilitated properties and (up to 35 years) for existing properties without rehabilitation that can be financed with Government National Mortgage Association (GNMA) Mortgage Backed Securities.

Facilities must accommodate 20 or more residents who require skilled nursing care and related medical services, or those who while not in need of nursing home care, are in need of minimum but continuous care provided by licensed or trained personnel. Assisted living facilities, nursing homes, intermediate care facilities, and board and care homes may be combined in the same facility covered by an insured mortgage or may be in separate facilities.

Assessment of Future Section 202 and Section 232 Opportunities in New Mexico

The Section 202 Supportive Housing for the Elderly Program and Section 232 Mortgage Insurance Program are value resources for supportive housing however they are very limited in terms of the type of residents they benefit.

Resources controlled by state and local housing and community development officials and PHAs

The following federal resources are provided to local and state jurisdictions in the form of a Block Grant to meet local and state housing needs. In total, New Mexico receives over \$33 million in funding through these federal Block Grant programs.

1. HOME
2. CDBG
3. ESG
4. HOPWA

HOME Program

The HOME program is a formula grant to states and local jurisdictions that can be used for: rental housing production and rehabilitation loans and grants; acquisition of rental housing; first-time homebuyer assistance; rehabilitation loans for homeowners; and tenant-based rental assistance. In FY 2006 New Mexico received a total of \$ 10,366,463 million in HOME funding, including \$7.5 million provided by HUD directly to the State of New Mexico and administered by the New Mexico Mortgage Finance Agency (MFA) and \$2.8 million in HOME funding provided by HUD directly to 2 separate HOME participating jurisdictions across the state that qualify under the HOME funding formula (Albuquerque and Las Cruces). Local community development officials control the use of HOME funds in these 2 participating jurisdictions.

The HOME program is an extremely important resource in any effort to expand supportive housing. The easiest and most direct way to use HOME funds for households below 30 percent of AMI is the tenant-based rental assistance option. Tenant-based rental assistance requires a two-year commitment of HOME funds “up front” that can be renewed if the participating jurisdiction agrees. HOME funding can also be a core component of supportive housing development strategies because it can provide some or all of the capital funding needed to buy, rehabilitate or newly construct the housing. Officials that control HOME funds typically adopt policies that encourage HOME funding to be leveraged with other sources of capital

funding (e.g., McKinney SHP funding or funding from the federal Low Income Housing Tax Credit program, etc.). Developers of HOME funded supportive housing projects typically need to identify these and other major sources of capital funding in order to complete the development financing package.

The MFA utilizes a portion (\$500,000 in 2007 and \$550,000 proposed for 2008) of their HOME allocation for Tenant-Based Rental Assistance. However, they structure the program more like a transitional housing program than permanent supportive housing in that assistance is one-time per resident for security deposits, or first-last month's rent and is limited to six months of rental assistance. The MFA also sets aside a portion of its HOME funds for multifamily rental development and they provide priorities for certain special needs populations. Since 2004, MFA provided a total of \$1,529,130 in HOME funds for multifamily developments in which a proportion of units are set-aside for special needs populations. These have included 30 units for victims of domestic violence, 10 units of transitional housing for the homeless, 18 units for disabled residents, and 14 units for physically disabled residents. The 2006 Consolidated Annual Performance and Evaluation Report (CAPER) reports that MFA expended \$1,532,087 in HOME funds for developing rental housing of any kind and \$316,628 in HOME funds for Tenant-Based Rental Assistance. The 2006 Action plan included an objective to expand the supply of permanent supportive housing statewide with a goal of creating a total of 95 units in 2006. The actual number of permanent supportive housing units funded in 2006 was 59 units, 29 of which received HOME funds.

The City of Albuquerque's housing priorities for HOME funds include Homeowner Rehabilitation and Housing Development. They have allocated \$965,050 of the \$3,060,000 available in 2007 for Housing Development that includes developing housing for homeownership, acquisition/rehabilitation of deteriorated rental properties, and modification for persons with disabilities and down payment assistance for first-time homebuyers. A significant proportion of the city's HOME funds have been allocated to single family home ownership projects that historically do not serve very low-income persons with disabilities.

The City of Las Cruces has made the development of rental housing a greater priority for HOME funds and in 2005 produced 107 new affordable rental units with HOME funds, although their 2006 Action Plan did not allocate any funds specifically for rental development.

Community Development Block Grant Program (CDBG)

CDBG is a formula grant provided to "entitlement communities" (typically municipalities with populations of over 50,000 and urban counties with populations of over 200,000) and to all 50 states for housing as well as for community development activities benefiting low and moderate-income people. These funds can be used for housing rehabilitation; new housing construction; purchasing land and buildings; construction of public facilities, such as shelters for homeless persons; construction of neighborhood service centers or community buildings; code enforcement, demolition, and relocation funds for people displaced because of CDBG projects; making buildings accessible to the elderly and handicapped; and public services such as employment services and health and child care. In FY 2006 New Mexico received a total of \$21.1million in CDBG funding, including \$14.2 million in CDBG funding provided directly to the state and administered by the Department of Finance and Administration – Local Government Division and approximately \$6.8 million in CDBG funding provided to 5 local entitlement communities that receive CDBG funding directly from HUD. State CDBG funding must be used in "non-entitlement communities".

Because of their flexibility, many CDBG grantees across the country spend most or all of their CDBG funds on community development and community services and relatively little on housing, particularly rental housing. Because CDBG funding patterns may date back to the early days of the program in the 1970s, changing CDBG funding policies can be extremely difficult. The program is extremely popular with elected officials who have long established policies for the use of these funds.

Nonetheless, CDBG can be a valuable resource to help expand supportive housing. Supportive housing advocates and developers in some states rely on CDBG funding for numerous supportive housing activities, including using CDBG as “match” for certain HUD McKinney/Vento projects, using CDBG as “gap” financing for Section 811 projects, or as the final “layer” in a supportive housing development financing scheme with multiple funding sources.

Since 1997 the State enforced a policy of not funding applications for housing activities unless the project had first been rejected by the MFA. In 2005, for the first time in several years, the State spent CDBG on housing related activities.

Local jurisdictions have to a much greater extent been willing to utilize CDBG funds for housing. In fact, Santa Fe and Albuquerque have spent more than 50% of their CDBG allocations on housing related activities. However, all of these expenditures have been for single family homeownership related activities. The city of Farmington is the only city that has utilized CDBG for rental housing. They have used CDBG to fund a tenant-based rental subsidy program.

Emergency Shelter Grant Program (ESG)

ESG is a formula grant to states and localities to address the needs of homeless individuals and families. In FY 2007 New Mexico received a total of \$911,694 in ESG funding (\$193,979 Albuquerque and \$717,715 State).

The following activities can be paid for with ESG funds: renovation, major rehabilitation, or conversion of buildings for use as emergency shelter; essential services for the homeless; homeless prevention efforts; and shelter operating costs, such as maintenance, insurance, utilities, rent, and furnishings. These funds are already 100 percent invested to assist homeless people. ESG cannot be viewed as a source of funding to expand permanent supportive housing.

Housing Opportunities for Persons with AIDS Program (HOPWA)

HOPWA is a formula block grant distributed to states and larger metropolitan areas based on the incidence of HIV/AIDS. In FY 2006, New Mexico received a total of \$1.7 million in HOPWA funding, including approximately \$500,000 provided directly to the state and administered by the MFA and \$1.2 million provided to geographic areas including Albuquerque, Santa Fe and Northern New Mexico. The HOPWA program funds both housing and services for people with HIV/AIDS including: housing information and coordination services; acquisition, rehabilitation and leasing of property; project-based or tenant-based rental assistance; homeless prevention activities; supportive services; housing operating costs; technical assistance; and administrative expenses. The HOPWA program receives broad Congressional support that has translated into increased appropriations for the past several years.

HOPWA is one of the most targeted federal housing programs because only people who have HIV/AIDS can benefit from HOPWA funds. However, within this targeting, it is an extremely flexible supportive housing resource. Because of the scarcity of other funding, HOPWA grantees have begun investing HOPWA dollars in projects that are targeted to people with a dual or triple diagnosis (e.g., people with

HIV/AIDS as well as co-occurring mental illness and substance use, people with HIV/AIDS and mobility impairments, etc.).

The MFA allocates the \$500,000 in state HOPWA formula funding through a competitive process every three years. Currently, four sub-grantees receive funding. Sixty percent (60%) of the HOPWA funds are utilized for rental subsidies. MFA has also awarded one of the sub-grantees approximately \$100,000 in HOME funds to be combined with the HOPWA funds for tenant-based rental assistance.

In addition to the block grant, HOPWA funds are also available through a national competitive process. The Santa Fe Community Housing Trust, a non-profit organization, received a three-year \$1.2 million renewal grant in 2004 of HOPWA funding through the competitive application process for use in providing homeownership opportunities for persons with HIV/AIDS. The national HOPWA budget has seen an increase in funds available each year.

Assessment of Future HOME, CDBG, or HOPWA Resources for Permanent Supportive Housing

Other communities have shown tremendous success using HOME, CDBG and HOPWA resources for the creation of new permanent supportive housing programs. These communities have been able to demonstrate that the commitment of these valuable resources will 1) create quality, sustainable housing; 2) attract private developers to access the resources and produce units; and 3) leverage other resources to meet total development and operating costs. While New Mexico's block grant resources may be small compared to other states, as a community New Mexico receives a significant amount of funds that could be wisely targeted to vulnerable populations to address some of the need.

Other Housing Resources

Federal Low Income Housing Tax Credit Program

The federal Low Income Housing Tax Credit (LIHTC) program is one of the most important affordable housing programs available in New Mexico for supportive housing development. The LIHTC program is not covered by the HUD Consolidated Plan but is administered by the U.S. Department of Treasury. The program provides competitive awards of federal tax credits (so-called 9 percent credits) to developers to assist in the creation of affordable rental housing including supportive housing. Because the program is based on a federal tax credit rather than direct federal funding (e.g., HOME, CDBG, McKinney-Vento, etc.), it is more complicated and technical than most affordable housing financing tools.

In New Mexico, the MFA administers the LIHTC program. The LIHTC program income targeting requires that 20 percent of LIHTC units be made available for households at or below 50 percent of area median income (AMI) or that 40 percent of LIHTC units be made available for households at or below 60 percent of AMI. These federal rules on their own do not promote the creation of units affordable to households at or below 30 percent of AMI. However, the LIHTC statute does require that each state agency administering the program give preference in the competitive process for allocating credit amounts to "projects serving the lowest-income tenants"²². States must develop a Qualified Allocation Plan (QAP) that outlines their priorities for awarding credits in the annual competition, and must seek

²² Section 42(m)(1)(B)(I)

public comments during the preparation of the QAP. The QAP must be approved by the federal government before any tax credits can be allocated.

Because of their potential value to affordable rental housing developers, the MFA application process for tax credits is extremely competitive and is always oversubscribed. Under the LIHTC program, up to 65 percent of the total development cost of a rental housing project can be funded through an allocation of tax credits. Projects must seek multiple funding sources for the balance. As a result of these funding dynamics, developers seek to maximize the number of points they can receive in the LIHTC application scoring criteria. Because of the competition for these resources, the program can easily be incentivized to accomplish state policy goals.

The State of New Mexico 2007 QAP identifies priorities for greater affordability, provision of housing to households on public housing waiting lists, maximized leverage other funding sources, statewide distribution, elderly and special needs populations, non-profit developers, high quality design, use of existing housing, and efficient use of resources. In 2007, the MFA awarded tax credits to six projects. Five of the projects were for new construction and one was for acquisition and rehabilitation. Two of the projects were trival government entities. Four of the sponsors were non-profit developers. Two of the projects were targeted to seniors totaling 107 units and one was to produce 48 units for persons with disabilities including some units set-aside for the homeless. From 2004 – 2006, the MFA awarded tax credits to five projects serving special needs populations. These included 35 units for the developmentally disabled, 30 units for victims of domestic violence, 10 units of transitional housing for the homeless, 18 units for persons with disabilities, and 14 units for households with physical disabilities. Four of the five were also awarded HOME funds as identified above. The MFA reports in its 2006 CAPER that \$6,595,120 in LIHTC resources was expended to create 30 units of permanent supportive housing.

MFA has included some incentives in their LIHTC program including:

- Income targeting
- Projects that serve special needs or the elderly
- Projects that serve the homeless

Tax Exempt Bond Financing and 4% Low Income Housing Tax Credits

Tax exempt bond financing can be used to finance low-income multifamily housing projects through the issuance of tax-exempt revenue bonds. Each state receives a private activity bond volume cap. In New Mexico the State Board of Finance allocates private activity bond volume cap. The state qualifies for the minimum PAB volume cap of \$256,235,000 in 2007 that is split among several eligible categories including single family mortgage revenue bonds, multifamily mortgage revenue bonds, student loans, small issue that includes economic development, and exempt facilities. Projects receiving this tax exempt financing for multifamily housing projects may also receive non-competitive 4 percent housing tax credits, assuming the development meets certain threshold requirements.

In 2006, the State Board of Finance recommended an allocation of \$65 million for multifamily bonds. However, only \$17.4 million were requested and allocated. Six million was subsequently returned resulting in only \$11.4 million being issued. In 2007, the State Board of Finance has recommended an allocation of \$35 million for multifamily bonds. Almost twenty million (\$19.9) was allocated in January to eight multifamily projects.

The MFA will also act as a conduit issuer for 501(c)3 bonds. These bonds are also considered private activity bonds and are utilized in a similar manner to reduce the capital costs of multifamily housing when issued on behalf of a non-profit organization. However, 501(c)3 bonds are not subject to the volume cap. The amount of 501(c)3 bonds that can be issued for multifamily housing projects is unlimited but projects funded with these bonds are not eligible to receive 4% tax credits.

Resources controlled by Public Housing Agencies

A Public Housing Agency (PHA) is a unique governmental body that may administer federal public housing units owned by the PHA (called low-rent by HUD) and the Section 8 Housing Choice Voucher program (referred to as Section 8). Together, the public housing and voucher programs now account for more than two-thirds of the “deeply subsidized” housing in the United States affordable to households at or below 30 percent of AMI. Both programs provide subsidized housing for households below 50 percent of median-income and target households below 30 percent of AMI. Public housing units are subsidized through a federal public housing operating subsidy that in general ensures that tenants pay no more than 30 percent of their income for housing. The Section 8 voucher program provides financial assistance to help households afford decent and safe housing in the community through a monthly housing assistance (subsidy) payment. PHAs are critically important to the future of supportive housing because they control more than two-thirds of the subsidized housing resources available in the state.

At the present time, there are 47 PHAs in New Mexico. A list of these PHAs are included in Appendix 10

Of these 47 PHAs:

- 9 PHAs administer a Section 8 program only;
- 21 PHAs administer a public housing program only; and
- 17 PHAs administer both Section 8 and public housing programs
- 7 also administered Section 8 Homeownership Programs

PHAs are governed by a Board of Commissioners and administered by an Executive Director. These players typically establish PHA policies.

The Section 8 Housing Choice Voucher Program (aka Section 8)

As the federal public housing program has declined, the Section 8 Housing Choice Voucher program has become the major federal program for assisting low-income families, the elderly, and people with disabilities to obtain decent, safe, and sanitary housing in the community, especially households below 30 percent of AMI. In fact, Section 8 income targeting requires that at least 75 percent of a PHA’s vouchers be given to households at or below 30 percent of AMI.

Vouchers are commonly referred to as tenant-based rent subsidies because they are provided to eligible applicants to use in private market rental housing of their choice that meets the Section 8 program requirements. Once a rental unit is selected and approved, the Section 8 applicant (who then becomes a Section 8 participant) pays a limited percentage of the household’s income (generally 30 to 40 percent) as rent, with the balance of the rent (up to a certain “payment standard”) being paid by the PHA through the voucher program. As noted in Chapter 2, New Mexico PHAs had a total of 11,923 Section 8 vouchers leased in FY2006.²³ The average wait period to obtain a Section 8 voucher is 24 months.

²³ HUD Resident Characteristics Report, October 31, 2006.

Despite its primary use for tenant-based rental assistance, Section 8 vouchers can also be used to provide project-based assistance. Under this program option, vouchers are committed to a specific unit or units in a property for periods up to 10 years. Households who reside in these units must meet Section 8 eligibility criteria and pay only 30 percent of their income for rent.

With project-based assistance, the owner of the housing has the guarantee of a long-term ongoing rental subsidy. And, unlike the “old” project-based program, new HUD rules allow people living in Section 8 project-based housing to move from the unit after one year and receive a priority for a tenant-based voucher. The project-based assistance continues to be committed to the unit, and new tenants are referred from the waiting list.

Section 8 project-based assistance is a valuable resource for creating new supportive housing. It can also be used successfully as a strategy to help PHAs use their un-leased vouchers. Project-based vouchers can be combined with federal and state capital funding resources for housing development. They can also be committed fairly quickly to “existing” units of housing. PHAs can use up to 20% of their total Section 8 portfolio towards project-based assistance. Non-profit organizations trying to develop or expand affordable housing – including supportive housing – for households below 30 percent of AMI are looking to the project-based voucher program to provide the rent subsidy needed to ensure affordability.

Over the past three years, Congress and HUD have made a series of changes in the formula that determines how voucher funds are distributed among the 2,400 state and local housing agencies that administer the program. These changes have had the unintended effect of destabilizing the program and causing shortfalls at many housing agencies, even as other agencies have received more voucher funding than they can use. The share of vouchers in use in New Mexico has fallen during this period, from 96 percent in 2004 to a projected 89 percent in 2006. In other words, 916 vouchers were cut in New Mexico over the past two years.²⁴

Section 8 Vouchers Set Aside for People with Disabilities and People with Special Needs

As mentioned above, most Section 8 vouchers are regular or “incremental” Section 8 vouchers that can be given to any eligible household on the Section 8 waiting list. However, there are some Congressional set-asides exclusively for people with disabilities within the Section 8 program that can be used to expand supportive housing. These include the Section 8 Mainstream Housing Opportunities for Persons with Disabilities program; Section 8 Designated Housing Vouchers program; Section 8 Certain Developments Vouchers. Unfortunately, for all of these set-aside programs, no new funds have been available since 2002.

Rural Housing Resources

Section 538 Rural Rental and Cooperative Housing Loans

The Section 538 program aims to increase the supply of multi-family housing units in rural areas, including congregate housing and other diverse housing models, by guaranteeing loans for the construction, acquisition, or rehabilitation (in combination with acquisition) of rural multi-family housing through a partnership between Rural Housing Services and state and local finance agencies, bond issuers, or other major lenders. The tenants must be low- or moderate-income households with income not in

²⁴ Center for Budget and Policy Priorities, November 2006

excess of 115% of the area median income. The maximum rent charged to a tenant may be no more than 30% of 115 % of median income adjusted for that family size.

Section 515 Program

Section 515 funds are federal funds available through the Rural Housing and Community Development Services and allocated to states on a formula basis and awarded competitively. The Section 515 program provides low interest loans to finance affordable multifamily housing or congregate housing for families, elders, and people with disabilities who have very low, low, or moderate incomes. It can only be used in RHCDS-eligible communities — generally communities with populations of up to 10,000 or in non-urban communities with populations up to 20,000.

Housing Preservation Grant

The Housing Preservation Grant (HPG) program provides grants to sponsoring organizations for the repair or rehabilitation of low- and very low-income housing. The grants are competitive and are made available in areas where there is a concentration of need. The Housing Preservation Grant (HPG) program provides grants to sponsoring organizations for the repair or rehabilitation of low- and very low-income housing. The grants are competitive and are made available in areas where there is a concentration of need. Those assisted must own very low- or low-income housing, either as homeowners, landlords, or members of a cooperative. Very low income is defined as below 50 percent of the area median income (AMI); low income is between 50 and 80 percent of AMI. Eligible sponsors include state agencies, units of local government, Native American tribes, and non-profit organizations. HPG funds received by the sponsors are combined with other programs or funds and used as loans, grants, or subsidies for recipient households based on a plan contained in the sponsor's application. Funds must be used within a two-year period.

State-funded Housing Resources

As federal funding for affordable housing has declined, some states have created state funded housing programs to try and fill this gap. The State of New Mexico through the New Mexico Mortgage Finance Authority funds 7 housing programs that are relevant to expanding supportive housing: (The first do not require state approval for MFA to do since they come out of the MFA general fund. The last 4 require Legislative approval but are administered by MFA). Legally speaking NMMFA is an Instrumentality of the State.

- (1) Primero Loan Program
- (2) BUILD IT Loan Guaranty Program
- (3) Access Loans (< 5 units) FHA insured
- (4) New Mexico State Affordable Housing Tax Credit
- (5) Housing Trust Fund
- (6) Land Title Trust Fund
- (7) State Homeless Assistance Program

Primero Investment Fund

MFA's Primero Loan Program is a flexible, low cost loan program created in 1993 to finance the development of affordable rental or special needs residential facilities in New Mexico that would be considered "high risk" by traditional lenders. It's goal is to leverage other public and private funds, and to expand the housing development capacity of New Mexico's non-profit, tribal and public agency housing providers. To date the program has provided nearly 10 million in 48 loans to 26 entities including both

public and tribal entities. Through a substantial expansion of the program in an additional \$1.9 million was committed.

Funding may be approved for specific housing developments, or for programs to be operated by agencies to meet local housing needs. Rental, owner occupied and special needs projects of any size may be financed under this program, during any stage of the development process. New construction, conversion, and acquisition/rehabilitation projects may be financed. Service programs that enhance the delivery of financing to underserved markets may also be provided under contract to MFA. Currently, Primero's four Initiatives focus on Tribal Housing, Colonias Housing, Rehabilitation, and Manufactured Housing, since the Primero Loan fund does finance all pre-development cost. Of these four categories, the only long-term funding is provided to the Tribal Housing category.

The maximum loan amount is \$1 million, and availability of funds varies from time to time. In 2006, a \$650,000 Primero Loan was made to a 30-unit project that would set aside 10 units for transitional housing for the homeless.

Build It Guarantee Program

The BUILD IT! Loan Guaranty Program was created in 1994 to encourage other lenders to provide interim financing when they might not otherwise do so – for “high risk” or unconventional projects, to unfamiliar types of borrowers or in unfamiliar geographic markets. The program offers MFA guaranties of up to 50% of the risk of loss in the underlying loan. MFA has successfully guaranteed the loans of both conventional lending institutions and community lenders in the past.

BUILD IT! Loan guaranties can be used for owner-occupied or rental developments or special needs facilities. Sites must be responsive to demonstrated community needs, and zoning must be pending or completed. Commitments for matching contributions from other public sector entities, equal to 10% of the total development costs, must be in place. Finally, at least 40% of the units in the development must be affordable to households earning no more than eighty percent of adjusted area median income.

The interim loan must be committed prior to application, but the commitment may be contingent on MFA's guaranty. Land development and acquisition or construction costs can be funded by the loan, but predevelopment and permanent financing will not be guaranteed. Lines of credit are eligible. The terms of the loans cannot extend beyond the closing of the subsequent financing or three years, whichever is sooner. Interest rates must be at or below market, and other loan terms are also subject to MFA approval.

There have been no Built It guarantees in the last three years that would specifically target people with disabilities.

Access Loans

To provide federally insured construction and permanent financing for small scale affordable housing projects throughout New Mexico. It is designed to minimize transaction and due diligence costs and expedite processing for small projects.

New construction, substantial rehabilitation, refinancing or acquisition of projects having no less than five units per site are eligible. Detached, semi-detached, row houses or multifamily structures are also eligible.

The maximum loan amount is \$2 million, adjusted as needed for a maximum loan to value ratio of 85% for existing projects and 90% for new construction, and for a total debt service coverage ratio of no less than 110%. Owners must meet minimum set-aside requirements, (40% of the units for households with

incomes at or below 60% of median income, or 20% for households with incomes at or below 50% of median income) as well as MFA's statutory income limit restrictions. Rents are set at 30% of the applicable income limit, adjusted for family size and utility costs.

There have been no Access loans in the last three years that would specifically target people with disabilities since MFA has not received requests for these loans further reflecting the lack of development capacity across the state to create permanent supportive housing.

New Mexico State Affordable Housing Tax Credit

The State offers credits on income taxes, gross receipts taxes and compensating taxes (excluding local option gross receipts tax imposed by a municipality or county or the government gross receipts tax) to any eligible individual, business, and local or tribal government that donate land, buildings, cash or services for an affordable housing project approved by the MFA or for a trust fund administered by the MFA. The credit is equal to 50% of the value of the donation. The State Tax Credit program began in 2006 with \$200,000 in available credits. In 2007, \$500,000 is available and in 2008 the amount available will be equal to \$1.85 per capita or an estimated \$3.5 million.

The state tax credit is only available for multifamily housing projects that are located in counties with a population of less than 100,000. There is also a priority for projects that produce homeownership units. Project sponsors must apply for a credit voucher from the MFA.

New Mexico Housing Trust Fund

Housing trust funds (HTFs) are distinct funds established by cities, counties and states that dedicate sources of revenue to support affordable housing. Housing trust funds are usually created by legislation or ordinance. At present, there are more than 170 housing trust funds in the United States.

Housing Trust Funds:

- commit public sources of revenue;
- create dedicated, ongoing funding for the support of affordable housing;
- do not depend on interest or earnings from a fixed fund, or on contributions from corporations, financial institutions or foundations.

The housing trust fund model is an innovative departure from the way that dollars have historically been secured to support affordable housing.

In 2005, the State of New Mexico created the Housing Trust Fund to provide flexible funding for housing initiatives in order to produce significant additional housing investment in the state. The funds was originally capitalized with a \$10 million state appropriation in 2005 with an additional \$1 million in 2006 and \$2 million in 2007. Five percent (5%) of the fund may be used for administration. Eleven (\$11.8) million has been awarded for the production of 970 total units. This allocation includes \$4.6 million in funding for 49 rental units for special needs populations and an additional 302 rental units. The allocation of \$11.8 million to the Housing Trust fund has enabled MFA to leverage approximately \$163.5 million in the creation of additional housing stock.

Priorities for funding in 2007 include homeownership housing development, workforce housing development, geographic areas with no affordable housing development within the past two years, interim or short-term financing, and lowest-income beneficiaries appropriate for the type of housing.

Land Title Trust Fund

The Land Title Trust Fund provides for certain title company escrow account funds to be placed in interest-bearing accounts. The interest earned is remitted to the Fund to finance loans or grants that will provide housing for low-income persons. The LTTF Advisory Committee awards funding following an application process. Non-profit organizations, local governments, or housing authorities are eligible to apply. Applications are accepted quarterly and at least 50% of the fund must be allocated annually to organizations in order to make housing more accessible for low-income households. There are currently \$796,629 available. Although the funding is limited, there are few restrictions on the use of the funds. Habitat for Humanity chapters have made the greatest use of this funding.

State Homeless Assistance Program

The State Homeless Assistance Program is funded by an annual appropriation from the legislature and administered by the MFA. The MFA combines this program with ESG funds in order to provide homeless assistance resources around the state. The State Homeless Assistance Program is more flexible than ESG funding and has been used to provide matching funds for Shelter Plus Care and Supportive Housing Program Projects (Continuum of Care Match) and subsidies for permanent supportive housing operations. In 2007, \$1 million in state homeless funds are available but only \$199,880 has been allocated to Continuum of Care Match and Permanent Supportive Housing Operations. Other uses include Emergency Shelter Operations, Essential Services and Homeless Prevention. The Essential Services Only funding is a resources for the supportive services of permanent supportive housing.

Local Government Resources

The City of Albuquerque has been a leader in the creation of affordable housing opportunities for homeless individuals and families and other vulnerable populations.

Albuquerque has allocated \$1,250,000 resources to the creation and ongoing operation of 200 units of Housing First supportive housing for homeless individuals, with serious mental illness, including many with substance use histories and other challenges. Administered by the Supportive Housing Coalition of New Mexico, the Housing First program is one of the largest in the nation and has proven successful in moving homeless people directly from the street and shelters to permanent housing.

In October 2007, the City passed a \$10 million Workforce Housing Ordinance to provide \$10 million for the creation of affordable housing for very low-income individuals and families who struggle to meet their monthly housing costs. These are capital funds for projects that serve households at or below 80% of the area median income.

Privately Funded Housing Resources

Federal Home Loan Bank (FHLB)

The Federal Home Loan Banks (FHLBs) are wholesale banks, places where community financial institutions turn for funds. There are 12 banks in the Federal Home Loan Bank system including the Federal Home Loan Bank of Dallas, which covers Arkansas, Louisiana, Mississippi, Texas and New Mexico. The FHLB's primary goal is to provide credit and other services to help member banks fund housing, small business, small agri-business and economic and community development loans in their communities. The FHLB administers three programs that can be used to fund permanent supportive housing:

1. Affordable Housing Program (AHP)
2. Community Investment Program (CIP)

3. Community Reinvestment Act Loans/Grants

FHLB Affordable Housing Program (AHP)

The Affordable Housing Program (AHP) was designed to help member institutions and housing associates develop affordable owner-occupied and rental housing for very low- to moderate-income families and individuals. The program provides direct grants and subsidized loans to assist our members in meeting their community's affordable housing needs. Members partner with local housing organizations (project sponsors) to develop AHP projects.

AHP funds are intended to assist members in financing the purchase, construction, and/or rehabilitation of single-family, rental, transitional, and single-room housing in their community. Funds must be used to benefit households with incomes at or below 80 percent of the median income for the area.

Recent projects that have been successful in securing FHLB funds include:

- Habitat for Humanity to create 35 homeownership units.
- The Supportive Housing Coalition to fund 30 units for families with children
- The transitional Living Services to fund 7 units for individuals with serious mental illness

FHLB Community Investment Program (CIP)

In addition, the Federal Home Loan Bank offers a loan program called the Community Investment Program (CIP). This provides long-term funding at fixed rates to develop rental housing (including acquisition, rehabilitation, and construction) or finance first-time home purchases for families and individuals with incomes up to 115 percent of the area's median income. Member banks can apply for advances that are extended at 10 basis points below regular price, for terms from 5 - 30 years. Rate locks are also available for periods up to 24 months. Funding is available continuously through a noncompetitive funding process.

The Community Investment Program (CIP) funds are available throughout the year to support lending for housing related programs targeted to households earning up to 115 percent of the area median income. These programs include single family housing and multi-family or rental projects. The CIP advance (loan) program is a specially priced advance program established to help member institutions finance community oriented mortgage lending.

CIP advances (loans) can be used:

- For single family housing purposes (rental or home ownership). To qualify, the single family project must benefit low to moderate income households whose incomes are at or below 115 percent of the area median. Housing construction projects as well as refinancing of existing homes are eligible.
- For the purchase, construction or rehabilitation of multi-family or rental projects, where at least 51 percent of all tenants have incomes at or below 115 percent of the area median. Such projects may include assisted living facilities.
- For refinancing multi-family housing (provided equity proceeds are used to rehabilitate the units or maintain affordability for current residents).
- In conjunction with HUD, FHA, state and local governments, and secondary market agency programs.
- To purchase state housing finance agency bonds or mortgage-backed securities representing pools of loans that could be funded directly with CIP advances.

- To fund investments in lender consortia or low-income housing tax credits as long as the underlying mortgages could be funded directly with CIP advances.
- To make loans to entities that in turn lend for eligible housing projects.

Community Development Financial Institutions

A community development financial institution, or CDFI, is a unique entity established to provide credit, financial services, and other services to underserved markets or populations. Under the general definition of a community development financial institution as set forth by the Community Development Financial Institutions Fund at the U.S. Department of the Treasury, a CDFI has a primary mission of community development, serves a target market, is a financing entity, also provides development services, remains accountable to its community, and is a non-government entity.

A CDFI may take one of several different forms: community development bank, community development credit union, community development loan fund (including microloan funds), or community development venture capital company.

Established through the Reigle Community Development and Regulatory Improvement Act of 1994, the Community Development Financial Institutions Fund, or CDFI Fund, is administered under the U.S. Department of the Treasury. The CDFI Fund promotes economic revitalization in distressed communities throughout the U.S. by providing financial assistance and information to community development financial institutions, or CDFI. Financial institutions, which may include banks, credit unions, loan funds, and community development venture capital funds, can apply to the CDFI Fund for formal certification as a CDFI. As of September 1 2005, there were 747 certified CDFIs in the U.S.

The CDFI Fund offers a variety of financial programs to provide capital to CDFIs, such as the Financial Assistance Program, Technical Assistance Program, Bank Enterprise Award Program, and the New Markets Tax Credit Program.

CDFIs in New Mexico include:

- Wells Fargo Bank NM;
- New Mexico Community Development Loan Fund;
- Homewise, Inc.;
- Women’s Economic Self-Sufficiency Team;
- Native American Lending Group, Inc.;
- New Mexico Bank and Trust; and
- ACCION New Mexico.

These CDFIs have awarded over \$7,286,205 to New Mexico organizations since 1996.

See table on the following page.

TABLE I I: SELECT FUNDING SOURCES FOR FINANCING THE HOUSING IN PERMANENT SUPPORTIVE HOUSING

Program/Funding Source	Activity									
	New Construction	Acquisition	Rehabilitation	Rental Assistance Tied to a Bldg/Unit	Rental Assistance Portable	Support Services	Leasing Property	Operating Costs	Pre-Development Loans	Homeownership Activities
Consolidated Plan Programs										
Emergency Shelter Grant			X			X		X		
Community Development Block Grant	X	X	X			X		X		X
HOME Investment Partnership Program	X	X	X		X ²⁵					X
Housing Opportunities for People with AIDS	X	X	X	X	X	X	X	X		
Homeless Assistance Continuum of Care Programs										
Supportive Housing Program	X	X	X		X	X	X	X		
Section 8 Moderate Rehabilitation SRO				X						
Shelter Plus Care				X	X					
Public Housing Agency Programs										
Public Housing				X						
Section 8 Housing Choice Voucher Program				X	X					X
Other HUD Programs										
Section 811 Supportive Housing for Persons with Disabilities	X	X	X	X						
Section 202 Supportive Housing for the Elderly	X	X	X	X						
Section 232 Mortgage Insurance	X	X	X							
U.S. Department of Agriculture Programs										
Housing Preservation Grant										
Section 515 Rural Rental Housing Program	X	X	X							
Section 538 Rural Rental Housing Guaranteed Loan	X	X	X							
Other Federal Housing and Finance Tools										
Low Income Housing Tax Credits	X	X	X			X*		X*		

²⁵ MFA uses HOME funds for tenant-based rental assistance (TBRA). As administered by MFA, these TBRA funds have a limited time frame of 6 months to 1 year maximum.

Program/Funding Source	Activity									
	New Construction	Acquisition	Rehabilitation	Rental Assistance Tied to a Bldg/Unit	Rental Assistance Portable	Support Services	Leasing Property	Operating Costs	Pre-Development Loans	Homeownership Activities
Tax Exempt Bond Financing	X	X	X						X	
Historic Tax Credits		X	X			X*		X*		
State Housing and Finance Tools										
Primero Loan Program	X	X	X						X	
BUILD IT Loan Guaranty Program	X	X	X							
Access Loans	X	X	X							
NM State Affordable Housing Tax Credits	X	X	X							X
New Mexico Housing Trust Fund	X	X	X						X	X
Land Title Trust Fund	X	X	X	X	X	X	X	X	X	X
State Homeless Assistance Program				X	X	X	X	X		
Privately Funded Housing Resources										
FHLB Affordable Housing Program (AHP)	X	X	X							X
FHLB Community Investment Program (CIP)	X	X	X							

* resources indirectly fund activities through creation of reserve funds



Background

This Chapter is devoted to identifying “housing strategies” that can offer New Mexico effective ways to meet the Housing Plan’s stated goals. As cited earlier, the majority of people with disabilities in New Mexico are disproportionately poor – particularly those individuals who must rely on federal SSI or Social Security Disability Income benefits. In New Mexico this poverty and related extreme housing need is also most pronounced among persons with serious mental illness. In addition, New Mexico has a documented need to identify affordable housing strategies for its transitioning youth. Further the data demonstrates that there is little capacity and few options for creating affordable housing in New Mexico, even less capacity and even fewer options for creating deeply affordable supportive housing in New Mexico. *New Mexico faces more challenges to creating affordable permanent supportive housing for its priority consumers and transitioning age youth than most other states in the United States.*

The Collaborative Housing Leadership Team recommends a two-prong approach to creating housing that includes:

- (1) Establishing a Scattered-site Rental Program using available and potential rental stock to address the immediate crisis of available supportive housing; and
- (2) Creating housing development capacity to create a long-term “pipeline” of housing.

The Collaborative’s Rental Assistance Strategies

The Collaborative Housing Leadership Team is taking the beginning steps to create a statewide Collaborative sponsored Rental Assistance Program using “scattered-site” rental assistance strategies. As stated above, the Team has affirmed the housing crisis for people with disabilities and young adults transitioning out foster care and the justice system in New Mexico. The Team does not want to replicate the already existing, though insufficient, rental programs available in almost all of New Mexico’s communities but wants to give the most vulnerable consumers with the worst case housing needs an opportunity to take advantage of federal, state and local resources by building a bridge to those resources and potentially leveraging additional resources through creative financing opportunities. This approach is being pursued based on these facts:

Only 2% of people living in poverty in Sandoval County have access to affordable housing. Our County’s TBRA program has a 2 – 3 year waiting list.

--Sally Moore, Exec Director
Empowering Our Communities
LC 13 Housing Forum

- Housing units are available in many communities in New Mexico but are just not affordable for the target population.
- Other communities report tight housing markets with limited or non-existent supply of rental housing stock.
- Conditions in many housing markets in New Mexico may deteriorate further given the growing housing mortgage crisis experienced nationally.

- Resources to pay for rental assistance for these available housing units include programs funded through the U.S. Department of Housing and Urban Development as well as State and local programs operated by the New Mexico Mortgage Finance Agency and local Public Housing Agencies (PHAs);
- Systems are in place to administer rental assistance between private landlords and housing administrative agencies;
- Some non-profit organizations in communities in New Mexico have created and managed successful permanent supportive housing programs using rental assistance strategies in units owned by private landlords (i.e., scattered-site housing);
- Innovative, scattered-site, rental assistance programs have operated and proven successful in other states;
- By providing flexible rental opportunities, the Collaborative can assist priority consumers to build their “housing resumes” so they can better qualify for federal and state sponsored rental programs;
- Many priority consumers must rely initially on private market rental opportunities due having poor credit and a criminal background; and
- There is potential for utilizing rental resources as operating subsidies for private and public financed housing developments.

The Leadership Team has also reaffirmed key “quality” elements and principles that “must be included in the Collaborative’s Rental Assistance Programs:

1. Affordability: monthly housing costs should not exceed 30 % of monthly household income;
2. Independence; tenants should be able to choose their housing and neighborhoods and enjoy privacy and rights of tenancy;
3. Accessibility: units must meet a range of physical accessibility needs, ensure access to needed services and amenities in the community and be available on a timely and individually appropriate basis.

Rental Assistance Approaches

Rental assistance is the resource most frequently used to ensure that housing is affordable. Rental assistance strategies recognize that very low-income people do not have enough money to afford decent, safe, and good quality housing. Through a rental assistance program a low-income household is provided with a “subsidy” to assist the household with the monthly housing costs. This subsidy is usually based on the cost of moderately priced rental housing in the community. The household pays a portion of monthly housing costs that is based on the income of the household. The household’s portion is usually – but not always – equal to 30 percent of its monthly adjusted income.

In general, rental assistance comes in two forms:

- **Portable rental assistance that households can use in housing of their choice.** These subsidies – often referred to as tenant-based subsidies – are given to a low-income household to use in a unit of their choice in the community. If the household moves to another unit, the subsidy moves with them. Portable rental assistance approaches fall into two categories: tenant-based rental assistance and sponsor-based rental assistance.
- **Long-term ongoing subsidies that are tied to specific housing units or buildings** – sometimes referred to as operating subsidies or project-based rental assistance. If the household moves to another unit the subsidy remains with the unit for the next eligible household that occupies the unit. Project-

based rental assistance includes both subsidies tied to specific units as well as project-based operating reserves.

Tenant-Based Rental Assistance

Tenant-based rental assistance allows people with disabilities to choose their own housing unit from a community's private rental housing market. Tenant-based assistance helps people with disabilities to select rental housing that meets their individual preferences and needs, and that is fully integrated into the community.

Specifically, through a tenant-based rental assistance program, an eligible household receives a subsidy to use in a housing unit of their choice in the community. The rental assistance is "portable," meaning that if the household moves to another unit, the subsidy moves with them.

Some common sources of tenant-based rental assistance are listed below. These resources are described in Chapter Three:

- HOME Program
- Housing Opportunities for People with AIDS
- Section 8 Housing Choice Voucher Program
- Section 8 Mainstream Program
- Shelter Plus Care
- Supportive Housing Program
- State-funded, State-specific Programs

Through tenant-based rental assistance programs, people with disabilities are given a choice about where they live and can keep their assistance if they move. Some of the advantages of tenant-based assistance for people with disabilities include:

- The ability to choose both the location and type of housing preferred.
- The ability to move from one unit to another or from one locality to another without losing the housing assistance.
- Increased privacy because neighbors are not aware that the household receives housing assistance.
- The opportunity to live in a housing setting that is fully integrated within the community rather than one set aside exclusively for people with disabilities.

Tenant-based rental assistance programs can present obstacles that tenants and housing providers must address in order to make the rental assistance viable. Some people with disabilities and transitioning youth may have no housing history or a poor housing history and have difficulty with landlord screening criteria. Tight housing markets may make it difficult to find available apartments, particularly in better neighborhoods. These apartments must meet minimum quality and safety standards. Furthermore, many property owners discriminate against households with rental subsidies, especially Section 8 Housing Choice Vouchers, which are the most common source of rental assistance. These landlords will often refuse to rent to households that have rental subsidies or purposely charge rents over the acceptable amount for the rental subsidy. To address these barriers, many communities have implemented landlord negotiation programs; offered financial incentives to landlords; provided agency contact information for

landlords; passed fair housing laws that protect people with subsidies; etc. Also the scattered-site nature of this program may make voucher administration and service provision less convenient and more time consuming for agencies often resulting in less than optimal levels of care.

New Mexico's Experience with Tenant-Based Rental Assistance

New Mexico has demonstrated success in creating and funding tenant-based rental assistance programs.

- 26 local Public Housing Authorities administer Section 8 Housing Choice Vouchers;
- 4 local Public Housing Authorities administer Section 8 Mainstream subsidies; and
- Some non-profit organizations in New Mexico have created and operate tenant-based permanent supportive housing programs.

Snapshot: SHC-NM Housing First Program

The City of Albuquerque funds a Housing First Initiative with a gross receipt tax. The City has contracted with the Supportive Housing Coalition of New Mexico to administer 200 tenant-based rental assistance vouchers targeted toward chronically homeless individuals with a severe and persistent mental illness and in many instances a dual diagnosis. After 18 months, SHC-NM is working with 65 participating landlords and has less than a 2% drop-out rate for the first 135 individuals served. SHC-NM has established relationships with providers to assure supportive services are available to tenants.

- Lifelink's 15 units of Shelter Plus Care funded subsidies for homeless persons with disabilities.

Snapshot: Life Link scattered-sites shelter plus care

The Life Link is a 20-year old non-profit organization that provides an array of housing and services to homeless and vulnerable individuals and families in the Santa Fe community. Life Link operates a 15 unit Shelter Plus Care-funded rental assistance program for homeless mentally ill or dually diagnosed individuals. Housing and treatment are regarded as separate domains, with client choice. The resident must meet all the requirements of their lease with the landlord. Support services are provided with as much or as little as the client feels is necessary. Tenants are required to pay 30% of whatever income they have as rent.

In operating these programs the local Public Housing Authorities and non-profit housing organizations have demonstrated experience ensuring that units meet required habitability standards; recruit private landlords to participate in the program; negotiate contracts with private landlords; make timely and regular monthly payments; certify tenant income and ensure that tenants do not pay more than 30% of their income toward monthly housing costs.

Sponsor-Based Rental Assistance

For a description of rental assistance to be complete, there must be a discussion of sponsor-based rental assistance. Sponsor-based rental assistance is a hybrid form of rental assistance and is generally only utilized in the HUD McKinney/Vento Homeless Assistance Programs (described briefly in Chapter 3).

With sponsor-based rental assistance, a non-profit organization, referred to as the “sponsor,” controls the rental assistance. The sponsor leases apartments and then sublets the units to eligible tenants. The tenants who occupy the units pay a percentage of their income for rent and the sponsor-based rental assistance covers the difference between the tenant payment and the apartment’s monthly rent.

Since the non-profit organization leases the units from private landlords, sponsor-based rental assistance can address many of the obstacles faced by people with disabilities who have poor housing histories. Often landlords will rent to an established “sponsor” organization rather than an individual household. Sponsor-based rental assistance provides people with disabilities with an opportunity to develop a positive housing record as a sub-leaser in the housing program.

Project-Based Rental Assistance

Project-based rental assistance involves subsidies that are committed to a specific unit in a building through a contract between the owner and the agency administering the subsidy. The subsidy commitment is usually for a long term (e.g., five to ten years).

In project-based rental assistance, the rental subsidy is tied to a particular unit and remains with that unit. As eligible tenants move into the unit, they pay a percentage of their income for rent and the project-based rental assistance covers the difference between the tenant portion of rent and the approved monthly rental charge for that unit. If the tenant moves out of the unit, the project-based assistance stays with the unit to assist the next eligible tenant that moves in.²⁶

Project-based rental assistance is a useful tool to support the creation of new affordable housing units for people with disabilities. By providing a long-term guarantee of rental income through a project-based subsidy, a housing developer is often able to obtain the capital financing needed to fund the construction/rehabilitation of new housing affordable to the lowest-income households. This type of funding would allow more supportive housing to be developed.

The most common sources of project-based rental assistance are listed below. These resources are described in detail in Appendix: 7.

- Housing Opportunities for People with AIDS
- Section 8 Housing Choice Voucher project-based assistance
- Section 202 Supportive Housing for the Elderly (rental assistance contract built into the grant)
- Section 811 Supportive Housing for Persons with Disabilities (rental assistance contract built into the grant)
- Shelter Plus Care (PBRA or SRO components)

²⁶ In the new Section 8 Housing Choice Voucher project-based rental assistance program, a tenant in good standing moving out of a project-based unit must be offered a tenant-based subsidy provided the tenant has lived in the project-based unit for at least a year.

Project-Based Operating Subsidies

During the development of a project, resources for project-based rental subsidies are not always available to guarantee that some of the units will be reserved for persons with very low incomes. Several funding sources, working closely with private developers, have identified a second strategy to ensure that some units will be initially and in the long-term affordable to households with very low incomes by creating project-based operating subsidies. These subsidies are generally funds that are made available in one lump sum during the development phase of the project and set aside in a reserve fund for use over the next 10, 15 or 20 years. The funds in this reserve are invested to earn interest and the development team underwrites the project to estimate how much money the initial reserve must have to ensure long-term affordability.

This approach has been successfully implemented in Low Income Housing Tax Credit (LIHTC) projects. Without the operating reserve subsidy LIHTC projects would not be able to create housing units affordable to persons earning 30% of median income or less. Where this strategy has been successful, a LIHTC Developer may set aside 5-10% of the development's housing units for low and very low-income households. States have been able to promote this strategy by either requiring or enticing developers through stipulations or bonuses in the Qualified Allocation Plan that outlines how LIHTC are to be awarded in that State. For example North Carolina has established a policy to set aside 10% of all tax credit funded units as permanent supportive housing for people with disabilities and Pennsylvania has established a set aside of 5% of their tax credit resources for permanent supportive housing for people with disabilities.

Long-Term Commitments

In both the development of housing and in creating rental assistance approaches it must be acknowledged that people with disabilities have very low incomes and that subsidies must be available for the long term to ensure that the housing remains affordable.

Long-term commitments of rent subsidies or operating subsidies are more expensive for government housing agencies like HUD to fund than one-time capital costs. Many of HUD's programs provide subsidies for an initial 1-5 year contract rather than a 10-15 year commitment. After receiving the initial subsidy contract, many housing programs must continue to seek sufficient operation funding in future years to maintain the affordability of the housing.

New Mexico's Emerging Strategy

Based on the success of the models outlined above and the immediate housing need of persons with serious mental illness and youth transitioning in New Mexico, the Collaborative created two pilot projects to spearhead the creation of permanent supportive housing for these target groups. The first program, CYFD Housing First for Transitioning Age Youth has a CYFD sponsored \$150,000 start-up budget in FY 2008 to fund 20 units of scattered-site permanent supportive housing. It will be evaluated at the end of the pilot period to determine its efficacy and resources needed to expand the program across the state.

Pilot Program 1: CYFD Housing First for Transitioning Youth

In October 2007, the Children's Youth and Families Department initiated a 20 unit, scattered-site housing model in the Albuquerque community for youth transitioning from Protective Services or Juvenile Justice systems. CYFD partnered with the Supportive Housing Coalition of New Mexico to administer the housing component of the project and with Value Options of New Mexico and its service providers to ensure quality, community-based services for the youth. The program will have a comprehensive evaluation component to ensure mechanisms to improve operations in future years and to facilitate a sound expansion of the program.

A core element of the CYFD pilot is the transformation of how services will be provided to youth in the community. A Collaborative Youth in Transition Cross Agency Team (CAT) was established to serve as a steering group for the initiative. The primary goals of the initiative are to increase the quantity and quality of community-based behavioral health and other services and supports provided directly by CYFD or through the Collaborative to transition age youth; to improve the oversight of behavioral health service providers under contract to Collaborative Agencies or the Statewide Entity (SE); and to improve the performance of the SE with respect to its services to transitioning youth on probation or parole.

Specifically, through the initiative, we will:

- Ensure access to available, relevant community-based behavioral health services;
- Improve access to housing and employment
- Provide comprehensive, diagnostic assessments, addressing both mental health and substance abuse, that actively involve the youth and his or her family;
- Provide consistent and effective triage/staffing for youth with presenting behavioral health concerns; and
- Streamline processes and guidelines for referrals to appropriate treatment and supportive services.

The second program is also a pilot targeted for adults with serious mental illness is funded with a \$300,000 start-up budget in FY 2008.

Pilot Program: Linkages: A Scattered-site Housing For Persons With Serious Mental Illness

A second pilot program in the development stages provides for \$300,000 in rental assistance to provide housing for individuals with serious mental illness.. The Linkages Program will target three regions of New Mexico identified as having (1) a housing need for this target population, (2) a qualified local housing administrating agency (e.g., local Public Housing Authority or non-profit developer) and (3) local service provider that can provide community-based services in this scattered-site housing model. The program will initially serve a minimum of 90 individuals with the first units to be rented in January 2008.

Through Linkages, the local Housing Support Agency will determine initial program eligibility. A local housing administrative agency will conduct tenant income certifications and determine what rent tenants must pay each month. The local housing administrator will also inspect units and contract with private landlord for the balance of their rent. Value Options will identify the local Housing Support Agency that will work with consumers on housing search, landlord negotiations, gathering documentation, and moving into units and maintaining their tenancy. The local Housing Support Agency will be expected to make one site visit per month to the tenant to identify any threats to the tenant's long term housing stability. The Housing Support Agency will also work with the tenant to identify community-based services the tenant may seek.

Capacity Development Approach

Background

The rental assistance strategies listed above, particularly the tenant-based strategies highlight how best to create supportive housing opportunities for people when there are existing affordable housing options. Sadly in New Mexico there are not enough affordable housing options let alone supportive housing options. Thus to meet its long range goals the Collaborative must create more housing opportunities. As stated in the needs section of this Plan and as voiced consistently by Leadership Team members particularly MFA staff and the SHC-NM, capacity does not exist in New Mexico to create the amount of affordable housing that can be utilized as supportive housing. In order to reach the goals outlined in this Plan, the collaborative must increase capacity throughout New Mexico to develop new permanent supportive housing.

Capacity in this context simply means:

1. There are sufficient developers, both private and non-profit who are developing affordable housing in New Mexico, particularly those with the mission and commitment to create new permanent supportive housing.
2. The private and non-profit developers who currently exist and those interested in becoming developers have capital reserves and assets, project management expertise, and technical expertise to create and carry out complex financing strategies.
3. Communities support affordable housing and permanent supportive housing by removing land use restrictions and barriers and through the commitment of land, buildings and local funding and resources.
4. Resources exist to fund the pre-development activities of projects to allow developers to initiate steps to assess project viability.

While not directly related to capacity, predictable, recurring sources of state and federal funding for pre-development, development and project-based operating subsidies well beyond what is available today would help this situation. There is a strong correlation between capacity and availability of predictable sources of funds. Therefore while this section of the Plan is devoted to capacity building, it is in the Collaborative's best interest for affordable housing to be a strong priority in New Mexico.

Resource Commitment

The Collaborative made the unprecedented decision with the funds available for supportive housing in FY 2008 to dedicate \$150,000 for pre-development expenses and \$250,000 for capacity building resources to begin the capacity building process. While these resources seem limited, the reality is that building capacity takes time and this funding level is sufficient to jump start this approach in FY 2008. MFA will oversee the capacity building approach on behalf of the Collaborative. MFA has solicited the SHC-NM as their technical assistance partner for this endeavor. Overtime one goal is to expand this partnership to include other development partners beyond the SHC-NM. A second goal is to give at least one community within each region of the state an opportunity to participate in this initiative.

Approach

The SHC-NM has been asked by the Collaborative and MFA to help create capacity in individual communities across the state beginning with two to three communities in the first year. The MFA and

SHC-NM will begin this process with selected communities and will make plans over a one to two year basis based on progress of selected communities, new and emerging opportunities, requests and extent to which technical support is available. MFA will be asked to provide a scan of available resources on a regular basis so that the Collaborative, SHC-NM and the selected communities will be aware of and positioned to take advantage of new affordable housing opportunities. The Collaborative should arrange to participate in policy setting for how resources can be made available to the extent this policy setting occurs at the state level. For example, there is potential for funds from a National Affordable Housing Trust Fund to become available in the coming months based on a promising piece of legislation presently winding its way through Congress. New Mexico will have an opportunity to determine priorities for funds coming to the state should this legislation be enacted and funded. The Collaborative should provide the rationale to state leaders for using a portion these funds to further the development of supportive housing.

The process for selecting communities for “capacity building” will be that the MFA and SHC-NM propose two-three communities to participate in this capacity building initiative for a minimum of one year and up to three years for each selected community. SHC-NM makes this proposal first to MFA who must agree on selected communities and then to the Leadership Team and Collaborative for final approval. Communities will be selected based on four criteria:

1. The Community’s overall interest, willingness to support and readiness to develop supportive housing capacity through one or more local organizations;
2. The Community’s willingness to enter into a Total Community Planning Approach to include participation of the Local Collaborative;
3. The Community’s willingness to adopt an affordable housing plan with a supportive housing component; and
4. The Community’s experience and willingness to create services capacity and to operate a tenant-based rental program described above.

One aspect of this approach will build on the strength of the Local Collaborative. Each community selected for “capacity building” will be asked to enter into a “Total Community Planning Approach” that is co-lead by the Local Collaborative leader and an elected representative or representative of the housing community. Participants may vary from community to community but it is essential to include local elected officials, the local public housing agency, local housing developers, behavioral health providers, VONM, families and consumers, homeless and housing advocates, other local human services and health care organizations, Native American leaders, business and other community leaders. The purpose of the “Total Community Planning Approach” is to:

- Adopt community wide policies to promote affordable and supportive housing development;
- Combine the efforts of provider agencies, VONM, non-profit organizations, the local housing authority and city and county development and elected officials;
- Economize the use of scarce resources by focusing on priorities that include supportive housing development; and
- Provide the basis and forum for developing effective communication among stakeholders useful for planning and implementation of these efforts.

Resources referenced above will be made available to selected communities for one to three years in order for the community for the following purposes:

- Provide pre-development funding to an emerging or existing housing development organization(s) to purchase land, conduct feasibility and marketing analyses, legal advice, architect and engineering fees, and permits, etc. MFA will award Pre-Development Loans in conjunction with their current Pre-Development program. The total made available will depend on the percentage of units the total project devoted to permanent supportive housing and the length of that commitment. Awards are typically short term through the development process and all awards are subject to MFAs underwriting criteria that projects must meet.
- Technical assistance on the preparation of funding applications including applications for: Pre-Development resources, LIHTCs, or applications for other capital or rental subsidy programs.
- One time or ongoing consultation on project management and/or operations.

Technical support on the interface between service organizations and property management for tenant selection and other supportive housing functions.



Key to the success of this Housing Plan is the ability of the Collaborative to adopt services and support service strategies aimed at helping high priority consumers (individuals with serious mental illness and transitioning youth) get and keep housing. There are a wide range of services—case management, psychiatric, developmental, medical management, etc. that if available are helpful to the consumer with serious mental illness in their recovery and to obtain and retain a stable life in their community and to transitioning youth progressing from CYFD care to independent housing. Supportive housing by definition combines affordable housing with supportive services.

People excel in permanent supportive housing when specific housing support services or interventions are made available. Housing support services carried out as part of assertive community treatment or community and peer support more often include tasks and activities that help a consumer with their recovery including their solving their housing access and stability challenges. For transitioning age youth and young adults, assertive community treatment and peers supports must be tailored to young adults with a strong emphasis on employment and age appropriate supports. When specifically tailored for “housing support” these services are particularly helpful for people with complex problems considered among the highest need individuals in their jurisdiction. These services can be provided at a modestly priced level to help people build resiliency and meet their own recovery goals.

This chapter is devoted to describing these “housing support services,” answering critical questions necessary to develop these services as part of this plan, identifying barriers to be overcome and steps to be taken to meet the goals of this plan.

Housing Support Services:

I. Identify and Obtain Housing:

- Help consumers identify community-based permanent affordable housing suitable to their needs;
- Help consumers and staff navigate the bureaucratic complexities of the affordable housing delivery systems;
- Facilitate access to assisted housing systems that traditionally sidestep persons with complex service needs or no housing histories;
- Apply techniques to increase housing access such as landlord recruitment, credit repair, reasonable accommodation requests and criminal record corrections;

II. Move into Housing

- Assist consumers to obtain needed furniture and household supplies;
- Orient consumers to the community, its amenities and services
- Facilitate consumers enrollment in utilities and other essential services

III. Maintain Housing

- Assist consumers to adopt and learn coping skills for fulfilling responsibilities of tenancy and guarding against eviction including conflict resolution, personal financial management, bill paying, “good neighbor” skills and upholding lease agreements;

- Triage and problem solve threats to permanent housing stability;
- Consolidate work of multiple service providers/systems to one approach and set of strategies to assist a consumer to maintain community living;
- Apply and leverage housing and civil rights laws and regulations;
- Respond immediately to crisis by extending support and other interventions utilizing mental health, substance use, developmental or medical intervention and treatment competencies and resources;
- Apply age appropriate personal, clinical, life planning and other support for youth as they transition from adolescence to adulthood;
- Help youth access educational and vocational assistance; and
- Help people with chronic health conditions or physical disabilities get assistance with their home modifications and/or personal care needs.

This housing support service interventions are becoming a professional specialty unto itself across service sectors with its own set of sharpened and acquired skills. Included in the associated competencies are:

- The capacity to facilitate linkages between multiple service systems and affordable housing sectors;
- Support for the interface and mutual understanding between persons with disabilities or behavioral health problems and their landlords and neighbors;
 - and support to each tenant to stave off threats to long-term housing stability.

In addition to these competencies, good housing outcomes are associated with three features:

1.) Housing support services are flexible and so that staff can adapt and change to when and where services are most needed;

2.) Staff help potential tenants meet their own recovery goals and in the case of young adults build resiliency to meet their own goals; and

3.) Services are also offered on a voluntary, not mandatory basis. Features of service flexibility include staff:

- Being available outside of traditional office hours;
- Being mobile to meet with the target population at home and in community settings;
- Being resourceful and creative in preserving jeopardized housing arrangements
- Having a low threshold for expectations for the target population's initiative and competence but high expectations for recovery;
- Being flexible to respond to fluctuating needs;
- Employing pro-active strategies for establishing links with other service systems;
- Being responsive to changing contacts and resources for accessing housing;
- Having the skills, patience and willingness to help a person develop their own recovery plan;
- Building trust through developing a long-term cooperative partnership with a consumer without requiring the consumer to be compliant with a specific service intervention;
- Building a strong relationship with landlords and housing organizations that in times of crisis will help preserve housing permanency on behalf of the resident; and
- Helping residents build these relationships as well as relationships with neighbors.

The key for the Collaborative and its local partners is to build this capacity and package these specialized competencies within, not outside, the existing service delivery system(s). The result of building these competencies is that, with a relatively modest investment, the Collaborative can create a significant system wide savings by reducing the multiplying social costs that unstable constituents create in their community when their housing needs are unmet. ***Thus the recommended services approach for this Plan is to build housing support services capacity as part of the services and support systems in existence now or being developed in New Mexico.*** This is best done by the organizations represented on the Collaborative working with Value Options, local providers, local Collaboratives and state and local housing organizations. To be clear however to meet the goal of 5,000 new supportive housing units in 10 years, it will also be necessary to secure new resources for support services.

There are a set of key decisions the Collaborative will need to make so these services can be available as new housing opportunities become available. These include:

- What are their prototype models for these interventions?
- How do/can these services fit into the “funding” agency’s operations/ infrastructure?
- How can these services be paid for or reimbursed?
- Are these services best delivered by a single organization or by a combination of organizations?
- What are the barriers to the delivery of these services and how can they be overcome?
- What are the action steps the Collaborative needs to take to create this services capacity building model?
- How can Peer Support staff be used effectively?

Below is information the Collaborative will use to make these decisions to build this capacity.

I. Prototype Models

Housing Support Team Approach

The Housing Support Team is the most formal model of the Housing Support approach to be used to date across different service systems. While similar in design to case management programs in many sectors of the human service arena that are designed for disenfranchised groups, it has at least one essential distinction. The Team’s goal and point of reference is accessing and sustaining housing for its targeted population. A second distinction is that it may stop short of providing ongoing clinical treatment. However team members often use both clinical and non-clinical communication skills such as active listening, nonverbal communication, empathy, and persuasiveness, to achieve the Team’s narrowly defined goals. Additional features that distinguish the Team from more traditional service providers are its departure from conventional expectations for participant engagement and its distinct phases of service.

Integrated Service Approach

This model works well when few new resources are available. This alternative is a good match for jurisdictions where the actual inventory of housing subsidies and affordable units available for the target population is either small or in the initial stages of development. Such communities with early stage supportive housing delivery systems may not be positioned to deploy a full-fledged Housing Support Team model.

To implement the Integrative Services Model of Housing Support, a community or agency positions an individual on a services team or a small group of housing specialists in the services system. These

individuals provide services but also serve as in-house experts and resource developers. Through various innovative strategies, information and training on housing competencies is then extended to all Community Support, case managers or other direct services staff in the designated agency or community. This approach that can be used with Assertive Community Treatment, Community Support, peer or outreach or other teams designated to work with people who are considered very high risk for homelessness, incarceration, and intermittent or long-term institutionalization.

In the interim period of time it takes for the mental health system to gain and integrate new competence pertaining to housing, they may also deliver some of the same direct services provided in the Team model directly to constituents. Thereafter, in the integrated model the focus is on teaching and modeling competencies in housing access from which case managers, treatment teams, peer staff and other service providers in the system can learn. Staff in an integrated model develops an array of competencies across direct services staff.

Appendix 11 lists activities for both models including pre and post tenancy activities.

Housing First

One new type of team emerging in New Mexico and other communities is the team model being implemented in “housing first” programs. The first publicized “housing first” program, Pathways operating in New York and Washington D.C. strictly follow the Assertive Community Treatment model but other communities have adapted this approach and are using other “team” models. Pathways like many other programs around include peer support staff as part of their team. The characteristics of the housing support team model (HST) are detailed below.

2. Incorporating service approaches in each state agency

The Collaborative is constantly working on services system design and building infrastructure as new services gain approval for Medicaid funding or as problems in the current design are articulated and solved. There are key steps agencies take to fit housing support into operations. As state and local agencies take these steps they should be vetted to assure they are consistent with best practices in housing support. These steps include:

A. Determine the amount and type of services needed each year to match services with anticipated newly developed housing. For example, in 2007, the Child and Family Services Department (CYFD) initiated a “Housing First” Pilot in Albuquerque. CYFD is utilizing CYFD Transition Managers to provide critical housing support services for the 20 youth in the pilot.

B. Either through contract, memorandum of agreement or assignment allocate the housing support services to match new housing resources.

Housing First

Housing First is assertive outreach, engagement and direct, or nearly direct, placement of persons who are chronically homeless or have had long periods of intermittent homelessness, incarceration or institutionalization into permanent housing. Housing First is often targeted to persons who are reluctant to enter into services. Supportive services are to be offered and made readily available, the program does not require participation in these services to remain in the housing and there is a continuous effort to provide case management and to hold housing for persons in the program even if they leave their housing for short periods. Once in housing, a low demand approach accommodates client alcohol and substance use, so that “relapse” will not result in the person losing housing.

C. Establish agreement(s) between housing organizations (developers, public housing authorities or housing non-profits) and service organizations who respectively agree to deliver services and/or make referrals for services.

D. Either through formal or informal relationships, work with organizations who do community outreach (or inreach into hospitals, residential treatment, correctional facilities, nursing homes, etc), make certain consumers become aware of supportive housing and how to access services including helping a prospective tenant make an application for a housing unit.

E. Make certain that delivering housing support services and related coaching, training and mentoring are legitimized in service organizations.

F. Devise and implement specific services guide for staff assigned to carry out housing support functions include “obtaining and maintaining” housing within the individual’s service or treatment or recovery plan, how services are documented, billed for, monitored for compliance and assessed utilizing specific supportive housing outcome and performance measures.

3. Reimbursing Services

Most systems are challenged with reimbursement strategies for supportive housing and clearly not all housing support tasks and functions are reimbursable by Medicaid or other funds. However with careful planning and execution at the services level most tasks and functions are reimbursable. As stated above in the operations/ infrastructure section, the Collaborative should develop a specific services guide for housing support that includes instructions for reimbursement by fund type.

There are five types of funding that can be utilized to maximize services and supports for the priority populations. These include:

- Medicaid (several programs tied to client type and Medicaid option);
- McKinney Vento Homeless Programs-Supportive Housing Program (although current rules discourage funding for services);
- private foundations for start-up funding;
- categorical grant programs awarded by the US Departments of HHS, Labor, Veterans Affairs and Justice; and
- state funds.

The Collaborative will analyze how and propose adding housing support to current staff responsibilities; carve out funding from existing budgets as more supportive housing becomes available as CYFD has already begun to do; increase funding for services when opportunities for using services when opportunities for using available funding or maximizing the use of Medicaid or other funding sources does not exist. This will also include analyzing how eligibility factors into making housing support available to individuals who are high priority for housing support and how overall eligibility for federal resources, especially Medicaid, can be increased for high priority individuals.

One dilemma that often becomes an impediment to people retaining housing is that service rules may not match up well with best practices for people in supportive housing. For example, if a person discontinues services but later needs and wants services, the service regulations may require the consumer take steps to be reinstated. This is time consuming and cumbersome and often the provider agency has exhausted its annual allocation. Therefore the consumer is unable to access services quickly. This may happen at a time when a person is struggling to meet their tenant responsibilities. For the Collaborative to be successful in implementing this Housing Plan, an approach is needed to solve these types of mis-matches between good housing practice and service rules or limits.

The most promising Medicaid reimbursable service that includes “housing support” activities is **Comprehensive Community Support Services (CCSS)**. Housing support is an activity of CCSS. A crosswalk between housing support functions and CCSS reimbursable activities can identify what specific “housing support” tasks are covered, under what circumstances they are covered and what cannot be included as a CCSS reimbursable activity. From that point decisions can be made how these activities are included in staff responsibilities or assigned to specific staff. It will be important for the Collaborative to extrapolate the information from this exercise to the number of people who are eligible for this service to determine to what extent CCSS can be relied upon as a funding source for PSH.

4. Barriers to Services

Fundamental to the success of this Plan, is the Collaboratives ability to breakdown barriers and dispel inaccurate perceptions. The Collaborative should take steps to address these issues but at the beginning of implementation and on an ongoing basis.

The barriers and misperceptions are listed by system where these barriers or misperceptions most likely exist. However some of these barriers or misperceptions cross system lines.

Barriers in Housing System:

- Complexity and bureaucracy associated with applying for affordable housing
- Selectivity of screening practices used in tenant selection
- Tight rental housing markets with competition for units
- Property owners limited willingness to accept rental subsidies
- Stigma associated with prospective tenants who have mental illness
- Perception by housing administrators that all persons with disabilities must be channeled towards specialized housing.
- Mental health system contracts with housing entities with limited flexibility for expanding the number of units of permanent housing over time.

Barriers in Mental Health and Homeless Services System:

- Poor access to services for persons with the most complex and high needs
- Over emphasis on traditional clinic based support service delivery models
- Lack of mobile support services delivered in homes and communities
- Over reliance on housing approaches designed as therapeutic and transitional
- Assumptions that persons with mental illness can move seamlessly through a linear housing continuum
- Expectation that persons with a mental illness or substance abuse problem need to “graduate” into housing
- Disproportionately few resources dedicated to permanent, community-based housing; and

- Perception that any and all homeless services and supportive housing can be funded by federal funds
- Gap between the time a person applies for entitlements and receives them leaving many individuals unable to pay even a small amount of money for rent, leaving people homeless; it also results in people not getting services as providers are reluctant to serve individuals who do not have the ability to pay for services.

Barriers in Criminal/ Juvenile Justice System:

- Discharge from institutions without support or identified housing
- Justice systems that divorce themselves from post-incarceration housing needs
- New sentencing policies that create sudden, unsupported community reentry
- Interrupted mental health treatment upon reentry without bridges to community-based treatment

Barriers in the Addiction Treatment System:

- Limited access to services that could prevent homelessness;
- Lack of services integrated into housing settings; and
- Cost reimbursement mechanisms that limit flexibility of services to interact with housing.

5. The Collaborative will need to take the following action steps to create this services capacity building approach:

- A. Identify Support Services models to be used for each emerging housing initiative and as *new* housing becomes available.
- B. Assure all new community funding/ reimbursement strategies undertaken by the Collaborative include an impact analysis illustrating the tie between the service/ reimbursement strategy and its potential to create new housing support services capacity.
- C. Create a leadership/ housing support capacity building initiative as part of the systems transformational initiative (T-SIG). Seek additional funds as necessary to assure this initiative is supported overtime.
- D. Explore options for reducing the time frame for receipt of benefits after application; this could include establishing presumptive eligibility.
- E. Explore potential funding options for housing support services on an annual basis.

6. Using Peer Support staff effectively?

Peer supports are an important element of the overall community housing support delivery system. Peer Support staff are ideally suited to provide housing assistance and direct services and supports to priority consumers seeking or living in supportive housing. Peer support can be provided as a stand-alone service or staff can be hired as members of a CCSS team or other service component. Consumers working in housing programs all across the county have already shown that they can be effective as service provider staff and as sources of information and advocacy related to housing.

Chapter Six: Establishing a Management Structure & Performance Expectations



The Collaborative has decided to take bold steps to build capacity and increase supportive housing resources in New Mexico. To be successful, this initiative must sit on a well developed, planning, management and accountability platform. This platform requires a well defined, understood and supportive management and accountability structure and clear, performance expectations. To be consistent with Collaborative practice and to assure that consistency is developed across multiple agencies, the planning management, accountability and performance management of this initiative will adopt the same approach utilized for major Collaborative initiatives. A cross agency Housing Leadership Team has already successfully negotiated the first steps of implementing this Plan. This Chapter focuses on the management structure of the Housing Leadership Team and Local Collaboratives and provides guidance on establishing and measuring performance expectations and outcomes

Planning and Management Structure

The Collaborative will establish a state and local cross agency partnership model to manage the implementation this Plan. The Collaborative has already effectively established cross agency teams and a two pronged state and local partnership structure to assure its direction is carried out effectively for persons with behavioral health related problems. This is also the most desirable approach to create affordable and supportive housing for people with disabilities. No single organization has or qualifies for all the resources or can deliver services necessary to make this approach work alone. Creating supportive housing is inherently cross agency in nature. Further financing and managing housing is carried out by both state and local agencies. It will also be particularly important for the Collaborative to consider how to incorporate the views and gain support from the affordable housing community to assure success of this Plan.

Managing the implementation of this Plan particularly through the early stages of the capacity building process will require a shift or several shifts in how services and housing come together. This is not an initiative where new services and resources are added to the Vendor's contract or provider contracts rather it is a fundamental shift in resource allocation and service delivery. The Collaborative will need to "set the rules" for how the system will operate; who will gain access to resources; and how the various pieces of the system will work together.

Ultimately, the Collaborative is the center of responsibility and authority that must hold all the various parts of the system accountable for expected performance. To achieve accountability, the Collaborative request the Vendor contract with both services and housing organizations; and/or may designate certain staff or agencies within the Collaborative to be accountable for certain functions.

The Collaborative sets the rules and defines the criteria, and then delegates authority to the Vendor and agencies that are a part of the Collaborative to implement the program. The key point is that the Collaborative must decide who in the system will be accountable for certain functions and performance expectations, and then must establish those authorities and performance measures clearly in either contracts or other agreements. For example, the Collaborative is using a multi-agency approach to fund and manage *Linkages*, the Collaborative's adult rental program pilot. The Collaborative sets policy for this program including specifying setting the priority for who has access to rental units, where the Pilot

will be implemented and how priority consumers will get access to services.

In particular the Collaborative decided which target groups would have access to the first set of resources obtained by the Collaborative, specifically the two groups identified in the 2007 pilot projects. The collaborative will need to review needs on a regularly scheduled basis to determine if those groups should continue to receive the majority of new resources and whether or not and when to add new priority groups. This should include input from local Collaboratives, consumers, and other stakeholders.

Finally, the Collaborative must continuously monitor the implementation and operations of these listed functions, to make sure all contracted entities, staff, and service providers are functioning and collaborating at the expected level.

The Collaborative also has the opportunity to establish performance and management expectations beyond the fundamental structural expectations articulated above. These expectations are tied to the Collaborative's key objectives in other areas. Four of these are listed below. It is the responsibility of the Housing Leadership Team to assure these objectives are incorporated into their performance expectations. Appendix 12 provides a template for the Leadership to begin Plan implementation.

Expanding Best Practice

As described throughout this plan, there are numerous ways in which the community service system must interact with and be supportive of the new supportive housing being acquired or developed. There are also a set of management initiatives necessary to make all the pieces of the supportive housing and community services systems fit together and to keep the momentum for systems change moving forward.

Supportive housing is a relatively new paradigm and untested housing/service modality in New Mexico. The service system infrastructure necessary to facilitate implementation and support operations of permanent supportive housing has not yet been put in place. The Collaborative is committed to moving toward best practices; to enhance the capacity of the system to support priority consumers in supportive housing. This commitment extends to aligning performance expectations and incentives to meet the goals of reducing emergency room, inpatient hospital or residential treatment utilization, homelessness, long-term care and incarceration while assisting high priority consumers to become successful living independent in the community.

Building a Strong Consumer Role in Management and Service Delivery

In a number of jurisdictions across the country, consumers manage and conduct housing satisfaction and preference surveys. This activity can be a valuable management tool for this initiative. Many jurisdictions use consumer housing preference surveys to formulate strategies for their supportive housing strategic plans and to assess the market for housing projects. It will be important to provide this information to Local Collaboratives. It will also be important for the Local Collaboratives to include consumers in all phases of planning and decision making pertaining to housing development. Likewise consumer focused housing satisfaction and preference information can be used to assist with mid-course correction and quality improvement activities as this plan is implemented.

Cross Disability Approach

Several agencies who are members of the Collaborative, most prominently the Aging and Long Term Services Department, the Children, Youth and Families Department and the Department of Corrections have requested that persons they serve who are disabled but may have needs beyond behavioral health problems be covered by the Plan. This includes persons with developmental disabilities, with very low

incomes and significant housing needs and for whom supportive housing has been effective. In particular Agency Directors recognized that to consider the housing needs for their populations with a separate plan would be redundant and consumer time and resources better spent in one planning effort. Therefore this cross agency effort's mandate has been broadened to include persons with significant housing needs across a wider range of vulnerable populations than solely for persons whose primary presenting issues are related to their behavioral health problems and disorders. Thus the Collaborative's Housing Leadership Team will carry out its work with that mandate.

Role of Local Collaboratives

Local Collaboratives play a special and unique role in New Mexico's behavioral health system. They provided excellent input to this plan. They are very articulate about the problems and costs associated with consumers not having access to decent, affordable, housing with support in their communities. They are eager to be involved, recommending solutions and offering opportunities to promote supportive housing within their communities. Clearly, the success of the implementation and ongoing operations of permanent supportive housing strategies outlined in this plan will depend on continuing input and support from Local Collaboratives.

There are two concrete ways Local Collaboratives can be involved. The first is their leading and or participating in the **“Total Community Planning Approach to Supportive Housing (TCA-SH)”** articulated in Chapter 3.

Using this approach will necessitate the Housing Leadership Team being prepared to adopt and promulgate policies and program funding, solicit proposals and provide technical assistance consistent with the principles of the TCA-SH. Consistent with Collaborative policy, the Local Collaborative will lead this effort in their community.

No planning effort of this breath and complexity can completely anticipate changes in state and local conditions, presentation of unforeseen opportunities, or the unintended consequences of implementation. Every plan needs to build in opportunities for review, evaluation and self-correction. Local Collaboratives will be an important source of information about how well implementation is proceeding and source of advice about mid-course correction strategies if such are necessary. The participation and voice of Local Collaboratives in quality improvement strategies will also be essential.

Measuring Performance/Performance Expectations

The Collaborative will carry out four performance measurement related activities to foster an effective implementation of supportive housing and associated service system strategies as follows:

1. Establish performance measures
2. Measure performance on a continuous basis using targets and benchmarks for each of the performance measures
3. Report performance to the Collaborative and key stakeholders on a regularly scheduled basis
4. Adopt a process for continuous quality improvement making adjustments to plan activities and contract modifications as needed to achieve desired results.

Activity 1: Establish performance measures

The first activity, to begin in the first year this Plan is adopted, is to define desired performance measures, targets and benchmarks including:

- Establishing housing production goals by type of funding or financing, types and sizes of units,

- accessibility features and overtime by regions of the state;
- Defining outcomes for consumer participants in the program, including recovery and independent living domains;
- Defining supports consumers will receive as they apply for, move-in and maintain housing;
- Defining interrelationships between the discrete program and other key program components in the service system, in terms of coordinating service planning and access, relationship to the consumer’s clinical home, relationship to housing support services, peer supports, health care, personal and peer support, etc.;
- Defining interrelationships between the service system, including Local Collaboratives and housing organizations;
- Defining responsibilities for providing information to consumers about housing choices and opportunities and with regard to application and selection, moving-in and sustaining supportive housing; and
- Establishing specific performance expectations and targets for the program with regard to increased community tenure.

Activity 2: Measure performance on a continuous basis using targets and benchmarks for each of the performance measures

The second activity is for the Collaborative to measure performance utilizing the indicators and targets or benchmarks listed below (or others as needed) which directly relate to the policy goals of this supportive housing plan. The Collaborative will establish definitions and begin this process the first year the plan is adopted. These measures are consistent with current practices for measuring consumer-focused outcomes and system performance in the field, and include:

1. Increased number of housing units
2. Increased days in independent housing settings
3. Increased consumer satisfaction with housing
4. Increased perception of choice in housing
5. Improvement in measures of recovery (choice, control, empowerment, hope, quality of life)
6. Improvement in measures of independence (employment, income, community participation)
7. Increased participation of high priority consumers in supportive housing (persons who are chronically homeless, have a dual diagnosis, are under the jurisdiction of Adult Protective Services, youth leaving residential treatment, a juvenile justice facility or foster care, etc.)
8. Increased number of diversions from long-term care
9. Reduced encounters with hospital emergency room and acute inpatient services
10. Reduced episodes of homelessness
11. Reduced arrest/incarceration

In addition to measuring performance in each of these areas, the Collaborative may want to consider conducting a cost benefit analysis for a sample of supportive housing recipients. This type of analysis is costly but very helpful in making decisions about future resource allocations.

Activity 3: Report performance to the Collaborative and key stakeholders on a regularly scheduled basis

The third activity is self explanatory. The Housing Leadership Team will report progress based on a schedule set by the Collaborative on a semi-annual basis beginning six months after this plan is adopted. The Collaborative will disseminate these progress reports.

Activity 4: Adopt a process for continuous quality improvement making adjustments to plan activities and contract modifications as needed to achieve desired results

The fourth activity can be implemented in a variety of ways. The Housing Leadership Team will propose a method(s) consistent with other continuous quality improvements being employed by the Collaborative. This proposal will be made at the six month mark after this plan is adopted by the Collaborative. The Housing Leadership Team will take responsibility for and seek participation from Local Collaboratives and key stakeholders on each of these activities.

The Housing Leadership Team at the state level will establish a set of performance objectives directly related to housing development, rental subsidy program management, facilitation of tenant selection, move-in and stable tenancy. For this initiative to succeed, however, other parts of the system must also be prepared and accountable for delivering essential behavioral health and related community services to consumers living in supportive housing. Performance Objectives are listed in Appendix 13.



- Appendix 1: Guiding Principles
- Appendix 2: Best Practices
- Appendix 3: New Mexico Population Estimates
- Appendix 4: U.S. Census Bureau Definition of Disability
- Appendix 5: Population with a Mental Disability by Age and County 2000
- Appendix 6: Comparison of Mean Wage and Housing Wages
- Appendix 7: Project-Based Rental Assistance
- Appendix 8: Eligibility for McKinney Vento Funded Programs
- Appendix 9: New Mexico Continuum of Care 2006 Funded Projects
- Appendix 10: New Mexico PHAs
- Appendix 11: Housing Support Team Activities
- Appendix 12: First-Year Implementation Plan
- Appendix 13: Proposed Performance Objectives

Appendix I: Guiding Principles

New Mexico's Behavioral Health Purchasing Collaborative ardently supports the creation of permanent supportive housing as a viable and necessary vehicle to address the significant housing needs of the State's most vulnerable populations.

This articulated need for decent, affordable housing for people with disabilities is undisputable. For the first time, the national average for a one bedroom rental unit in the United States has climbed above the entire monthly income of a person with a disability who relies on Supplemental Security Income (SSI) for their income.²⁷ This shocking revelation is a continuation of a trend first reported in 1998. During this period, one bedroom rents rose on average by 64% nationally while SSI dropped by 26% compared to the one-person median income during that period. The market rate rent of a person on SSI is now 113% of their income for a one-bedroom apartment. In New Mexico the one bedroom rent in Albuquerque has just climbed to 98% and statewide it has climbed to 88%. The income of a person on SSI is only 19.1% of the median income in Albuquerque; however, even more startling is that the monthly SSI income is only 26.4% of median income statewide in New Mexico.²⁸

The Collaborative is leading an effort to develop clear and proactive housing and service strategies to better meet the housing needs of the State's most vulnerable populations. In order to develop supportive housing, the Collaborative recognizes that specific steps must be taken to ensure a productive and successful outcome.

The Collaborative recognizes that:

1. Permanent supportive housing is an extremely effective intervention. When permanent supportive housing is implemented consistent with a set of core operating principles, housing retention rates are 75-85% for at least five years for people who severely disabled and often chronically homeless with improvements in mental health and substance use status and increased recovery (studies generally have data up to five year). This data appears to be consistent across a number of populations including previously unstably housed persons living with HIV/AIDS, high-need families and youth transitioning from juvenile services and foster care.
2. Permanent supportive housing is cost effective. When permanent supportive housing is implemented consistent with a set of core operating principles there is a reduction of public expenditures for emergency room and inpatient care (medical, psychiatric and substance abuse), jail, police, emergency medical services and the court system, shelters and other services for persons residing in the housing. Permanent supportive housing is also more cost effective than transitional and other residential programs. Most persons with special needs, except some of those persons needing nursing care, can benefit from and remain stably housed in permanent supportive housing.
3. Creating permanent supportive housing is an ideal fit for public capital funds. Permanent supportive housing has three component parts: capital, operating or rental subsidies and services and supports. Each requires a dedicated funding stream. Both capital and operating costs can be funded on a one time basis, particularly if they are used to leverage other funding available

²⁷ There are 30,838 adults between the ages of 18-64 on SSI in New Mexico and there are a significant number of people with behavioral problems living at the same or lower income as those individuals on SSI.

²⁸ Priced Out: The Housing Crisis for People with Disabilities, The Technical Assistance Collaborative (2006).

through economic and capital development resources. Resources such as HOME, CDBG, Housing Trust Fund, LIHTC, etc. are used successfully in many states to create permanent supportive housing units.

4. Consumers consistently voice their preference for a decent stable place of their own to live. Independent, decent, safe and affordable community-based housing linked to flexible community-based supports is desired by consumers as an essential ingredient to foster and support their own journeys towards recovery.
5. Adopting/integrating a system-wide housing first philosophy for the development and implementation of programs and services is also recognized as necessary. The “Housing First” model has been shown to be more effective at reducing and ending homelessness more quickly than previous models. Consumers have access to “housing first” with choice of housing, not conditioned upon treatment success or service requirements and with all the rights of tenancy afforded any tenant in their jurisdiction.

Core Elements

1. Set statewide targets for housing including number and types of rental units and other housing options for a 2, 5 and 10 year period;
2. Develop strategic goals for housing delivery system in three areas: housing development, rental assistance and supportive services; this includes:
 - Expanding incentives for deeply affordable units for people with the greatest housing needs;
 - Enhancing capacity at the local level for high performing non-profit and for-profit housing developers to ensure goals are met;
3. Identify local needs for targeted groups within the populations served by the Collaborative to provide local housing planners with important information and to secure access to existing resources.
4. Provide opportunities for consumers to participate in the provision of housing support services and support arrangements.
5. Maintain a central web based clearinghouse/ inventory of available rental housing and rental subsidies by location, type, accessibility features, application requirements and protocols, and eligibility requirements.

Strategy I: Finalize and Endorse Statewide Needs Assessment regarding Permanent supportive housing

Action #1: Using information collected for this plan, identify needs for supportive housing and establish short and long-term targets for the number and type of units and matching services and other resources

Action # 2: Seek additional local input into permanent supportive

housing needs, resources, and strategies on an ongoing basis to assure targets and actions reflect local needs for specific local strategies.

Action #3: Publish statewide needs information on a regular basis to guide planning and resource allocation.

Strategy 2: Increase the supply of affordable rental housing and other housing options for vulnerable populations prioritizing people with mental illness and transitioning youth that can be used for acquisition, rehabilitation, new construction and operating funds²⁹.

Action #1: Increase incentives for the State’s Low Income Housing Tax Credits (LIHTCs) program to provide new housing options for individuals prioritized by the Collaborative³⁰.

Action #2: Establish development strategies with housing partners to fully utilize and leverage Section 811, local HOME, local capital, reinvestment funds, grants, HUD McKinney Vento and other resources.

Action #3: Require cities and towns to include provisions for supportive housing in their Affordable Housing Plans.

Strategy 3: Increase the supply of rental assistance and operating funds/entitlements that can be utilized for rental assistance

Action #1: Work closely with housing community to establish a permanent funding source for the Housing Trust Fund and other resources to assure the LIHTC requirement in Strategy #2 can be achieved.

Action #2: Utilize available funds as match for the MFA’s Tenant-Based Rental Assistance (TBRA) to increase the number of rental subsidies for priority populations.

Action #3: Further expand rental resources by establishing a Permanent Housing Rental Assistance Program with state and local partners. This includes establishing working relationships with the local Public Housing Authorities and with the newly reconfigured regional housing authorities. Set goals for increasing the number of slots for local project-based rental assistance (Section 8 PBV, HOME or use of other sources, Shelter Plus Care). Utilize support from the MFA to establish this program.

²⁹ These operating funds are those funds outside rental assistance; may include funds for long term maintenance costs, etc.

³⁰ Individuals do not have to pay more than 30% of their income for rent.

Strategy 4: To begin meeting the needs of one of the two identified priority groups for supportive housing, initiate a demonstration program with an evaluation component to provide permanent supportive housing for transitioning youth.

- Action #1:** Authorize use of CYFD resources to cover rental subsidies and service coordination.
- Action #2:** Evaluate demonstration program to identify challenges and opportunities for expansion.
- Action #3:** Identify sustainable sources of services funding to assure the demonstration if successful can be successfully replicated statewide (re-stated as part of Strategy #6 below).
- Action#4:** Identify links to sources for rental subsidies to assure the demonstration if successful can be replicated statewide (re-stated as part of Strategy #5 below).

Strategy 5: To begin better meeting the needs of the other priority group, initiate actions with an evaluation component to expand permanent supportive housing for adults with serious and persistent mental illness including persons with co-occurring disorders and individuals with serious mental illness who are at greatest risk of homelessness.

- Action #1:** Develop a short-term strategy utilizing existing rental subsidy and supportive services resources combined with Actions #2-4 to create a statewide model for supportive housing for this targeted population.
- Action #2:** Identify concrete elements of the current system that could be broadened or slightly altered to encourage and support “housing first” approaches to service provision using existing rental and services resources identified in Action#1 above.
- Action #3:** As part of this strategy, examine refine or change current funding mechanisms where possible, service requirements and policies and procedures to ensure housing is operated as independent, permanent housing without service contingencies.
- Action #4:** Provide incentives to providers to improve current practices to begin moving system toward “housing first”.
- Action #5:** Through an evaluation of the effectiveness of these changes, identify challenges and opportunities for expanding this model.
- Action #6:** Support providers, through education and technical assistance to adopt this new service paradigm.

Action#7: Identify long-term sustainable sources for rental subsidies, services and other resources (strategy #5 and #6).

Strategy 6: Create local supportive housing partnerships and expand capacity of housing developers to create quality, affordable housing.

Action #1: Provide education and technical assistance to housing developers, VO Regional staff, Local Collaboratives, service providers and other stakeholders to expand understanding of the key components of permanent supportive housing: its fundamental principles, opportunities, challenges and restrictions, assist in developing local partnerships necessary to bring all the components together and build successful strategies to create and sustain supportive housing.

Action #2: Expand MFA’s “experiential” technical assistance program for housing developers to develop deeply affordable, quality permanent supportive housing that is available and accessible to people who could benefit from supportive housing.

Action #3: Explore options for increasing pre development funding and expertise to assure success of local strategies including funding for planning.

Strategy 7: Increase services resources through targeting of existing and new resources and building capacity for the delivery of housing support services

Action #1: Explore the viability through analysis of costs, sources of funding, current practice and potential barriers and advantages of two approaches for sustainable services and supports critical to the implementation of evidence-based supportive housing. The first is an approach that relies exclusively on housing support being the responsibility of existing service providers and expanding responsibilities of service providers to meet housing support services responsibilities. The second is to develop a “housing support” services component within the existing services systems. (Note. The information gleaned from Strategies #2 and 3 above can provide valuable information for this analysis.)

Action #2: Develop practice guidelines, service requirements and other actions necessary to implement one or both of these approaches based on this analysis to ensure the Collaborative can meet its 2, 5 and 10 year targets.

Action #3: Establish policies to assure that each person’s rights are promoted in their current or prospective housing including giving people their choice of housing and eliminating barriers such as service contingencies being placed on housing.

Action #4: Expand Peer Services (support and mentoring) to assist people to get and keep their own housing.

Action #5: Establish a new category of funding---using redirected funds--- for consumer contingencies including rent and utility deposits, temporary rental assistance and other housing start-up related expenses.

Proposed Distribution of State Funding for Housing in FY 2008

Introduction

The FY 2008 allocation of \$750,000 to expand housing and supports enables the NM Behavioral Health Purchasing Collaborative (Purchasing Collaborative) to respond to stakeholder demand for supportive housing.

This undisputable argument for affordable housing is bolstered even further when supports to people in affordable housing are added at the individual level to help a person retain their tenancy in an affordable rental unit. Strong evidence has emerged that demonstrates the benefits and cost effectiveness of supportive housing.

When rents are affordable combined with effective services and supports, studies all across the United States in rural and urban area have shown that supportive housing access can reduce overall health care and other public services costs by 30 to 70%. To gain the maximum benefit that can be derived from supportive housing, to assure that the populations served by the Collaborative have equal access to public and private housing resources and to assure these resources can be accessed effectively, the Purchasing Collaborative is developing a comprehensive statewide plan for supportive housing

Through the completion of the Statewide Housing Plan and this FY 2008 allocation, the Purchasing Collaborative has the opportunity to implement *short-term* strategies to help priority populations get housing now and to implement *long-term* strategies that help build capacity and leverage funds to increase and sustain supportive housing over time. Because housing and health care programs reside in different federal, state and local agencies, most jurisdictions don't take advantage of cross system strategies to implement supportive housing. Long-term strategies enable the Collaborative to take advantage of these cross system strategies.

Below are four recommendations for the FY 2008 budget allocation. They match up with the priorities and proposed strategies for the Purchasing Collaboratives Statewide Housing Plan.

Recommendations

1. Housing Capacity Building/ Education:

In partnership with MFA, invest in capacity building and education of the non-profit and for-profit housing development community to ensure available housing resources can be targeted to people who can benefit from supportive housing. This includes awarding capacity building grants to three to five organizations. It is important to work closely with MFA so to not duplicate but rather complement their efforts for improving the housing delivery system.

Recommended Allocation: \$250,000

2. VO Staff and Provider Capacity Expansion:

Likewise VO is taking on new responsibilities this year to expand the service system's capacity to take advantage of supportive housing opportunities and to become a "supportive housing competent system". VO staff will be trained to help build local capacity/ help with local Collaboratives after the forums, etc. Additionally training should be offered to Local Collaboratives, state agencies staff and providers.

Recommended allocation: \$50,000

Rationale for 1st two strategies: The initial challenge facing the Purchasing Collaborative in the development of its housing plan is the lack of capacity and knowledge of how to implement the strategies set forth in the Plan across both the service and housing fields. MFA is very interested in improving the affordable housing delivery system and these funds should help support and compliment their effort wherever possible. In turn this strategy can yield even greater results.

Similarly data suggests the services provider community, the Vendor and state agencies need to build their knowledge base and ability to utilize existing and new supportive housing resources to reduce the gap between the Local Collaboratives and consumers prioritization of supportive housing and the system's ability to embrace the concept of housing and implement a viable supportive housing plan.

3. Housing Pre-Development

Allocate funds for pre-development. The Purchasing Collaborative will establish the annual priorities and broad policy framework for this category of funding. It is recommended the Mortgage Finance Agency (MFA) be asked to administer the program. This includes establishing the procedures for the allocation of funds, soliciting proposals, recommending the awards to be approved by the Purchasing Collaborative, allocating and monitor funds.

Recommended allocation: \$150,000

Rationale: Pre-development is necessary to assure non-profit housing developers can competitively compete for available capital funding.

4. Statewide Purchasing Collaborative Rental Assistance Program:

Establish a statewide rental assistance program in collaboration with interested the PHAs and/or other housing organizations. This project should be viewed as a short-term objective for the Purchasing Collaboratives priority populations but expanded to other populations over time. The current eviction prevention/ move-in assistance program should also come under this program to streamline administration. FY 2008 become the base year for establishing this program. It is further recommended the key Collaborative Agencies work closely with MFA to take advantage of the MFA TBRA program structure for distribution of some these funds. The Purchasing Collaborative approve the final design of the program by September 1, 2007 with a start date of November 1, 2007.

The program should be considered a bridge rental program for all persons who can qualify for a Section 8 Housing Voucher when a voucher becomes available. Therefore the landlord/ developer shall agree to accept Housing Vouchers and meet HUD quality standards. The referring agency and program recipient must agree to make application for a Section 8 Housing Choice Voucher upon entry into a rental unit. Each recipient is also eligible for a one time allocation for move in costs if those move-in costs are not available through other program budgets such as Waiver programs that typically allow such costs.

CYFD is also committing existing funds for their Supportive Housing Demonstration in Albuquerque. This is a very positive step ensuring one of the Purchasing Collaborative's priority populations will be getting access to supportive housing very quickly. Over time a portion of these rental resources should become available to help expand that demonstration.

A longer term strategy is to ask MFA to award a portion of the funds as project-based rental subsidies in tax credit projects further leveraging these funds.

Recommended Allocation: \$300,000

Rationale: The lynchpin to a successful supportive housing plan is the availability of operating or rental subsidies that enable people to live with supports in their own rental unit. This is universally true across all of the priority and target populations potentially served by the Collaborative. Rental Assistance is best offered when it follows a logical rental assistance model to ensure access, quality of rentals and successful tenancy. It can also lead to access of other mainstream housing sources such as access to units developed by tax credit developers or non-profit developers who have created units with other funding, units available through Public Housing Authorities and/or other rental units in the private market.

Appendix 2: Best Practices Examples

Strategies 1) Housing Support Teams 2) Linkages to Set-Aside Units through Accessible Unit/Vacancy Clearinghouse 3) Shared Housing and Unrelated Disabled Households 4) Housing First 5) State and Local Supportive Housing Initiatives

Strategy #1 – Housing Support Teams

Recognizing the need for specific housing-related support services for people with special needs, some communities utilize the Housing Support Team (HST) model. HSTs are specific human service staff that have extensive experience in the delivery of housing services and have a thorough understanding of the affordable housing delivery system – its key players, policies, and planning activities. HSTs are sometimes structured to be cross disability – providing housing related support services to any person with a disability or special need, rather than one specific sub-population.

The type of housing-related support services that can be provided by HSTs often includes helping consumers search for housing [e.g., completing housing applications (including Section 8 and public housing applications, if applicable); negotiating with landlords and Public Housing Agencies; etc.], and providing ongoing stabilization services once the consumer is housed. These services could include assistance with: paying rent; locating community amenities; buying furnishings and needed household goods; and maintaining the cleanliness of the apartment. In addition, HSTs often work with consumers to address housing problems when they arise. For example, HSTs can provide assistance with tenant-landlord mediation, including the utilization of the protections included in the fair housing laws, to resolve any issues and/or prevent eviction.

Housing-Related Support Services, Massachusetts Housing Options Program.

The Massachusetts Department of Housing and Community Development (DHCD), a statewide PHA, works in partnership with six other state health and human service agencies to target Section 8 vouchers to homeless people with disabilities in the Greater Boston area through the Housing Options Program (HOP). Initially funded through a set-aside of 170 vouchers made available through a HUD Notice of Funding Availability, HOP brings together the housing resources needed by homeless people with disabilities and a range of support services. These services are funded by the Department of Mental Health, Department of Mental Retardation, Massachusetts Rehabilitation Commission, and two offices within the Department of Public Health (the bureaus of Substance Abuse Services and HIV/AIDS). This program has proven to be such a success that DHCD set-aside an additional 170 vouchers for HOP.

This success of this program derives from the high level of collaboration from all of the agencies involved and the existence of a lead agency, JRI Health, which provides housing-related support services. Supported with funding from each participating state agency, JRI Health provides overall coordination of all HOP activities, minimizes the administrative burden, and ensures that HOP offers a seamless system of housing and supports for homeless people with disabilities.

JRI Health screens applicants for initial program eligibility with regards to homeless status, income, and current household composition. All applicants sign a Program Participation Agreement that lays out the expectations of the program. Participating in ongoing supportive services is not mandatory and the rental assistance is not contingent upon the receipt of services. However, the expectations are stipulated to encourage the ongoing acceptance of services. After the initial screening, JRI Health provides intensive assistance with housing search - including negotiating with landlords, identifying funds for security deposits, transportation, filling out housing applications, etc. – as well as ongoing stabilization services to

assist with housing-related tasks after move-in. Within a few months after move-in, JRI Health coordinates with existing case managers from the involved state human service agencies to ensure that the participant's transition into permanent housing is seamless.

State of Hawaii Housing Support Teams

The State of Hawaii's Adult Mental Health Division (AMHD) has partnered with Steadfast Housing Development Corporation (SHDC), a private non-profit housing organization that administers a state-funded rental subsidy on behalf of AMHD and also provides Housing Support Team (HST) services through an AMHD contract. The HSTs offer participants housing-related support services (such as assistance locating appropriate units in the community; working with landlords to negotiate rents, utilities, and leases; compiling necessary income and eligibility paperwork; etc.) , and – with permission – contacts case managers if clinical assistance is needed by a consumer. However, participation in the rental subsidy program is not contingent on the receipt of supportive services.

Strategy #2 – Linkages to Set Aside Units through Accessible Unit/Vacancy Clearinghouse

A vacancy clearinghouse serves as a mechanism to link affordable housing units set aside for households that meet specific eligibility criteria to those eligible households. These criteria could include income levels, disability status, need for accessible features, etc. For example, some communities operate clearinghouses that target populations such as homeless families or people with disabilities or want to link accessible units to people with disabilities in need of accessible housing.

A clearinghouse is particularly useful for communities with affordable housing set-aside requirements for government-funded units. The clearinghouse system expedites the link between the household searching for housing and the vacant unit thereby decreasing the amount of time that a property owner has to advertise.

Sometimes a third party, such as a non-profit organization, administers a vacancy clearinghouse. However, some communities have utilized the local housing and community development department as the lead agency for the project. The clearinghouse may take the form of an online resource or an internally managed database.

City of Boston Homeless Set-Aside Units and Vacancy Clearinghouse

Since 1997, the City of Boston has maintained a policy that requires rental housing developments with ten units or greater to include a minimum set-aside of 10 percent of the rental housing units for homeless households and/or individuals with an income no greater than 30 percent of the median income. To date, over 350 homeless set-aside units have been developed as a result of this initiative.

The policy states that initial rents for the homeless set-aside units cannot exceed 30 percent of the median income for a household earning 30 percent of the area median income adjusted for household size. As a result, all set-aside units must be underwritten in order to serve this population. Boston's housing development agency, the Department of Neighborhood Development (DND), works closely with housing developers to identify sources of funding to help underwrite the units set aside for homeless households. Historically, DND has utilized Section 8 and HOPWA project-based assistance resources to provide operating subsidies for the set-aside units.

In addition, Boston requires that developers/owners adopt tenant screening and selection criteria that recognizes the unique circumstances of homeless households (i.e., appropriately mitigates negative aspects associated with homelessness and/or the household's past housing history). When set-aside units

“turn over,” the units must continue to be targeted to homeless households.

To minimize the amount of time that a set-aside unit is vacant and ensure that the unit is filled with the appropriate targeted household, DND has contracted with HomeStart, Inc., a Boston-based non-profit housing organization, to operate a vacancy clearinghouse that matches people who are homeless with these set-aside housing units. As such, HomeStart monitors leasing activity, conducts outreach to property management companies, streamlines the tenant application process and provides information and outreach to potential applicants and referral sources for the set-aside units. In order to ensure the success of the clearinghouse, accurate data must be maintained on the set-aside units. As such, as a requirement for receiving funds from the City, the property owner must notify HomeStart when a vacancy in a set-aside unit is anticipated or has occurred.

HomeStart also has capacity to provide limited stabilization services to homeless households for up to one year after placement in housing. HomeStart, which primarily serves the single adult population, has subcontracted with Homes for Families, a collaboration of family shelter providers, for the provision of outreach and stabilization to homeless families.

MassAccess Accessible Housing Registry

In 1990, the Massachusetts legislature enacted the Housing Bill of Rights for Persons with Disabilities. This legislation is similar to the federal fair housing laws in that it established accessibility and adaptability requirements in residential new construction. Included in this legislation was the requirement a “central registry” of accessible and adaptable housing be established, now known as the Mass Access Housing Registry computer database. This database includes every accessible and adaptable residential unit in Massachusetts, including subsidized and market rate units of all sizes. Mass Access not only tracks units that are wheelchair accessible or adaptable, but also those units that are accessible to people with sensory disabilities and other disabilities. In 2000, the Mass Access database included 2,406 developments, 206,851 total units, and 11,362 accessible units. In 2000, 421 vacancies were reported to Mass Access; 63 percent of these had subsidized rents, 26 percent were market rate units.

The primary objective of Mass Access is to help with the housing search process and to “match” vacant accessible units to people who need them. Mass Access provides a housing seeker with 1) a list of currently vacant accessible and adaptable units across the state; and/or 2) a list of units in the particular cities or towns they prefer. The housing seeker can designate a number of variables for the housing search such as location, bedroom size, rent level, and accessibility features. The service is free to consumers as well as housing managers. There is no limit to the number of contacts an individual or agency can have with the system. The system has been successful in “matching” housing seekers with vacant units. In 2000, 97 percent of the vacancies reported were successfully leased.

The database is administered by Citizens Housing and Planning Association (CHAPA), a non-profit statewide housing organization, under contract with the state’s vocational rehabilitation agency, the Massachusetts Rehabilitation Commission. CHAPA was selected as the administrator through a public bidding process and has good relationships with both the real estate/housing and disability communities. CHAPA’s responsibilities include posting vacancy listings daily as well as conducting an annual update with housing managers. As part of the annual process, managers are asked to provide updated information about their development such as any units that have been rehabilitated, changes in rents or financing, etc.

Until recently, the Mass Access information was available to people with disabilities, their advocates, and

families primarily through a network of local Independent Living Centers (ILCs). Housing seekers would contact their local ILC and receive the requested information over the phone or through the mail. Recently, Mass Access also became available on-line at no cost. The web site (www.massaccesshousingregistry.org) includes several new features including housing fact sheets and information regarding the opening of Section 8 waiting lists across Massachusetts.

Strategy #3: Shared Housing and Unrelated Disabled Households

Many individuals with disabilities currently reside in special housing situations and/or may prefer to share housing rather than live alone. To meet the needs of people with disabilities, it is important that PHAs establish Section 8 policies that include these housing settings. To this end, PHAs must allow Section 8 housing choice vouchers to be used in certain “non-traditional” living situations – such as “special housing types” and “unrelated disabled households” – if requested by a person with a disability. An example of a special housing type is shared housing. Under the shared housing model, a Section 8 voucher is given to one household that may then choose to use the voucher in a roommate situation, which could be another person with a voucher, or a person without any rental assistance. For example, a person with a disability could receive a voucher and share a two-bedroom apartment with a roommate who does not have a voucher. Another example of shared housing could include two people with separate vouchers sharing a two bedroom unit.

Although in practice, the unrelated disabled household model seems similar in that it allows people with disabilities to share housing with other people with disabilities, it is structured differently. According to Section 8 regulations, the definition of a disabled household includes two or more unrelated disabled adults living together (with or without a needed live-in aide). Using this definition, one Section 8 voucher can be given to a household that is comprised of people with disabilities that are not related to each other. By facilitating the use of vouchers by unrelated disabled individuals in one household, a PHA can maximize its Section 8 voucher budget authority while serving a greater number of people at a lower cost.

Anne Arundel County, Maryland

In 1997 the Housing Commission of Anne Arundel County (HCAAC) in Maryland applied for and received 200 Section 8 vouchers targeted to people with disabilities. Through a partnership with the Arc of Anne Arundel County (serving people with mental retardation) and OMNI House (serving people with mental illness), HCAAC worked to effectively utilize these targeted vouchers by emphasizing the flexible use of the definition of “disabled household” and leasing vouchers in housing owned by service providers. The success of this partnership has encouraged HCAAC to pursue partnerships with other disability service providers in the community.

HCAAC used its discretionary authority to amend its Section 8 Administrative Plan to permit two or more unrelated people with disabilities living together to be considered a household. In this situation, the household shares one voucher (assigned to a designated Head of Household) and the number of people in the household determines the voucher unit size. There is usually one lease with the owner with every adult tenant’s name on it. In this situation, the subsidy and total tenant payment is calculated based on the total household income. Only one elderly/disability deduction is allowed per family; thus, even though there is more than one person with a disability living in the unit, the deduction only applies once.

The program has been very successful. By 2006 there were over 240 disabled households using Section 8 vouchers administered by HCAAC (including both vouchers set-aside for people with disabilities and regular vouchers). These households included over 620 adults with disabilities. HCAAC attributes their success to their willingness to be creative in their program design and also their partnerships with local

organizations that serve people with disabilities.

Strategy #4: Housing First

A housing first approach is designed to move people who are homeless directly from the streets, shelters or hospitals into permanent homes. The model is based on the idea that vulnerable and at-risk homeless families and individuals are more responsive to interventions and social services support after they are in their own housing, rather than while living in temporary/transitional facilities or residential programs. With permanent housing, these families and individuals can begin to regain the self-confidence and control over their lives they lost when they became homeless. For over ten years, the housing first methodology has proven to be a practical means of ending homelessness.

Two examples, Pathways to Housing and Direct Access to Housing are highlighted below. However a recent study “the Applicability of Housing First Models to Homeless Persons with Serious Mental Illness” conducted at the request of HUD highlights successful “housing first” strategies provides useful information on this model. This study completed in July 2007 by Abt. Associates, Cambridge, MA and the Walter R. McDonald Associates, Rockville, MD at the request of the Office of Policy Research at the Department of Housing and Urban Development and can be found at HUD’s website.

Pathways to Housing, New York City and the District of Columbia

Founded in 1992, Pathways to Housing offers scattered-site permanent housing to homeless individuals with psychiatric disabilities and addictions. Despite the challenges this population presents, Pathways is unique in that it does not require of its residents "graduation" from other transitional programs, sobriety, or acceptance of supportive services. The vast majority of consumers are moved directly from the streets into permanent, private market housing. The program uses Assertive Community Treatment (ACT) teams to deliver services to consumers in their homes. The ACT teams help consumers to obtain housing and meet other basic needs, access mental health and substance abuse services, increase social skills, and increase employment opportunities.

Pathways to Housing was designed initially to end homelessness for people living on the streets with concurrent mental illness and addiction. In order to be eligible for the program, an individual had to be homeless, had to have a psychiatric disability that compromises their ability to function, and must be willing to meet with a service coordinator twice a month during the first year of tenancy. Most consumers also participated in a representative payee program offered through Pathways and take advantage of the ACT services. Their mission in the District of Columbia has expanded to serve people being diverted from jail and persons recycling through psychiatric hospitals.

In New York, Pathways to Housing staff assist consumers in locating and selecting private market rental housing. The housing department keeps logs of new vacancies and the over 200 landlords they work with, and works to negotiate leases and complete Section 8 applications. In the District of Columbia, the Community Partnership on the Prevention of Homelessness manages the rental vouchers for the program in partnership with pathways. Unit rents are subsidized with rental subsidies through the Section 8 Housing Choice Voucher program and the Shelter Plus Care program. Landlords are amenable to renting to Pathways' consumers because they get guaranteed rental payments. Tenants pay 30 percent of their income towards rent, and Pathways pays the remaining amount if the consumer does not have a Section 8 voucher. The agency also leases two transitional apartments for use by consumers who have been accepted into the program, but have not yet found an apartment of their own. The average length of stay in these units is 15 days.

Direct Access to Housing, San Francisco Department of Health

Direct Access to Housing (DAH) was developed by the San Francisco Department of Public Health (DPH) as a "low threshold" program that accepts single adults into permanent housing directly from the streets, shelter, acute hospital or long-term care facilities. Residents are accepted into the program with active substance abuse disorders, serious mental health conditions, and/or complex medical problems. The program "master leases" vacant or underused buildings from private landlords, renovates them to provide space for services and activities, and develops on-site programs to provide case management, advocacy, and other supportive services for tenants who choose to use them.

DAH currently provides permanent housing with on-site supportive services for approximately 400 formerly homeless adults, most of whom have concurrent mental health, substance use, and chronic medical conditions. Eligibility for DAH requires that applicants be homeless residents of San Francisco with extremely low incomes. By selecting tenants by referral from a diverse set of local agencies and institutions that serve homeless disabled individuals, the program targets people released from institutional, acute care, or transitional settings with a history of rotating through the social services and/or criminal justice system without prolonged stabilization in their housing or health status. While long-term homelessness was not an explicit DAH focus, the other criteria ensured DAH would include people with long histories on the streets or in shelters.

Approximately 80 percent of DAH residents receive SSI and Medi-Cal (California's Medicaid system) benefits. The buildings also receive revenue from tenant rent. Residents pay fifty percent of their income towards rent not exceeding a ceiling of \$745/month. Total cost to provide permanent housing and support services in DAH buildings is approximately \$1200 per month per resident. The average rent received from residents is \$300 per month therefore requiring a \$900 per month subsidy from governmental sources.

Since opening the first DAH site in 1998, over two-thirds of the residents have remained housed in the DAH program. Of the people who have left the facility approximately one-third have left to market rate housing (some with Section 8 vouchers), to other supportive housing or to housing with family or friends. Fifteen percent of move-outs have been to higher level facilities such as skilled nursing facilities, acute hospital or residential care facilities.

Strategy #5: Structured Supportive Housing Initiatives

A number of states and local communities across the country are developing permanent supportive housing initiatives by combining capital for housing development, rental subsidies to ensure affordability for the lowest-income people, and supportive services commitments from government, private and non-profit organizations. These efforts are most effective when they are done through organized supportive housing initiatives using approaches to the housing development, rental subsidy, and supportive services components that are replicated from project to project. Supportive housing initiatives were initially projects that were 100 percent supportive housing, but today those initiatives are relying more on mixed income integrated models with small set-asides of supportive housing units, creating and accessing rental subsidies and master leasing rental units for high priority consumers who have difficulty qualifying for subsidies because of their criminal record or past rental record .

While the actual supportive housing units made available through the efforts of a state or local initiative may vary greatly from community to community, the basic approach to the addressing the housing capital, subsidy, and services resources does not vary. Supportive housing initiatives achieve many goals including: (1) creating and maintaining a focus on expanding supportive housing over the long-term; (2)

encouraging housing owners/developers to participate in the creation of supportive housing because they know what to expect from project to project; (3) helping to establish and maintain a systematic approach to supportive housing between government housing and supportive services agencies. These initiatives also have the support of state and local elected officials, funders, community leaders and stakeholders including consumers, families and homeless and affordable housing advocates.

Supportive housing initiatives can involve many sources of capital, subsidy, and supportive services funding. However, one common element for addressing housing affordability is the use of strategies that ensure the use of ongoing rent subsidies so that the units produced will be affordable to people with SSI level incomes. [NOTE: People with extremely low incomes from SSI should pay no more than 30-40 percent of income towards housing costs, which is typically less than \$200 per month.] Without this rent or operating subsidy, rents in “affordable” housing produced by most government housing programs are unlikely to be affordable to people receiving SSI or other disability benefits.

The Section 8 Housing Choice Voucher program can be used to provide subsidized rents in specific buildings — known as “project-based” rental assistance. This option has been available to PHAs for many years, although recent changes to the Section 8 rules make project-basing much more feasible for PHAs. The Section 8 rules now allow a PHA to commit a portion of its Section 8 voucher funding to project-based assistance. In other words, project-based assistance means that the voucher is committed or “tied” to one or more units in a specific building for a specific time. Committing the voucher to the property guarantees the owner that Section 8 subsidy funding will be used in the property. The PHA then refers eligible applicants to reside in those units.

Below is a partial list of communities and states that are building strong initiatives. In addition to these examples, Oregon, Minnesota, Washington, Maryland, New Jersey and Tennessee are states with strong state and local supportive housing initiatives:

The North Carolina Key Program

Since 2002, NC Housing Finance Agency (NCHFA) and NC Department of Health and Human Services (DHHS) have partnered to create quality, affordable apartments for persons with disabilities. Housing Credit projects that received bonus points under the Qualified Allocation Plan (QAP) in are required to target ten percent (10%) of the total units (Targeted Units) to households referred by a local human service agency (Lead Agency) pursuant to a Targeting Plan. Properties with federal project-based rental assistance (PBRA) must target at least five units. In 2004, NCHFA and DHHS created the Key Program, which provides operating assistance for Targeted Units. Participation in the Key Program is not mandatory. However, eligible projects that do not participate may only charge tenants what they would pay under the Key Program. The Key assistance funded with a state subsidy is only available while the qualified person with a disability is occupying the Targeted Unit.

The Louisiana Permanent Support Housing Program

As a response to the devastation caused by Hurricanes Katrina and Rita, Louisiana is undertaking an unprecedented 3,000 unit permanent supportive housing initiative that has the potential to transform the state’s affordable housing and public/behavioral health services systems. This initiative was incorporated within the Louisiana Recovery Authority’s federally approved *The Road Home Plan* and funded by Congress Because of its approach and scale, Louisiana’s permanent supportive housing initiative.

To begin this program, Louisiana’s 2007-2008 GO-Zone Low Income Tax Credit Qualified Allocation Plan included a requirement that all properties receiving GO-Zone tax credits set aside at least five percent (5%) of the total units for households eligible for Permanent Supportive Housing (PSH). This requirement applies equally to elderly housing developments that must set-aside 5% of units for PSH

eligible elders. Developments that set-aside higher percentages of units received additional points in the competition. Developments that chose to set aside 15% or more of the units – up to a maximum of 50% - are considered “PSH Projects” and are eligible for additional development assistance. PSH units must be affordable to households at 30% of Area Median Income and must be linked to PSH Supportive Services. Project Sponsors are required to work with State designated Local Lead Agencies (LLAs) regarding the PSH Supportive Services component. The LLAs refer PSH eligible households to PSH units and ensure supportive services are available as needed.

The LA Departments of Health and Hospitals (DHH) and Social Services (DSS) have designated six Local Lead Agencies (LLAs) within the GO Zone to work in partnership with Project Sponsors on the Supportive Services component of the PSH initiative. To date 808 rental units have been identified for this initiative.

Pennsylvania Partnership for Supportive Housing

The Pennsylvania Housing Finance Agency (PHFA) and the Office of Mental Health and Substance Abuse Services (OMHSAS) have created a Partnership for Supportive Housing with County MH/MR Programs who allocate a percentage of their Medicaid Reinvestment funds to create targeted rental units for priority consumers.

Typically these individuals would be those most in need of housing such as persons leaving or not needing to be in institutional settings, persons living in group settings who would prefer to live in their own apartment and homeless persons with disabilities.

The County MH/MR Office who participate in the program provide a specified amount of Reinvestment funds to a Housing Fund managed by PHFA in exchange for a specific number of targeted units located in the County. PHFA and the County MH/MR Offices collaborate on the identification and selection of multifamily rental projects to receive project-based operating subsidies and capital dollars if needed.

PHFA does focused outreach and marketing efforts to PHFA sponsored new development and existing multi-family rental housing. The project-based operating subsidies lower the rent level down to an amount affordable (i.e., 30% of a person’s income) for priority consumers receiving Supplemental Security Income (SSI). A small component within a multifamily project (10-15% of the units) are typically targeted in this type of integrated model. The term of the operating commitment is at least a five (5) year commitment of subsidies with the option to renew the agreement.

County offices will be responsible for applicant referrals and will have exclusive access to these units based on agreements signed with individual owners. This program is just starting in FY 2008.

Community Housing Network and the Ohio Department of Mental Health

Community Housing Network (CHN) is a non-profit developer, owner, and manager of permanent supportive housing rented to people with mental illness, addiction disorders, and histories of homelessness. All CHN consumers are extremely-low income and have disabilities and many are formerly homeless. Based in Columbus, Ohio, CHN has provided housing with specialized property management services and rent subsidies to people with disabilities since 1987. Currently, CHN has developed and own over 800 apartments in 160 locations throughout Columbus and Franklin County.

CHN has utilized a variety of strategies to create permanent supportive housing for people with disabilities. In particular, CHN has relied on two resources made available through the State of Ohio

Department of Mental Health (ODMH) to help expand permanent supportive housing throughout the state. These resources include capital funding made available for supportive housing development by ODMH as well as ODMH rental subsidy funds provided through their Housing Assistance Program (HAP).

ODMH makes capital funding available to CHN on a scheduled basis, which means that CHN has a predictable and reliable “flow” of capital funding for housing development. Because ODMH also provides CHN with HAP project-based and tenant-based “bridge subsidies,” CHN is able to commit these subsidies to specific projects during the development process. Once the supportive housing project is completed and occupied, CHN, working in partnership with their local PHA, “converts” the HAP subsidies to Section 8 project-based assistance. By combining the ODMH funds for “bricks and mortar” with this flexible project-based rental subsidy approach, CHN has been able to ensure that each new supportive housing property they own and manage is affordable to people with disabilities with extremely low incomes, even if Section 8 project-based subsidies are not immediately from the PHA.

The Corporation for Supportive Housing (CSH)

Beginning in 1995, CSH’s Connecticut program developed a mixed income, mixed population structured production program in partnership with state housing and human services agencies that produced approximately 300 units of supportive housing across the state. The state dedicated capital funding for housing (primarily HOME, Bond Financing, and Tax Credit Equity) that was combined with either Section 8 or Shelter Plus Care project-based subsidies and dedicated supportive services funding provided through a coordinated application process. The supportive services funding was specifically set-aside for on-site service coordinators to be available for each project.

Nine projects were developed that ranged in size from 25 to 40 units, and included units for low-income working people and units set-aside for homeless people with disabilities. Ten percent of the units in each project are barrier-free. While service coordinators were targeted to work with formerly homeless residents, in practice, they were also available to assist other residents of the project who might need information or referral to a community-based agency. This flexible approach of linking residents of integrated supportive housing with needed supports is a critical aspect of the success of the CSH Connecticut initiative. A second CSH Connecticut initiative now underway – the Supportive Housing Pilots Initiative – has a goal of 500 additional units and is using the state’s Section 8 project-based assistance program to ensure affordability for people with incomes below 30 percent of median income.

Appendix 3: New Mexico Population Estimates

Bureau of Business and Economic Research Population Estimates
July 1, 2001 to July 1, 2005

County	Census 2000	BBER Estimates as of July 1...				
		2001	2002	2003	2004	2005
Bernalillo	556,678	571,440	581,118	590,153	600,439	614,508
Catron	3,543	3,589	3,595	3,595	3,643	3,712
Chaves	61,382	61,343	61,146	61,085	61,722	62,203
Cibola	25,595	25,865	26,140	26,498	28,278	28,506
Colfax	14,189	14,304	14,326	14,351	14,351	14,375
Curry	45,044	45,267	45,395	45,609	45,670	46,289
De Baca	2,240	2,258	2,255	2,263	2,274	2,256
Dona Ana	174,682	177,981	180,162	182,497	185,872	192,474
Eddy	51,658	51,728	51,813	51,877	51,909	52,167
Grant	31,002	31,191	31,232	31,300	31,337	31,511
Guadalupe	4,680	4,722	4,730	4,730	4,725	4,743
Harding	810	809	811	805	790	778
Hidalgo	5,932	5,919	5,913	5,903	5,918	5,966
Lea	55,511	55,587	55,644	55,783	56,657	57,006
Lincoln	19,411	19,783	19,871	20,333	20,904	21,898
Los Alamos	18,343	18,524	18,551	18,888	19,190	19,864
Luna	25,016	25,425	25,554	25,766	26,350	26,394
McKinley	74,798	75,638	76,247	76,792	77,125	78,013
Mora	5,180	5,211	5,233	5,248	5,380	5,440
Otero	62,298	62,598	62,609	62,643	63,190	63,994
Quay	10,155	10,220	10,217	10,174	10,109	10,106
Rio Arriba	41,190	41,652	41,769	41,911	42,118	43,024
Roosevelt	18,018	18,252	18,076	18,293	18,429	18,771
Sandoval	89,908	92,990	96,161	99,231	102,862	106,165
San Juan	113,801	116,075	119,690	122,019	124,808	126,008
San Miguel	30,126	30,337	30,497	30,561	30,606	30,719
Santa Fe	129,292	132,462	134,645	137,358	139,760	143,306
Sierra	13,270	13,585	13,638	13,652	13,647	13,657
Socorro	18,078	18,276	18,321	18,362	18,389	18,513
Taos	29,979	30,382	30,870	31,301	31,556	31,931
Torrance	16,911	17,307	17,362	17,471	17,692	18,282
Union	4,174	4,179	4,175	4,240	4,210	4,315
Valencia	66,152	67,838	68,523	69,152	69,804	71,459
New Mexico	1,819,046	1,852,740	1,876,287	1,899,846	1,929,713	1,968,352

Source: University of New Mexico, Bureau of Business and Economic Research.

Appendix 4: U.S. Census Bureau Definition of Disability

Disability status is determined by two questions on the Census long form. Question 16 asked: Does this person have any of the following long-lasting conditions? a. Blindness, deafness or a severe vision or hearing impairment? b. A condition that substantially limits one or more basic physical activities such as walking, climbing stairs, reaching, lifting, or carrying? A 'yes' response to 16.a. is counted as a sensory disability. A 'yes' response on 16.b. is counted as a physical disability. Question 17 asked: Because of a physical, mental, or emotional condition lasting 6 months or more, does this person have any difficulty in doing any of the following activities: a. learning, remembering, or concentrating? b. Dressing, bathing, or getting around inside the home? c. (Answer if this person is 16 years old or over). Going outside the home alone to shop or visit a doctor's office? d. (Answer if this person is 16 years old or over). Working at a job or business? A 'yes' response to 17.a. was counted as a mental disability; 17.b. a self-care disability; 17.c. a going outside the home disability; and 17.d. an employment disability. The percent of New Mexicans with disabilities is higher than the percent nationwide and when compared with neighboring states. Table 3 compares disability status for the nation, region, and among nearby states.

Appendix 5: Population with a Mental Disability by Age and County 2000

	Civilian noninstitutionalized population 5 years and over: Total	Total with a Mental Disability	People 5 to 15 years; Mental disability	People 16 to 64 years; Mental disability	People 65 years and over; Mental disability
Bernalillo County, New Mexico	509,939	26,947	4,199	15,728	7,020
Catron County, New Mexico	3,382	186	15	120	51
Chaves County, New Mexico	56,264	3,379	520	1,794	1,065
Cibola County, New Mexico	22,567	1,199	120	734	345
Colfax County, New Mexico	13,008	591	68	343	180
Curry County, New Mexico	38,355	2,605	508	1,344	753
De Baca County, New Mexico	2,056	140	15	67	58
Dona Ana County, New Mexico	158,648	8,527	1,487	4,629	2,411
Eddy County, New Mexico	47,342	2,801	418	1,444	939
Grant County, New Mexico	28,544	1,525	134	954	437
Guadalupe County, New Mexico	3,911	301	18	154	129
Harding County, New Mexico	786	48	6	15	27
Hidalgo County, New Mexico	5,385	310	38	162	110
Lea County, New Mexico	49,801	2,698	473	1,366	859
Lincoln County, New Mexico	18,241	857	80	496	281
Los Alamos County, New Mexico	17,200	580	111	286	183
Luna County, New Mexico	22,878	1,497	195	724	578
McKinley County, New Mexico	67,199	3,611	433	1,935	1,243
Mora County, New Mexico	4,848	361	29	173	159
Otero County, New Mexico	53,894	2,961	612	1,478	871
Quay County, New Mexico	9,408	698	134	324	240
Rio Arriba County, New Mexico	38,207	2,158	127	1,254	777
Roosevelt County, New Mexico	16,389	798	98	490	210
San Juan County, New Mexico	103,786	5,711	667	2,195	1,126
San Miguel County, New Mexico	28,062	2,254	1,044	3,138	1,529
Sandoval County, New Mexico	82,991	3,988	233	1,352	669
Santa Fe County, New Mexico	120,249	4,778	543	2,909	1,326
Sierra County, New Mexico	12,412	1,073	142	552	379
Socorro County, New Mexico	16,762	1,284	149	835	300
Taos County, New Mexico	28,155	1,671	176	986	509
Torrance County, New Mexico	15,183	1,125	176	730	219
Union County, New Mexico	3,923	179	5	93	81
Valencia County, New Mexico	59,727	3,179	527	1,887	765
Statewide Total	1,659,502	90,020	13,500	50,691	25,829

Source: U.S. Census Bureau, Census 2000 Summary File 3.

Appendix 6: Comparison of Mean Wage and Housing Wages

COMPARISON OF MEAN WAGE AND HOUSING WAGES

Geography	Estimated mean renter wage	Housing Wage for 0 bdrm FMR	Housing Wage for 1 bdrm FMR
New Mexico	\$9.72	\$8.88	\$10.20
Non-metro areas	\$8.61	\$7.51	\$8.30
Albuquerque, NM MSA *	\$10.52	\$9.65	\$11.37
Farmington, NM MSA	\$11.27	\$8.62	\$9.12
Las Cruces, NM MSA	\$6.94	\$8.33	\$8.98
Santa Fe, NM MSA	\$10.12	\$11.12	\$13.79
Bernalillo County *	\$10.51	\$9.65	\$11.37
Catron County	\$6.55	\$6.73	\$7.58
Chaves County	\$8.24	\$7.23	\$7.25
Cibola County	\$8.61	\$7.56	\$8.15
Colfax County	\$8.03	\$8.04	\$8.58
Curry County	\$8.35	\$7.56	\$7.83
De Baca County	\$7.08	\$7.54	\$7.77
Dona Ana County	\$6.94	\$8.33	\$8.98
Eddy County	\$9.86	\$6.06	\$7.73
Grant County	\$7.49	\$7.25	\$8.40
Guadalupe County	\$6.03	\$8.87	\$8.98
Harding County †		\$7.54	\$7.77
Hidalgo County	\$6.25	\$6.73	\$7.58
Lea County	\$9.98	\$7.52	\$8.17
Lincoln County	\$6.57	\$7.04	\$8.87
Los Alamos County	\$12.56	\$11.29	\$13.15
Luna County	\$6.35	\$7.54	\$8.17
McKinley County	\$9.90	\$7.15	\$8.40
Mora County	\$5.75	\$8.87	\$8.98
Otero County	\$9.25	\$6.94	\$8.21
Quay County	\$6.24	\$7.54	\$7.77
Rio Arriba County	\$7.25	\$8.08	\$8.23
Roosevelt County	\$6.78	\$7.52	\$7.73
San Juan County	\$11.27	\$8.62	\$9.12
San Miguel County	\$5.77	\$7.60	\$8.17
Sandoval County *	\$13.01	\$9.65	\$11.37
Santa Fe County	\$10.12	\$11.12	\$13.79
Sierra County	\$5.40	\$5.88	\$7.31
Socorro County	\$8.29	\$7.56	\$7.58
Taos County	\$7.83	\$10.75	\$11.69
Torrance County *	\$6.68	\$9.65	\$11.37
Union County	\$6.08	\$7.54	\$7.77
Valencia County *	\$6.53	\$9.65	\$11.37

Source: National Low Income Housing Coalition - Out of Reach 2006

Appendix 7: Project-Based Rental Assistance

The most common sources of project-based rental assistance are listed below. These resources are described in detail below:

- Housing Opportunities for People with AIDS
- Section 8 Housing Choice Voucher project-based assistance
- Section 202 Supportive Housing for the Elderly (rental assistance contract built into the grant)
- Section 811 Supportive Housing for Persons with Disabilities (rental assistance contract built into the grant)
- Shelter Plus Care (PBRA or SRO components)

HOPWA (Housing Opportunities for Persons with AIDS)

Long-term project-based rental assistance are eligible uses of HOPWA funds. HOPWA funds are limited to persons living with HIV/AIDS and their families whose income is less than 80 percent of area median income.

Rent standards are established by the provider and can be no more than the FMR or the HUD approved community-wide exception rent. However, on a unit by unit basis, the grantee may increase that amount by up to 10 percent for up to 20 percent of the units assisted. Tenants pay the higher of either 30 percent of their adjusted gross income or 10 percent of the family's monthly gross income; or adjusted welfare payments received from a public agency specifically for housing-related costs.

If a program is located in an area that receives HOPWA formula funds, a non-profit provider can seek funding from the administering city or state agency. Non-profits and units of government may also apply directly to HUD for funding under the annual national competition

Section 8 Housing Choice Voucher Project-based rental assistance

Public Housing Agencies that administer tenant-based rental assistance programs have the option to convert up to 20 percent of the total tenant-based rental assistance funds to project-based rental assistance. By converting these Section 8 vouchers to project-based assistance, PHAs can help expand the pool of affordable housing. Rehabilitation of units is not required to receive a project-based subsidy and units in existing housing do not have to be chosen through a competitive process.

In addition, no more than 25 percent of the units in a housing development can receive project-based assistance unless the units are made available to the elderly, persons with disabilities, or families requiring support services.

Contracts between the PHA and the private owners can be as long as ten years. Advantages of project-based subsidies include the opportunity to identify, and select and maintain specific units for affordable housing. The ability to provide project-based assistance can be the incentive needed to assist non-profit and for-profit developers to create affordable housing. The ability to demonstrate a commitment of project-based rental subsidies will strengthen a developer's effort to obtain development financing.

PHAs have to include their interest in converting tenant-based rental subsidies to project-based subsidies in their PHA Plan.

Shelter Plus Care

The Shelter Plus Care program can provide Project-Based Rental Assistance as one of the four available components. Under the PRRA component, the project could be eligible for either five year subsidies or ten year subsidies if rehabilitation of the property was required (average rehabilitation cost of at least \$3,000 per unit). Eligible tenants must be homeless people with disabilities who meet the McKinney Vento eligibility standards (Appendix 8). The program targets people with disabilities specifically people living with HIV and AIDS, substance abuse issues, and mental illness. Funds provided for rental assistance must be “matched” with an equal value of supportive services. The service match is not targeted to each individual participant of the Shelter Plus Care program but must be achieved for the program as a whole. This acknowledges that some tenants require and seek more services than other tenants. It also enables the non-profit organization to provide services as needed over the course of the five or ten year contract.

Tenants pay 30 percent of their adjusted gross income for rent and the Shelter Plus Care subsidy covers the difference between the tenant payment and the unit’s Fair Market Rent (FMR) or reasonable rent.

To create a Shelter Plus Care program, a provider needs to team up with a unit of local or state government or a PHA to serve as the applicant and grantee for the rental subsidy. The grantee administers the rental subsidy and the non-profit organization provides the services. The key to a successful Shelter Plus Care program is a strong working relationship between the grantee and the program sponsor. Shelter Plus Care funds must be requested through the local Continuum of Care process.

Section 811 Supportive Housing for Persons with Disabilities Program

The Section 811 program is designed to enable very low-income people with disabilities to live independently within their communities by assisting non-profit organizations to develop supported housing.

Project-based operating funds are available in conjunction with development funds (i.e., capital advance). The operating subsidy comes in the form of project-based rental assistance contracts (PRAC). These subsidies remain with the housing units and provides the difference between the tenant portion of rent and the HUD-approved per unit operating expenses. The PRAC funds are awarded through five-year contracts.

Section 202 Supportive Housing for the Elderly

The Section 202 Supportive Housing for the Elderly program (Section 202) helps expand the supply of affordable housing with supportive services for elderly people (ages 62 and older). It provides low-income elderly people with options that allow them to live independently but in an environment that provides a range of support activities such as cleaning, cooking, and transportation. The program offers capital advances to finance the construction and rehabilitation of structures that will serve as supportive housing for people who are elderly and very low income. The capital advance does not have to be repaid by the non-profit sponsor as long as the project serves very low-income elderly persons for forty years. The rental assistance covers the difference between the HUD approved operating cost per unit and the tenant’s rent.

Appendix 8: Eligibility for McKinney-Vento Funded Programs

McKinney-Vento Definition of Homelessness

All McKinney-Vento funded programs, including the Supportive Housing Program, Shelter Plus Care and Section 8 Moderate Rehabilitation Program are designed to move homeless persons from the streets and shelters to permanent housing and maximum self-sufficiency. To receive housing and/or services funded through these three programs a person must meet HUD's McKinney/Vento definition of homeless including having no adequate resources such as financial or other places to go.

Core Eligible Homeless Persons

In general, a person is considered to meet the McKinney Vento core criteria for homelessness only when he/she resides in one of the places described below:

- In places not meant for human habitation, such as cars, parks, sidewalks, abandoned buildings (on the street).
- In an emergency shelter.
- In transitional or supportive housing for homeless persons who originally came from the streets or emergency shelters.
- In any of the above places but is spending a short time (up to 30 consecutive days) in a hospital or other institution.

Other Eligible Homeless Persons

HUD does recognize that at times persons may be homeless in places not identified in the core definition above. With proper documentation, these persons may be eligible for *some* McKinney Vento funded programs. Such other situations of homelessness include:

- Is being evicted within a week from a private dwelling unit and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.
- Is being discharged within a week from an institution, such as a mental health or substance abuse treatment facility or a jail/prison, in which the person has been a resident for more than 30 consecutive days and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.
- Is fleeing a domestic violence housing situation and no subsequent residence has been identified and the person lacks the resources and support networks needed to obtain housing.

Important Note on Eligibility Criteria for 2005, 2006, and 2007 Permanent Housing Projects

In the 2005, 2006, and 2007 CoC Notice of Funding Availability (NOFA), HUD announced a change in eligibility criteria for all McKinney-Vento permanent housing (including new or renewal SHP **Permanent** Housing for Persons with Disabilities, SHP Safe Haven **Permanent** Housing, all Shelter Plus Care and all Section 8 Moderate Rehabilitation programs) funded through the 2005, 2006, and 2007 SuperNOFA. According to the 2005, 2006, and 2007 SuperNOFA Questions and Answers Supplement, new and renewal **permanent housing projects** may only serve homeless people who meet the core criteria meaning they came from the streets, emergency shelters, or transitional housing for the homeless who originally came from the streets or an emergency shelter. Homeless people being evicted from housing, being discharged from an institution where they have

resided for over 30 days, and/or fleeing a domestic violence situation will not be eligible for occupancy in permanent housing projects funded or renewed in 2005, 2006, or 2007.

It is important to note that this change is effective starting with those grants funded in the 2005, 2006, and 2007 SuperNOFA competition. For those existing projects that received renewal funding as part of the 2005, 2006, and 2007 SuperNOFA competition, the revised eligibility criteria applies only to the screening process as units **become vacant**. This **does not** mean that current residents are to be removed from housing. For existing project, the change only applies to units upon turnover/vacancy.

Again, this new change in eligibility criteria does **not** apply to SHP Transitional Housing, SHP Supportive Services Projects or SHP Permanent Housing projects, Shelter Plus Care projects or Section 8 Moderate Rehabilitation projects funded **prior** to 2005.

Chronic Homelessness

HUD and other federal agencies, including the Interagency Council on Homelessness, have established a goal to end chronic homelessness by 2012. Congress and HUD have either made new money available or reallocated existing resources to provide additional funds to help meet this goal.

HUD's current definition of "chronic homelessness" includes those **unaccompanied** individuals with a disabling condition who have either been:

- Continuously homeless for a year or longer; or,
- Have had at least four episodes of homelessness in the past three years.

To be considered chronically homeless, persons must have been sleeping in a place not meant for human habitation (e.g., streets) and/or in an emergency homeless shelter during that time. It is important to note that HUD's definition of chronic homelessness does not include homeless families.

For this definition, a disabling condition is defined as a diagnosable:

- Substance use disorder
- Serious mental illness
- Developmental disability
- Chronic physical illness or disability
- Including the co-occurrence of two or more of these conditions

Summary of McKinney Vento Eligibility by Program

McKinney/Vento Programs

Program/Component	Homeless	Disabled
SHP Transitional Housing	X	
SHP Permanent Housing	X	X
SHP Services Only	X	
SHP Safe Havens	X	X

Sharpening Our Skills: The Supportive Housing Program

McKinney/Vento Programs

Program/Component	Core Homeless	Other Homeless
SHP Transitional Housing	X	X
SHP 2004 or earlier Permanent Housing	X	X
SHP 2005 and 2006 (and future) Permanent Housing	X	Not Eligible
SHP Services Only	X	X

Sharpening Our Skills: The Supportive Housing Program

Appendix 9: New Mexico Continuum of Care 2006 Funded Projects

Albuquerque CoC

Sponsor Name	Program	Dollars Awarded
Goodwill Industries of New Mexico	SHP	\$222,931.00
Barrett Foundation, Inc.	SHPR	\$23,780.00
Human Rights Advocacy, Inc.	SHPR	\$186,900.00
Cuidando Los Ninos	SHPR	\$223,710.00
Albuquerque Mental Health Housing Coalition, Inc.	SHPR	\$165,141.00
Transitional Living Services, Inc.	SHPR	\$105,000.00
Barrett Foundation, Inc.	SHPR	\$97,447.00
Catholic Charities	SHPR	\$241,154.00
Transitional Living Services, Inc.	SHPR	\$276,300.00
Catholic Charities of Central New Mexico	SHPR	\$863,881.00
Catholic Charities	SHPR	\$197,868.00
Catholic Charities	SHPR	\$216,750.00
Catholic Charities	SHPR	\$51,371.00
Albuquerque Health Care for the Homeless, Inc.	SHPR	\$135,267.00
St. Martin's Hospitality Center	SHPR	\$115,500.00
S.A.F.E. House	SHPR	\$42,097.00
Albuquerque HealthCare for the Homeless	SPCR	\$866,844.00
Transitional Living Services	SPCR	\$255,660.00
Total :		\$4,287,601.00

Balance of State CoC	Program	Dollars Awarded
MesillaValley Community of Hope	SHP	\$312,000.00
Daybreak Center	SHPR	\$199,978.00
La Casa, Inc.	SHPR	\$221,655.00
MesillaValley Community of Hope	SHPR	\$274,050.00
Community Against Violence	SHPR	\$450,000.00
Eastern Plains Council of Governments	SHPR	\$235,660.00
New Mexico Coalition to End Homelessness	SHP	\$87,150.00
Albuquerque Mental Health Housing Coalition, Inc.	SHP	\$469,876.00
DreamTree Project Inc.	SHP	\$144,717.00
The Life Link	SPCR	\$201,144.00
The Life Link	SPCR	\$196,800.00
Santa Fe Community Housing Trust	SPCR	\$130,548.00
Total :		\$2,923,578.00

Appendix I0: New Mexico PHAs

<u>Alamogordo HA</u> Phone: (505)437-5621 Fax: (505)439-4104	104 Avenida Amigos Alamogordo NM 88310	Low-Rent
<u>Albuquerque Housing Services</u> Phone: (505)764-3900 Fax: (505)764-3981	1840 University Blvd. SE Albuquerque NM 87106	Both
<u>Bernalillo County HA</u> Phone: (505)314-0200 Fax: (505)842-8149	2204 Centro Familiar Boulevard SW Albuquerque NM 87105	Both
<u>Artesia HA</u> Phone: (505)746-3529 Fax: (505)746-2897	617 W Bush Avenue Artesia NM 88210	Low-Rent
<u>Bayard HA</u> Phone: (505)537-2296 Fax: (505)537-6914	100 Runnels Drive Bayard NM 88023	Low-Rent
<u>Bernalillo Town HA</u> Phone: (505)867-2792 Fax: (505)771-1418	857 Calle Los Mayores Bernalillo NM 87004	Both
<u>Chama HA</u> Phone: (505)756-2986 Fax: (505)756-9137	854 Sandoval Street Chama NM 87520	Low-Rent
<u>Cimarron HA</u> Phone: (505)376-2674 Fax: (505)376-1014	152 Washington Avenue Cimarron NM 87714	Low-Rent
<u>Clayton HA</u> Phone: (505)374-9580 Fax: (505)374-9572	200 Aspen Street Clayton NM 88415	Low-Rent
<u>Clovis HA</u> Phone: (505)769-7902 Fax: (505)769-7900	2101 W Grand Avenue Clovis NM 88101	Low-Rent
<u>Region IV HA</u> Phone: (505)935-4444 Fax: (505)769-3272	600 Mitchell Street Clovis NM 88101	Section 8
<u>Clovis HA</u> Phone: (505)769-7902 Fax: (505)769-7900	2101 W Grand Ave. Clovis NM 88101	Section 8
<u>Cuba HA</u> Phone: (505)289-3499 Fax: (505)289-2028	29 Rainbow Loop Cuba NM 87013	Both
<u>Rio Arriba HA</u> Phone: (505)753-7870 Fax: (505)753-3667	737 La Joya Street Espanola NM 87532	Both
<u>Espanola HA</u> Phone: (505)753-3897 Fax: (505)753-5364	136 Calle Del Pajarito Espanola NM 87532	Both
<u>Eunice HA</u> Phone: (505)394-2672 Fax: (505)394-3944	706 15th St. Eunice NM 88231	Low-Rent
<u>San Juan County HA</u> Phone: (505)327-5654 Fax: (505)324-3005	7450 East Main Farmington NM 87402	Section 8
<u>Fort Sumner HA</u> Phone: (505)355-2986 Fax: (505)355-2987	521 Main Street Fort Sumner NM 88119	Low-Rent
<u>Gallup HA</u> Phone: (505)722-4388 Fax: (505)863-3386	203 Debra Drive Gallup NM 87301	Both

<u>Grants HA</u> Phone: (505)285-6359 Fax: (505)285-3784	508 E. Santa Fe Avenue, Suite B Grants NM 87020	Both
<u>Dona Ana County HA</u> Phone: (505)523-6100 Fax: (505)525-9541	926 South San Pedro Las Cruces NM 88001	Both
<u>Las Cruces HA</u> Phone: (505)528-2005 Fax: (505)526-8452	926 S San Pedro Street Las Cruces NM 88001	Both
<u>Region II HA</u> Phone: (505)454-6500 Fax: (505)454-6600	703 6th Street Las Vegas NM 87701	Section 8
<u>San Miguel County HA</u> Phone: (505)454-1813 Fax: (505)425-7019	500 West National Suite 102 County Courthouse Annex Las Vegas NM 87701	Section 8
<u>Las Vegas Housing Authority</u> Phone: (505)425-9463 Fax: (505)425-7204	2400 Sagebrush Street Las Vegas NM 87701	Low-Rent
<u>San Miguel County HA</u> Phone: (505)426-3008 Fax: (505)425-7019	Courthouse Annex Building Las Vegas NM 87701	Low-Rent
<u>Lordsburg HA</u> Phone: (505)542-8111 Fax: (505)542-8105	1001 Avenida Del Sol Lordsburg NM 88045	Low-Rent
<u>Los Lunas HA</u> Phone: (505)839-3854 Fax: (505)352-7745	3445 Lambros Loop Los Lunas NM 87031	Section 8
<u>Lovington HA</u> Phone: (505)396-5416 Fax: (505)396-3248	1605 S 4th Street Lovington NM 88260	Low-Rent
<u>Maxwell HA</u> Phone: (505)375-2745 Fax: (505)375-2746	215 6th Street Maxwell NM 87728	Low-Rent
<u>Mora County HA</u> Phone: (505)387-5211 Fax: (505)387-9022	Main Street Hwy 518 Mora NM 87732	Section 8
<u>Mountainair HA</u> Phone: (505)847-2416 Fax: (505)847-0214	107 1/2 Roosevelt Mountainair NM 87036	Section 8
<u>Pecos HA</u> Phone: (505)757-6380 Fax: (505)757-6280	114 Chamisa Circle PO Box 904 Pecos NM 87552	Low-Rent
<u>Raton HA</u> Phone: (505)445-8021 Fax: (505)445-8044	309 Parsons Avenue Raton NM 87740	Low-Rent
<u>Region VI HA</u> Phone: (505)622-0881 Fax: (505)622-7507	106 E. Reed Roswell NM 88203	Both
<u>Santa Clara HA</u> Phone: (505)537-3041 Fax: (505)537-3041	214 North Mineral Santa Clara NM 88026	Low-Rent
<u>Santa Fe Civic HA</u> Phone: (505)988-2859 Fax: (505)989-7786	664 Alta Vista Street Santa Fe NM 87505	Both
<u>Santa Fe County HA</u> Phone: (505)992-3060 Fax: (505)992-3064	52 Camino De Jacobo Santa Fe NM 87507	Both
<u>Region V HA</u> Phone: (505)388-1974 Fax: (505)388-4781	2545 N Silver Street Silver City NM 88061	Both

<u>Socorro County HA</u> Phone: (505)835-0196 Fax: (505)835-3461	106 Center Street Socorro NM 87801	Section 8
<u>Springer HA</u> Phone: (505)483-2836 Fax: (505)483-5090	601a El Paso Avenue Springer NM 87747	Low-Rent
<u>Sunland Park HA</u> Phone: (505)589-9414 Fax: (505)589-9407	4420 McNutt Rd. #100 Sunland Park NM 88063	Low-Rent
<u>Taos County HA</u> Phone: (505)758-2460 Fax: (505)751-1175	525 Ranchitos Road , Unit # 962 Taos NM 87571	Both
<u>Truth Or Consequences HA</u> Phone: (505)894-2244 Fax: (505)894-0756	108 S Cedar Street Truth Or Consequences NM 87901	Both
<u>Tucumcari HA</u> Phone: (505)461-4403 Fax: (505)461-4893	323 E Smith Tucumcari NM 88401	Both
<u>Vaughn HA</u> Phone: (505)584-2364 Fax: (505)584-0064	Vaughn Housing Authority 4th & Yucca Vaughn NM 88353	Low-Rent
<u>Wagon Mound HA</u> Phone: (505)666-2268 Fax: (505)666-9023	710 Catron Avenue Wagon Mound NM 87752	Low-Rent

Appendix I I: Housing Support Team Activities

Regardless of the type of support services model (Housing Support Team or Integrated Services Approach) for persons accessing supportive housing, there are a set of housing support activities that when applied consistently will result in an individual having a successful tenancy. Successful tenancy typically is associated with an individual meeting their individual recovery goals or for young adults helping them meet their occupational or educational goals.

Both approaches utilize a team approach when sufficient staff are available. Because it is advantageous to use a team approach, the description of activities below references “team” activities. Some agencies using an integrated approach designate staff to carry these functions on an ACT team or a CCSS team. Regardless of staff composition or reimbursement, activities are carried out in two phases. During the first phase, known as pre-tenancy, staff works in the community with rental housing applicants to increase their access to housing. During the second phase, known as post-tenancy, applicants are graduated into tenants during which time staff help stabilize housing arrangements and preserve them over the long term.

First Phase

The first phase of services, pre-tenancy, consists of all efforts needed to connect housing applicants with available housing and sustain their persistence throughout this task. During pre-tenancy, a Team is guide and coach to the housing search, application, and move in process. Throughout these steps, a Team provides the encouragement needed to keep housing applicants from abandoning the goal of obtaining housing. Simultaneously, a sense of realism is fostered through education about the limitations of a tight housing market such that expectations match what form of housing can realistically be obtained.

Applications and Advocacy

Housing search requires multiple application and approval steps. The target population’s past lives of instability complicate the task of meeting these bureaucratic requirements. A Team assists by helping its housing applicants locate and submit the following documents:

Required Documents for Housing Applications

- Income verification
- Birth certificates (duplicates may need to be obtained)
- Contacts that can attest, in writing, to past whereabouts
- References
- Documented credit and criminal records
- Corrections to these records
- Proof of homelessness such as shelter records and affidavits

In addition to such concrete activities, a Team’s housing search process also transfers actual skills in self-advocacy to the housing applicants themselves. These include the following:

Self-advocacy Skills

- Advancing appeals against decisions to decline them housing
- Submitting requests for needed reasonable accommodations
- Obtaining donated security deposits
- Presenting potential liabilities to landlords in a positive light

- Expediting approval processes for identified leased units

Landlord Recruitment

Finding sufficient supply of rental units for the Team's beneficiaries requires effective strategies for recruiting landlords in the private rental market. The team seeks landlords who are willing to make their properties available to a Team's stigmatized housing applicants. To achieve a bank of such listings, a Team uses creative methods to dispel landlords' apprehensions and assumptions about the applicants. Techniques are borrowed from traditional salesmanship to persuade owners to accept a Team's applicants. These include the following:

Salesmanship Techniques used in Recruiting Landlords:

- Building a relationship through friendliness
- Complimentary small talk
- Directly addressing apprehensions
- Advertising the Team's benefits to landlords
- Promoting the Team's off-hours emergency services
- Following through on all promises
- Providing program references
- Creating a fund for quick repayment of property damages
- Advocating for expedited bureaucratic approval of identified units
- Returning to the same property owners with future housing applicants

Tenant Education

Once an apartment is identified, a Team conveys information to tenants on how to succeed as tenants. Such tenant education conveys the following:

Tenant Skills and Responsibilities

- Meeting lease agreement responsibilities including maintaining a clean apartment
- Meeting responsibilities for monthly rent and utility payments on time
- Not infringing on the quiet enjoyment of the neighbors through noise or disturbance
- Caring for apartments
- Being discreet about subsidies with neighbors
- Adhering to occupancy limits of rental unit and abiding by other regulations
- Declining requests from friends to provide them shelter

Second Phase

The second phase of service, post-tenancy, staff help newly housed tenants adjust to their own home. Here, a Team visits regularly in the established homes or in the nearby vicinity. Such home visits have a valuable low-threshold of demands for the target population and give a Team insight as to what supports a new household requires. This informality and immediacy of access is pivotal to many new tenants' success at preserving their housing. Also a variable for success is the frequency of a Team's visits.

The overall longevity of a Team's pre-tenancy services is determined on an individual basis. In general, a Team is most active during adjustment to housing and tapers off involvement over time thereafter. A Team may, however, remain available to tenants indefinitely.

Housing Adjustment

A Team's initial goal for post-tenancy is to help each tenant adjust to their home, their new responsibilities and their neighborhood. Its initial activities with new tenants to promote this objective include the following:

Initial Adjustment Support Activities:

- Obtaining furnishings and household goods
- Providing support for deposits
- Orienting to the new neighborhood
- Introducing tenants to local public transportation and neighborhood resources
- Establishing a trustworthy system for meeting obligations for rent
- Assisting the tenant establish a daily, weekly or monthly budget
- Setting up direct payee accounts for rent through a local bank if appropriate
- Preparing for the health, safety, and hygiene of the new home
- Creating daily and weekly schedules
- Making arrangements for natural social interactions

Housing Permanency

After the initial adjustment, a Team continues to support tenants in establishing prerequisites for their permanency. In general, a Team's efforts therein are consistently framed around the imperative of helping tenants achieve their recovery or independence goals and protecting tenants from losing their housing. This assistance may include the following:

Eviction Protections

- Problem solving concerns related to satisfaction with the home
- Addressing safety issues
- Intervention in disputes that arise between housing applicants and their landlords.
- Education to housing applicants about their responsibilities as tenants
- Leveraging protections of local and federal housing law

Housing Preservation

Conflict between seemingly stabilized Housing Support beneficiaries and their landlords and is typical of the challenges to residential permanency a Team will confront. To help resolve such tension, a Team employs non-confrontational strategies and the techniques of conflict resolution. These efforts are also used to preserve the landlord's willingness to continue leasing property to other members of the Team's target population. Such non-confrontational strategies used for preserving housing include the following:

Conflict Resolution Strategies

- Transitioning tenants in crisis out of their housing on temporary basis but continuing to ensure that the rent is paid
- Transitioning tenants in crisis out on a permanent basis to avoid formal evictions
- Paying monetary damages to units with immediacy
- Maintaining sensitivity the property owners need to maintain a reputation in the community

Housing Access Skills

- Advice, referral, and information on housing opportunity
- Affordable housing terminology

- Housing application procedures and protocols
- Housing rights for people with disabilities
- Credit history repair techniques
- Reasonable accommodation requests
- Criminal record research and corrections

Housing Access Knowledge

- Breadth of affordable housing opportunities potentially available
- Varying eligibility requirements throughout the inventory
- Current availability of units
- Where and how to find property owners
- Local sources for donations of furniture and security deposits
- Subsidized housing regulations
- Reasonable accommodation issues and laws
- Fair housing laws

Housing Access Technique

- Translation of technical information in a user friendly vocabulary
- Advocacy techniques that increase access to housing
- Mediation strategies for conflicts between landlords and tenants
- Application of fair housing and federal and state landlord/tenant laws

Appendix I2: First Year Implementation Plan

New Mexico Behavioral Health Purchasing Collaborative Housing Plan –January-December 2008

January 2008	<ul style="list-style-type: none"> • <i>Linkages</i>, Adult Rental Assistance Program begins in three counties • Planning for capacity building initiative completed • Planning for pre-development funding availability completed <p>(CYFD Housing First Pilot was started in October 2007; prior to the beginning of the beginning of the 1st Implementation Year)</p>
February	<ul style="list-style-type: none"> • Capacity building initiative begins • Pre-development funds made available
March	<ul style="list-style-type: none"> • Planning for FY 2009 expansion (if new state funds available for FY 2009) begun • Approach to develop Locally Based Supportive Housing Partnerships developed with state and local partners
April-June	<ul style="list-style-type: none"> • Performance measures, benchmarks, system for collecting information established; this includes <i>Linkages</i> evaluation/ reporting requirements • Approach for dissemination of information on best practice models for services and supports established with information about this can be done with CCSS and other service reimbursement strategies • CYFD Housing First Pilot units leased up; information on progress of CYFD Housing First Pilot disseminated • 2nd year of CYFD Housing First Pilot preparation completed • <i>Linkages</i> housing units leased up
July-Sept.	<ul style="list-style-type: none"> • Locally Based Supportive Housing Partnerships begun with at least six LCs including the three communities selected for <i>Linkages</i> • Request for FY 2010 state budget expansion submitted
October-December 2008	<ul style="list-style-type: none"> • 1st Year Implementation Report to Collaborative prepared; this includes recommendations (if any) for changes in priority populations • Progress with capacity building/ pre-development funds evaluated; at least one development project/ application for pre-development funds will have been initiated in each local area targeted for this funding by December 31, 2008

Appendix I3: Proposed Performance Objectives

1. Establish objective criteria to identify high priority populations for access to supportive housing resources.
2. Incorporate consumer preference survey process and utilize those findings into the planning processes for this initiative.
3. Establish a statewide rental assistance program based on the outcome of pilot programs.
4. Assure rental assistance programs are established so rental units are affordable, meaning individuals do not pay more than 30% of their income for rent.
5. Adopt policy, financing or operational requirements necessary to assure maximum utilization of and successful tenancy in supportive housing. This includes requirements for consumers being able to establish and sustain occupancy.
6. Establish locally based supportive housing partnerships at the Regional or sub-regional (LC) level that result in supportive housing being developed in every Judicial District. Assure Local Collaboratives have necessary information to participate in and lead these efforts where possible.
7. Develop feedback loop from Local Collaboratives on housing needs, availability of resources and technical assistance opportunities and needs.
8. Assure every capital and rental fund source available for affordable housing in New Mexico can be accessed by qualified housing development and management organizations that will make rental units available to priority consumers. This includes resources for pre-development, capital and operating funds.
9. Establish a continuous quality improvement program for this initiative. This includes including consumers in
10. Establish system-wide standards and performance expectations with regard to utilization of and movement of high priority consumers from inpatient, incarceration, long-term care, homelessness and residential treatment settings into supportive housing.
11. Establish system-wide standards and performance expectations with regard to provider adoption of best practices in supportive housing.