



Supportive Housing 201

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www.csh.org

Supportive Housing 101: Review

- **What is Supportive Housing?**
- **Who is it for?**
- **What does it look like?**
- **What does it do?**

Getting Started: Pre-development Phase

- **Is Supportive Housing part of your Mission?**
- **Assess your capabilities**
- **Seek assistance (Corporation for Supportive Housing, HUD, Development Consultant, other nonprofit)**
- **Discuss process with Board of Directors and staff**

Getting Started: Concept Development

Detailing the type of permanent supportive housing that you would like to develop

- **Target Population**
- **Housing Model**
- **Number of Units**
- **Type of Development**
- **Supportive Services**

Getting Started: Concept Development

Concept Development Continued...

- **Property Management**
- **What gap does this fill in your community?**
- **What expertise is needed?**
- **Security**
- **Policies and Procedures**

Ownership Models

- **Single Owner Models**
 - **Social service agency**
 - **Nonprofit housing developer**
- **Shared Owner Models**
 - **Turn key owner**
 - **Joint venture partnership**
 - **New jointly controlled corporation**

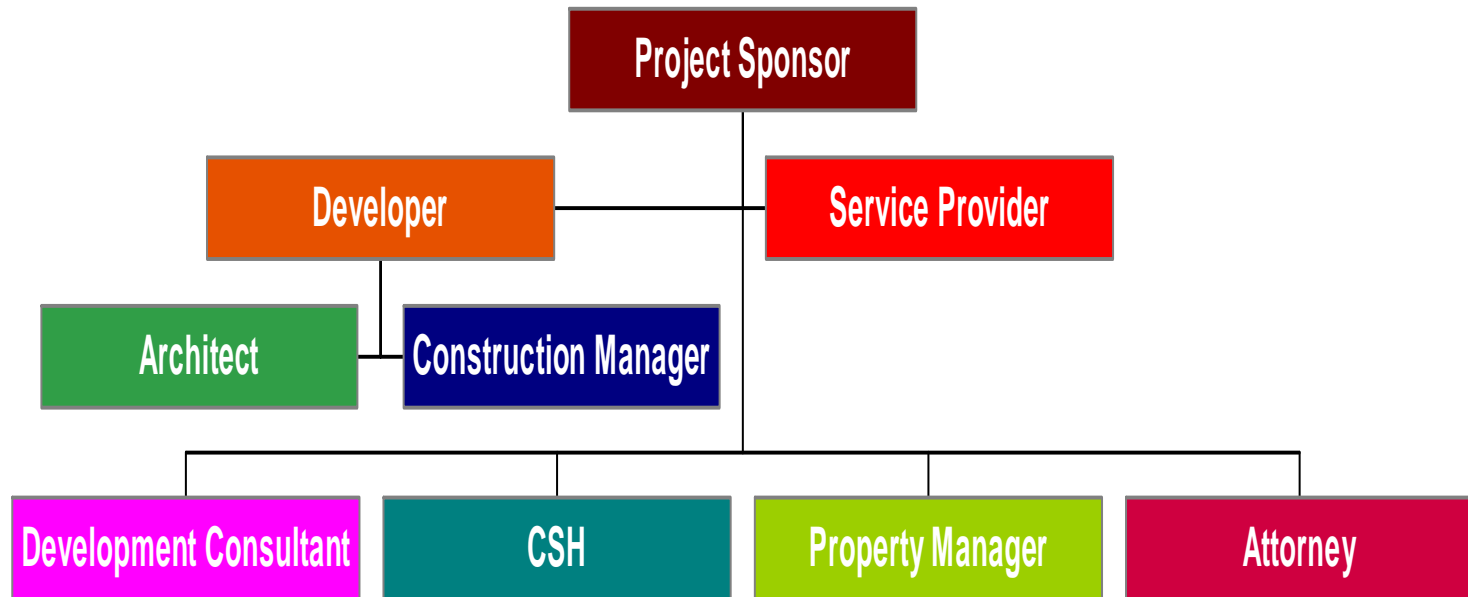
Forming a Development Team

Team of people and/or organizations that will be necessary to develop this housing

- **Assess your capacity**
- **Seek the expertise you lack**
- **Appoint Project Manager**
- **Memorandum of Understandings**

Forming a Development Team

Sample Development Team



Forming a Development Team

Sample Development Team and Roles

- **Project Sponsor**
- **Developer**
- **Service Provider**
- **Development Consultant**
- **CSH**
- **Property Manager**
- **Architect**
- **Construction Manager**
- **Attorney**

Create a Predevelopment Budget

Budget that lays out sources and uses for predevelopment period

- **Sponsor(s) will expend funds related to submitting funding applications, hiring a development consultant, architect, etc.**
- **Outlines activities and costs for predevelopment phase**
- **What are some sources of funding for pre-development in Iowa?**

Sample Predevelopment Budget

| <u>Proposed Use</u> | <u>Amount</u> |
|-----------------------|-----------------|
| Earnest Money Deposit | \$10,000 |
| Legal | \$1,500 |
| Survey | \$5,000 |
| Dev. Consultant | \$11,000 |
| Architect | \$10,000 |
| | <hr/> |
| TOTAL BUDGET | \$37,500 |

Formalizing the Partnership

... Making It Official

- Roles have been defined. Sponsor, service provider, and developer have all agreed to roles and ownership structure.
- Development Team is complete - all necessary expertise has been gathered
- Consensus on roles leads to signing of Memorandum of Understanding
- Owner relationship/partnership legalized

Finding a Site

The place where you will develop your housing (can be a vacant lot, existing building, units within several buildings)

- **Identify site needs and locate appropriate site**
- **Determine zoning requirements**
- **Work with seller or owner to determine price**
- **Coordinate purchase decision with strategy for permanent financing**
- **Sign a purchase agreement/put Earnest money down on project site**
- **Set date for closing on site purchase**

Building Community Support

Meeting with community members; securing public support ...

- **Determine what approvals and reviews your project requires.**
- **Develop strategy for communication and outreach.**
- **Identify key decision-makers to target.**
- **Approach community as partner in project.**

Building Community Support

- Know the facts about permanent supportive housing
- Be prepared for opposition and be ready to respond
- Don't promise things outside of your control
- Persevere!

Development: Phase TWO

In the second phase of developing supportive housing, you will:

- Focus heavily on raising capital, operating, and service funding
- Keep refining your initial project concept
- Develop and refine supportive services plan
- Develop and refine property management plan
- Secure your site
- Develop and refine asset management plan

Development: FINAL PHASE

CONSTRUCTION
and
LEASE UP

Typical Timeline

Typical time from start to finish: 2 ½ - 5 years



Acquiring Capital Funding

- **Identify potential sources of funding**
- **Assess availability and compatibility of resources**
- **Determine scale of project, suitability for tax credits.**
- **Likely sources: Low Income Housing Tax Credits, McKinney-Vento Program, Federal Home Loan Bank, HOME funds, CDBG funds, state housing trust fund, etc....**
- **Meet with all potential funders prior to application**

Develop a Management Plan

Selection of a property manager - Issues to Consider:

- **Negotiating roles for property manager and service provider.**
- **Ensuring the target population is not screened out.**
- **Managing supportive housing is *different* from manager straight rental housing**

Finance the Ongoing Operations

- **Identify potential sources for rent subsidies, based on the criteria of programs and the characteristics of the target population**

Potential sources for ongoing operations

- **Section 8**
- **Shelter Plus Care**
- **HOME – TBRA**
- **State housing subsidies**

Develop a Service Delivery Plan

.....

- **You wrote the book, right? 😊**

Finances the Support Services

- **Independent of the real estate**
- **3 common approaches:**
 - Contract w/ provider for services to a set of eligible clients
 - Reimbursement agreement for certain services to eligible clients
 - Fixed fee for maintaining the health of individual clients

Finances the Support Services

Potential Sources of Funding to Explore...

- **DHHS - SAMSHA programs**
- **Medicaid waived services**
- **Foundation support**

Develop an Asset Management Plan

- **Developing reasonable, viable budget assumptions**
- **Develop firm estimates on ongoing costs and revenues**
- **Particular focus on vacancy rates, building maintenance and repair, etc.**
- **Plan must address issues for the entire length of contract or term of housing loans/grants**

■ Questions and Answers



**Thank You
and
Good Luck!!!**