



**Permanent Supportive Housing
HUD NAIHC Virtual Training**

Wednesday, August 31, 2022
11:00a.m. – 5:00p.m. EST

This virtual training is sponsored by the
U.S. Department of Housing & Urban Development's Office of Native American Programs and the
National American Indian Housing Council





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TODAY'S AGENDA – Day 1

11:00am - 1:00pm EST
Overview of Permanent Supportive Housing

- Introduction to Supportive Housing
- Service Philosophy
- Housing First Model
- Harm Reduction
- Trauma-Informed Care
- Examples of American Indian Supportive Housing Projects
- Culturally Relevant Services in Supportive Housing

1:00pm – 2:00pm EST – Break for Lunch

2:00pm - 5:00pm EST
Development and Financing of Supportive Housing

- Development Process
- Supportive Housing Development Team
- Development Timeline
- Selecting a Development Partner (Developer or Development Consultant)
- Development Financing

Introductions / Expectations / Hopes

HELLO
My name is

PLEASE TYPE INTO THE CHAT BOX:
1. Your name, role, and your Tribe or organization?
2. What are you hoping to gain from this 2-day training?



BeauxSimone Consulting: Who we are



- Over 40 years of collective experience working with Tribes, rural and urban communities
- Experience in direct homeless services and affordable housing
- TA providers for HUD and NAIHC

Overview of Permanent Supportive Housing

A cost-effective, outcome-driven and more humane solution to ending homelessness for families and individuals struggling with addiction, mental health and/or other disabilities who can benefit from and thrive in **subsidized housing with supportive services.**

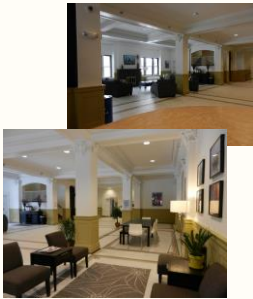


Housing that is . . .

Permanent: Not time limited; not transitional

Affordable: Residents pay no more than 30% of their income for rent

Independent as possible: Resident holds lease with normal rights and responsibilities



Who Lives Here?

Families & Individuals who are:

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



Who Lives Here?

Families & Individuals who have:

- Serious chemical dependency and/or mental health issues who need supportive services to maintain stable housing
- "Burned their bridges" in other housing or service programs b/c of behaviors associated with chemical dependency, mental health or other disabilities
- Frequently utilized emergency services in the community because they lack stable housing



Benefits of Supportive Housing

- Reduces stress caused by doubled-up and overcrowding
- Reduces use of crisis and institutional services
- Produces better outcomes than the more expensive crisis care system
- Significantly reduces recidivism rates
- Ends cycles of homelessness



Supportive Housing is NOT



Service Models and Guiding Principles

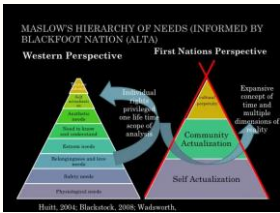
Housing First



Harm Reduction



Housing First



Housing First an approach that offers permanent, affordable housing as quickly as possible for individuals and families experiencing homelessness, **then provides** supportive services and connections to the community-based supports [that] people need to keep their housing.

Housing provides a **foundation** from which a person or family can access the services and supports they need to achieve stability, begin the recovery process, and pursue personal goals.

Basic Philosophy

Homeless is a really bad treatment plan

Housing is a basic human right



Housing First

- People do not need to be "housing ready"
- No one should be denied housing because they did not meet **pre-determined clinical goals** or did not choose to participate in services.
- Housing should never be used to coerce people into services they would otherwise not choose
- Housing and services are interconnected but with separate criteria for operation and evaluation.



Five Principles of Housing First

1. No pre-conditions (ie. med compliant) for housing
2. Self-determination
3. Harm-reduction and recovery
4. Client-driven supports
5. Social integration and Community



Service Approach



- **Targeted** based on populations served
- **Flexible** in responding to comprehensive resident needs
- **Voluntary** with participation not being a condition of residency
- **Independent** focus specifically on housing stability

Examples of Services

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



Tenant Centered Services



- Individualized – not “cookie cutter”
- Individuals involved in the design, development, and implementation of **their plans** – Empowerment
- Strengths-based approach to goal setting
- Assessments and service plans updated regularly

Key to Services Working

- Comprehensive
- Culturally Relevant
- Tenant-Driven Philosophy
- Focus on Housing Stability
- Effective Engagement Strategies
- Staffing and Supervision
- Service Partners and Linkages
- Collaborative Relationship with Property Management



Harm Reduction

Homelessness, poverty, mental health and drug and alcohol use and abuse have always been part of modern society and will not be eliminated. Therefore, it is better to work to minimize the harm than to ignore it or stigmatize the condition.

Accepts, for better and or worse, that licit and illicit chemical use is part of our world and chooses to work to minimize its harmful effects rather than simply ignore or condemn them.



Examples of Harm Reduction

- Sunscreen
- Condoms
- Seat Belts
- Bicycle Helmets
- Designated Drivers
- Blood Alcohol Levels
- Nicotine Patches/Gum
- Needle Exchange
- Blood Pressure Medication
- Cholesterol Medication



Harm Reduction in Supportive Housing



- Use Motivational Interviewing
- Incorporate strengths-based programming – no one likes to be reminded of their challenges
- Don't try to catch people doing things unless it's an immediate safety issue – it will eliminate trust
- Keep asking yourself are we really allowing the tenant to make their own choices?
- Understand the impact of trauma and its relationship with harmful behaviors

Elements of Harm Reduction in Supportive Housing

1. Harm reduction recognizes abstinence and/or changed behavior as an ideal outcome, but accepts [celebrates] alternatives that reduce harm
2. Harm reduction promotes low-threshold access to services as an alternative to traditional high threshold approaches
3. Drug use is a coping mechanism for other issues
4. Quality of life and well being measure success, not reduction in use or behaviors
5. The individual sets his/her own goals with the service provider
6. There are many different harm reduction services and plans

The Goal Is Any Positive Step

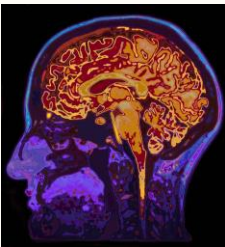
Trauma Informed Care



"I'm right there in the room, and no one even acknowledges me."

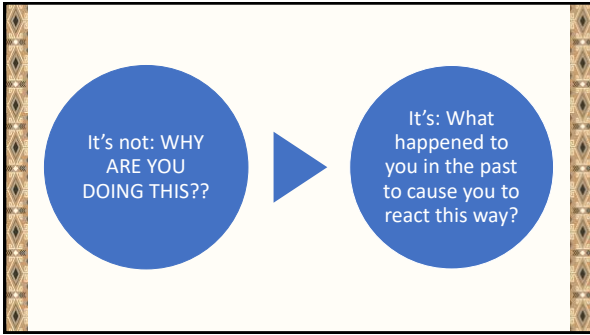
Trauma has no boundaries... [and] is an almost universal experience of people everywhere.

What Does Trauma Look Like?



Intense stress that overwhelms our biological psychological and social coping capacity.

- Activates survival responses
- Shuts down non-essential tasks
- Impedes rational thinking



What does it mean to be a Trauma-Informed Organization?

According to SAMHSA, a program, organization, or system that is trauma-informed when it:

- **Realizes** the widespread impact of trauma and understands potential paths for recovery;
- **Recognizes** the signs and symptoms of trauma in clients, families, staff, and others involved with the system;
- **Responds** by fully integrating knowledge about trauma into policies, procedures, and practices; and
- **Seeks** to actively resist **re-traumatization**.

POLL

How would you describe your level of understanding and feelings about PSH at this point?

- Great, I really understand it and love the model!
- Pretty good, I think it would work in our community.
- I'm not totally sold yet but perhaps I can get there with more information.
- I have a lot of concerns about the model.

Other PSH Projects in Indian Country



Conifer Estates





Apsaalooke Warrior Apartments



CASE STUDY: Culturally Relevant Services
American Indian Community Housing Organization (AICHO)
Duluth, Minnesota



Gimaajii-Mino-Bimaadizimin



29 units of supportive housing for families, an American Indian Center, offices for tribal partners, rooftop gardens, art galleries



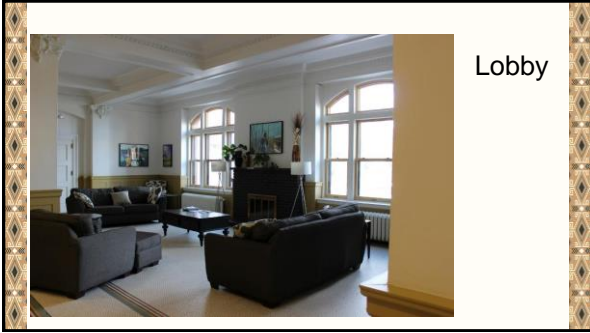
Dr. Robert Powless Cultural Center

- The Cultural Center hosts many community and AI/CHO events.
- Weekly Talking Circles
- Indigenous Film Premiere
- Art Shows/Exhibits
- Brave Art
- Staff and Community Trainings
- MMIW March/ Red Shawl Dance
- Proclamation
- ...and more!

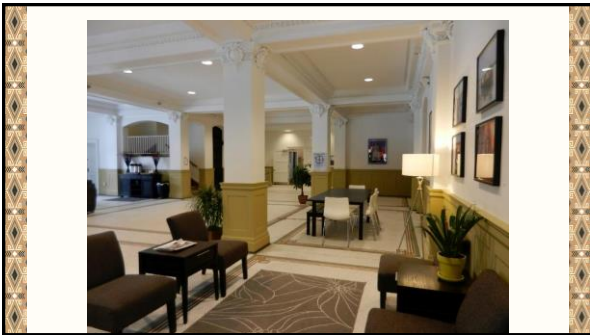


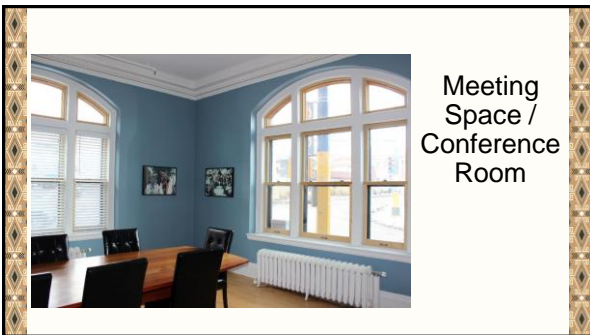
24-hour staffed Front Desk





Lobby





Meeting
Space /
Conference
Room



Gym



Engaging the kids in creating art



Children's Space



Children's Program



The Gimaajii Healthy Families Initiative provides increased access to experiences and activities that offset health disparities by strengthening culturally based eating practices, education and access to Indigenous food systems and culturally based physical activities. We do this by providing activities in our gardens, in our gymnasium, and children's room space, as well as providing access to seasonal cycle of cultural activities like maple syrup camp, berry picking, fishing, language camp, and wild rice camp.

Rooftop Gardens/Community space














**Rooftop
Patio / Gardens**

- Events
- Gardening
- Staff/Resident leisure
- The Water Protector Mural
- Solar Garden

Gimaajii Gallery















Engaging Families



Elders



Children



























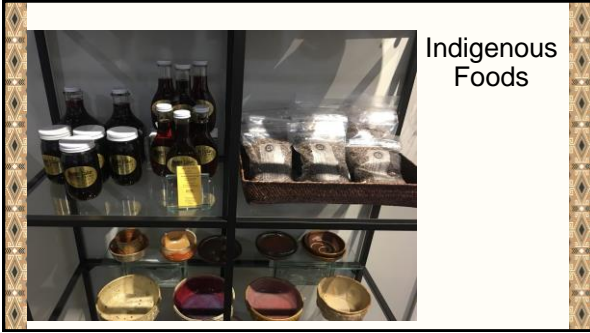




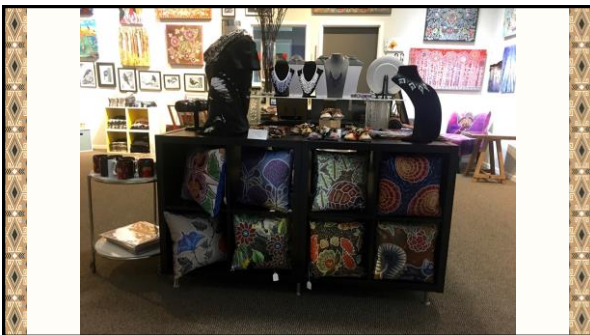


Famous Shoppers

Tatanka Means



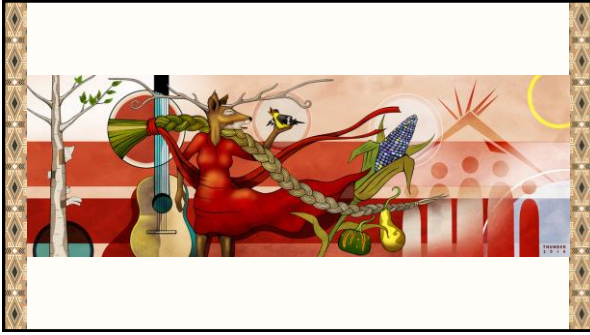




















Other Examples of PSH Projects

- Ute Mountain Ute- 11 units
- Red Cliff - 24 unit
- Boise Forte - 28 units
- Fond du Lac- 2x project 10 units veteran - 24 units family
- White Earth-2x projects - 44 units
- Conifer Estates Bemidji (partnership with Leech Lake and Red Lake)- 20 units
- Park Place Apartments Bemidji(partnership with Red Lake and Leach Lake) - 40 units
- St. Regis Mohawk - 2x projects -18 units
- Anishinabe Wakiagun - 45 units
- Ho-Chunk -15 units
- CSKT – 14 units + 1 caretaker unit + 1 service coordinator office

Lunch Break!

See you back here in ONE (1) Hour

- 2:00pm EST for our afternoon session

Development and Financing of Supportive Housing

- The Development Process in Supportive Housing
- Development Timeline
- Who is part of the Development Team?
- Finding the right partners
- Financing options (LIHTC, FHLB, IHBG, etc.)
- Questions and Answers

The Development Process

- Supportive Housing takes a long time to develop!
- This is a complex process involving multiple partners across disciplines
- Three separate budgets are involved
- Funding sources are complicated

The Development Process

- No Standard Model or Terminology
- Tasks are Interdependent
- Timing is Critical
- Multiple Players



Five Phases of Development

1. Enthusiasm
2. Disaster
3. Blame and Recrimination, including:
 - Hand Wringing
 - Hair Pulling
 - Begging
1. Punishment of the Innocent
2. Credit Taking by the Uninvolved

Five Real Phases of Development

1. Concept
2. Feasibility
3. Deal making
4. Construction
5. Operations

Development Timeline (handout)

ACTIVITY	SCHEDULE DATE: MONTH/YEAR	PERSON/ENTITY RESPONSIBLE
A. PRE-DEVELOPMENT		
Owner/Developer Selection		
• RFC out for bid		
• Applicant interviews		
• Contract with developer finalized		
Pre-Development Funding Applied for and awarded:		
• ICDBG		
• IHBG		
Architect:		
• RFP developed		
• RFP out to bid (30 days)		
• Architect interviews		
• Architect selected and under contract		
B. SERVICES		
• Service provider/team lead identified		
• Services training		
• Initial service plan complete		
• Final service plan complete		

The Development Team

Supportive housing brings together 3 very different disciplines:

- **Development**
- **Support Services**
- **Property Management**

Variety of partners needed to make project a success

Who is part of the Development Team?

<u>Long-term interests</u>	<u>Short-term interests</u>
• Owner	• Developer
• Property manager	• Development consultant
• Service provider	• Architect/engineer(s)
• Neighbors	• Attorney(s)
• Building residents	• Contractor
• Funders/lenders	• Surveyor
• Licensing/regulatory agencies	• Environmental investigator
	• Marketing consultant

Responsibilities

- **Owner and/or Sponsor:** legally responsible for project, driving force behind the project
- **Developer:** delivery of complete, functional project ready for occupancy
 - **Architect:** part of development team, brought on to design property
- **Property Manager:** real estate management and operations for completed project
- **Service Provider(s):** design and implementation of the supportive services plan and evaluation

Developer

- Typically, this is a company or firm and not an individual person
- Can usually provide services such as guarantees for LIHTC and/or play the role of an owner/owner partner
- Can do a "turn-key" project



Partnering with a Developer



Key Questions

- What is your experience in developing projects that are similar (e.g. housing type, scale, target population, integration of services, funding)?
- How will you work with the property manager and service provider during development, construction, marketing and rent-up?

Partnering with a Developer

More Key Questions

- How do you think joint decisions should be made
- How do you propose to communicate?
- Who will be the project manager?
- Who will be the supervisor?

Development Consultant

- Typically, a small firm or individual
- Can be your "work horse": grant writing, putting together budgets, closing documents
- Typically do not play a role as owner or guarantor of the LHTC
- Many times will be involved in smaller projects or work for experienced non-profits who have developers on staff.



Partnering with a Developer Consultant



Key Questions

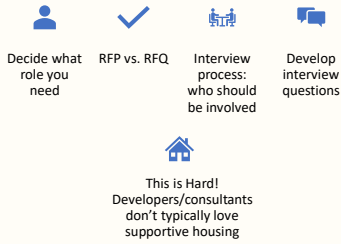
- What is your experience in projects similar in scale and nature to your project?
- What is your experience working with any potential funding sources you have identified?
- Have you been involved in any projects that were not completed – what was the cause?
- Do you have the capacity to take on the proposed project on the timeline needed?
- How are your fees and contract terms structured?

Considerations when selecting consultants

- Experience
 - Have they done similar projects?
 - Have they used the same funding sources?
- Track record
- Time/cost/communication
- Style/approach
- Do your work styles match or compliment each-other?
- Funder Requirements



Process for Selection



Alphabet Soup!

- IHBG – Indian Housing Block Grant
- FHLB AHP - Federal Home Loan Bank Affordable Housing Program
- LIHTC – Low-Income Housing Tax Credits
- ARPA – American Recovery Program Act

More on LIHTC

- Apply through the state allocating agency
- Typically funds 75% or more of project costs
- Income and rent restrictions
 - Federal rule – Maximum of 60% AMI income and gross rent levels
 - Competition for tax credits may require lower income and rent levels - 30% - 50% AMI
 - Income averaging – up to 80% AMI
 - Gross rents include a utility allowance
- Incomes must be certified at move-in but may increase after that time with no penalty
 - Must include 100% of the per cap income from gaming.
 - The first \$2,000 in per cap income generated trust assets is excluded.

More on LIHTC

- There is a 15-year mandatory compliance period and a 15-year extended use period. NOTE: Extended use periods may be longer based on State HA requirements.
- The tax credit project can be structured as either permanent rental or an eventual homeownership which requires rental for the first 15 years and then allows the tenants to purchase their homes

LIHTC: How does it actually work?

- Developers compete for tax credits through their state allocating agency
- Investors purchase the credits and provide equity for the construction of the project
- The project is built with a limited amount of NAHASDA and/or other Tribal debt
- Allows for more units for less money and more units over less time

LIHTC: How does it actually work?

- Tribal construction loan = total dev. cost (TDC) less investor equity
- Investor equity = annual credits x 10 x price per credit (i.e. \$0.85 - \$0.89)
- Tribal loan will typically consist of NAHASDA or other Tribal funds and/or the value of assets for a rehab project
- A developer's fee is paid (typically to the tribe or housing authority) for completing the various tasks necessary to bring the project to fruition
 - Usually paid 3 months after the project completes rent up
- Other gap financing sources may be available:
 - AHP, ICDBG, HOME, RD, other state housing funds, etc.

LIHTC Structure

- IRS requires tax credits to go through a partnership structure
- Credits and losses flow based on percentage of ownership
- Limited Partner (LP) is the investor and receives a 99.99% interest
- General Partner (GP) is the managing partner and receives an 0.01% interest

Guarantees

- Title Guarantee - If on trust land
- Construction Completion Guarantee - The Program requires that units are placed in service within two calendar years after the year of credit allocation
- Tax Credit Guarantee - The investor is paying up front for a 10-year stream of credits
- Operating Deficit Guarantee - The investor is only providing development funds
- Compliance Guarantee - If a project falls out of compliance, its tax credits are at risk

Financing Strategies

- Money that doesn't have to be paid back - grants and equity
- Funding Available
- Compliance Requirements
- Competitiveness of Program
- Gap or Leverage Required
- Predevelopment and/or Bridge Funds

Steps in the LIHTC Process

- Pre-Application
- Application
- Reservation
- Choose an Investor
- Due Diligence
- Legal
- Closing
- Construction
- Lease Up/Move In
- Close Out
- Operations
- Post 15 Year

LIHTC Risks

- Health and safety issues that make the unit uninhabitable
- Incorrectly determining rents and/or incomes
- Complete loss of unit and no rebuild
 - Unit not suitable for occupancy at end of calendar year
- Failure to meet certain deadlines during the credit award through project close out stages

Temperature Check

- That was a LOT of information
- How is your temperature now?
- Questions?




Project Concepts (handout)

- **Concept**
 - Land
 - Zoning
 - Density
 - Parking
 - Intangibles
- **Target Population**
 - Often driven by partners
- **Financial Feasibility**
 - Primary Sources
 - Construction costs
 - Costs of financing (4%/9%)
 - Market fluctuation and budget resilience
- **Intangibles**
 - Neighboring competition
 - Public process
 - Funders' appetite

Additional Resources

- Videos:
- No Losers (New San Marco: Duluth, MN) <https://youtu.be/ETGd2EP4z70>
 - AICHO (Duluth, MN) https://www.youtube.com/watch?v=bz2YjRXilzY&feature=emb_l
 - How Childhood Trauma affects health across a lifetime: <https://www.youtube.com/watch?v=95ovlJ3dsNk>
 - Everything you think you know about Addiction is wrong: https://www.ted.com/talks/johann_hari_everything_you_think_you_know_about_addiction_is_wrong?language=en

See you tomorrow morning for Day 2 11a.m. EST



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