

How to Access Additional Subsidies for Existing Supportive Housing

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BACKGROUND

This guide provides recommendations for existing housing developments that may need additional subsidies to serve an extremely low-income supportive housing population. If you created a supportive housing development but there were not enough subsidies available at the time of opening, are using subsidies that expired (e.g. Tenant Based Rental Assistance - TBRA), or want to replace a current subsidy that does not allow rent increases with one that does, this guide is for you.

Rental subsidies in supportive housing developments ensure affordability for residents while maintaining the project's sustainability, bridging the gap between market rents and affordable rent for extremely low-income individuals and families. There are several government programs that support the inclusion of rental subsidies in supportive and affordable housing. Here are five approaches for owners and property managers to consider.

1. Understand your <u>Public Housing Agencies</u>' (PHA) abilities relating to project-based vouchers (PBVs) and work with them to request additional resources.

PHAs often administer local tenant-based Housing Choice Voucher (HCV) programs. They have an option to convert a portion of these tenant-based HCVs to PBVs, so that they can be attached to a specific housing development. Generally, a PHA can project-base up to twenty percent (20%) of its authorized voucher units.¹ PHAs can project-base a greater percentage if they intend to attach PBVs to supportive housing and other housing that serves populations requiring additional support to maintain housing.² PHAs detail their policies regarding the issuance of vouchers in their <u>administrative plan</u> and strategies for HCV program administration.

¹ <u>Project Based Vouchers | HUD.gov / U.S. Department of Housing and Urban Development (HUD)</u>

² Federal Register :: Housing Opportunity Through Modernization Act of 2016-Housing Choice Voucher (HCV) and Project-Based Voucher Implementation; Additional Streamlining Changes



If the local PHA does not currently offer project-based vouchers, the administrative plan will need to be updated and approved before it can do so. Amending an administrative plan can take time. An amendment requires a public participation process and must be formally adopted by the PHA Board and reviewed by HUD. PHAs have the ability to attach PBVs to existing housing awarded funding through another competitive process within the past three years without running their own process, if this method meets HUD requirements and is documented within their administrative plan. This method cannot be utilized if the competition involved any consideration that the project would receive PBV assistance.³ Some HCVs that can be project-based are designated for specific sub-populations of people in need of affordable housing. Please see the additional resources at the end of this guide for a list of these types of vouchers.

Helpful considerations:

- Get to know and build a relationship with your local PHA to explore the types of resources your local PHA has available. PHAs often will release Requests for Proposals (RFP) for PBVs. Sign up for their mailing lists to make sure you know when their vouchers become available and attend their public meetings to learn more about their focus and priorities.
- Understand which PHAs serve your community and the resources they use to address housing needs. Smaller communities may be served by a PHA that only manages Public Housing, and even smaller communities may be served by a state PHA. It's important to understand which PHA serves your area and the resources they have for affordable housing. Find your local PHA(s) here: PHA Contact Information | HUD.gov / U.S. Department of Housing and Urban Development (HUD).
- Review your local PHA's administrative plan, become familiar with the RFP submission and selection process, and annual compliance procedures. It is important to understand your local PHA's administrative plan as it guides what they can and cannot do with their resources. It is possible for the PHA to amend their administrative plan, so if it doesn't currently include the option to project-base vouchers in supportive housing, start a conversation early on with your PHA about their interest and potential timelines for amending it. Amending an administrative plan takes time and requires a public participation process and must be formally adopted by the PHA Board and reviewed by HUD.
- Develop a relationship with your local PHA. Meet with them to understand their resources, goals, and interests and share with them the community need for supportive housing.

³ <u>eCFR :: 24 CFR 983.51 -- Proposal and project selection procedures.</u>



- Share local data on the populations requiring additional support to maintain housing that your organization or community is prioritizing for supportive and affordable housing, such as transition-aged youth, older adults, disabled individuals, etc.
- Explore ways to partner: Do they have HCVs and room within their PBV cap so that they can project-base into your project? If the PHA already has some PBVs, is there an established coordinated process between the PHA and the local Continuum of Care for the waiting list(s)?
- Learn the requirements that the PHA puts on their PBVs. On the federal level, HUD requires PHAs to deny vouchers to anyone who has been convicted of manufacturing/producing methamphetamine on the premises of federally assisted housing, individuals subject to a lifetime registration requirement under a state sex offender registration program, and people who do not have U.S. citizen status (except for those with certain immigration statuses). However, PHAs can add additional restrictions (eviction history, additional arrest and conviction history, etc.). It is important to understand which restrictions your local PHA uses to determine eligibility. Supportive housing tenants often have histories that prevent them from accessing HCVs due to these additional eligibility standards that PHAs put in place, but HUD has offered <u>guidance</u> to PHAs to reduce these barriers. In many communities, supportive housing providers have successfully worked with their local PHA to use the PHA appeal process, noting the services provided in supportive housing as an additional support allows them to make an exception for a supportive housing tenant to access an HCV or PBV.

2. Become a member of your local <u>Continuum of Care (CoC)</u>, share updates on the project's housing and service needs, and partner to apply for any new resources.

Rental assistance costs are an eligible category in the CoC program for Permanent Housing, and may include tenant-based, sponsor-based or project-based subsidies. Other organizations with CoC rental assistance funds may be looking for housing opportunities for their tenants.

Helpful considerations:

- > Review the CoC strategic priorities, become familiar with submission, selection, and compliance procedures for funding.
- > Apply for funding when available and stay connected to the CoC through meetings and committees.
- Connect to Veterans Affairs Supportive Housing (VASH) resources and partner with the CoC if you have units available and potential tenants need a unit match.



3. Market vacant units to tenant-based voucher holders.

Nearly 40% of households assigned vouchers are unable to use them⁴ as recipients may face challenges due to landlord screening, high rents, and source of income discrimination.

Helpful considerations:

- Most PHAs have a landlord list available to provide to program participants seeking housing. Contact your PHA to have your organization or property added to the list.
- Utilize common online rental housing search forums to advertise the property. Some websites such as <u>www.affordablehousing.com</u> are specifically for affordable housing properties.
- Establish an outreach plan, marketing the vacant units with local partners those located within close proximity to the project. Partners can include the Continuum of Care, local housing or shelter providers, daycare providers, food pantries or faithbased community organizations.



⁴ Four Ways to Improve the Housing Choice Voucher Program | Enterprise Community Partners



4. Research and access rental subsidy options administered at the state and local level.

Some state Housing Finance Agencies (<u>HFA</u>), cities and counties, and other government agencies provide rental assistance.

Helpful considerations:

- State and local rental subsidy options can vary widely based on local resources. The National Low Income Housing Coalition created the <u>Rental Housing Programs Database</u> which can identify state and local rental assistance programs in your area. Outline application deadlines, meet with staff to understand if programs need additional units, and the requirements to apply for or implement that program.
- State Housing Finance Agencies manage the HUD 811 program. Understand if there is any opportunity to access rental assistance or if it is fully subscribed.
 - o Section 811 Supportive Housing for Persons with Disabilities
- HUD funds local communities, state, and nonprofit agencies to administer the Housing Opportunities for Persons with AIDS (HOPWA) program. Understand if your local HOPWA program provides tenant-based or project-based assistance and how potential tenants can be connected to your buildings.
 - Housing Opportunities for Persons with AIDS (HOPWA): Housing Opportunities for Persons With AIDS HUD Exchange

5. Enroll in electronic mailing lists to stay apprised of new funding opportunities.

Some include: HUD<u>Exchange Mail</u>, and the applicable <u>State Housing Finance Agency</u>, <u>Public Housing Authority</u>, city and/or county housing departments.



ADDITIONAL RESOURCES

PHAs administer several types of special purpose vouchers, most often with a specific focus targeted to a specific population being housed in an affordable or supportive housing development. These vouchers all require PHAs to partner with other government agencies, therefore establishing and building a relationship remains critical to securing subsidy vouchers for the project.

Special Purpose Voucher Types:

- Emergency Housing Vouchers | HUD.gov / U.S. Department of Housing and Urban Development (HUD)
- Family Unification Program | HUD.gov / U.S. Department of Housing and Urban Development (HUD)
- Foster Youth to Independence FYI | HUD.gov / U.S. Department of Housing and Urban Development (HUD)
- Mainstream Vouchers | HUD.gov / U.S. Department of Housing and Urban Development (HUD)
- <u>Veterans Affairs Supportive Housing Veterans Affairs Supportive Housing (VASH) PIH | HUD.gov / U.S. Department of Housing and Urban Development (HUD)</u>

