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Permanent Supportive Housing Production Program Model for Tarrant County, Texas

Prepared for:

The City of Fort Worth, Tarrant County, Fort Worth
Housing Authority, Downtown Fort Worth, Inc. and
the Mayor's Advisory Commission on
Homelessness

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SUMMARY

INTRODUCTION

The Fort Worth Mayor's Advisory Commission on Homelessness (MACH) was established by Ordinance on October 4, 2005. The nineteen-member body met 10 times between September 30, 2006 and August 31, 2007. One of the initial goals identified by the group was to develop and implement a 10-Year Plan to End Homelessness. Fort Worth is the largest city in the nation that does not have a 10-year Plan to End Homelessness. Throughout the past year the MACH has focused its efforts on the production of a plan.

In the coming year the MACH will focus its energies on the completion of the 10-Year Homelessness Plan. The majority of the plan's core strategies and major areas of emphasis will include: Prevention and Supportive Services; Housing; Data Systems and Planning; a Central Resource Facility; and; Neighborhood Impact and Public Safety.

During 2006, the Corporation for Supportive Housing (CSH) had been in contact with the City of Fort Worth several times to provide best practice examples and strategies in combating homelessness. In November 2006, staff from CSH traveled to Fort Worth and met with local officials, the Mayor's Advisory Commission on Homelessness, community representatives and local developers and service providers for two days. During this time, Fort Worth provided a historical background of homelessness in their community and a framework for where they hope to move towards in the future. CSH also provided a presentation to local non-profit groups on the basics of permanent supportive housing and best practice strategies in its development and implementation.

In addition, in April 2007, a delegation from Fort Worth including members of the City staff, Downtown Fort Worth, Inc. and the Fort Worth Housing Authority joined delegations from other cities around the state of Texas for a two-day site visit of best practice projects in Seattle, Washington. This visit included visits to projects implementing Housing First and other innovative service strategies as well as meetings with local and county officials and the King County Interagency Council on Homelessness. Based on this visit and the previous meeting earlier in 2006, the CSH was contracted by the City of Fort Worth to assess the need for permanent supportive housing (PSH) and develop cost estimates associated with the number of PSH units necessary to make a significant impact on homelessness in the City of Fort Worth.

This report was requested and generously funded by the City of Fort Worth, Tarrant County, Downtown Fort Worth, Inc., and the Fort Worth Housing Authority.

The **goal** of this report is to accomplish the following:

- Determine the number of new permanent supportive housing units needed in Fort Worth to effectively end long-term homelessness and significantly reduce emergency shelter use;
- Estimate the capital, operating and services costs associated with creating 544 permanent supportive housing units and 200 affordable housing units;
- Identify existing and potential funding sources and determine funding gaps;

- Determine timing of resources; and
- Provide recommendations for implementation and financing.

This report is meant to be a living, working document and was created with a great amount of flexibility. That being said, we typically encourage municipalities to allow this document to *start* the discussion of developing a comprehensive supportive housing development strategy. A strategy of this sort requires time, energy, and creativity from several key stakeholders including, but not limited to, local government officials with control over housing and service funding, state agencies with control over housing and services funding, the governing body of the local continuum of care funds, philanthropy, and intermediaries.

This report outlines a potential scenario for creating and financing 544 units of supportive housing over a six year period. A range of supportive housing models matched to service strategies is offered. The six-year scenario described in this report was influenced by several factors:

- the profile of homelessness in Fort Worth;
- the current capacity of local housing developers and service providers;
- the current rental market conditions;
- the potential sources of financing for housing development, operations and service delivery on a city, county, and state level.

The **housing approach** assumed in this report is the following:

- 544 units of permanent supportive housing for chronically homeless singles, singles at risk of being homeless and chronically homeless families.
 - 82 (15% of the total) units will use existing privately owned apartments.
 - 452 (83% of the total) units will be newly constructed and/or substantial rehabilitation of 1-bdrm units
 - 10 (2% of the total) units will be newly constructed and/or substantial rehabilitation of 3-bdrm units (for families with children)
- 200 units of quality affordable housing without incorporated services for low income single adults and families

CSH used a variety of research approaches to develop this model including several group and/or one-on-one interviews with key local government officials, the housing authority, county officials, state officials, intermediaries, providers, and CSH's own experience. What CSH has learned during this exercise is that there is currently a lot of momentum around developing PSH in the City of Fort Worth. We have witnessed the enthusiasm of the Mayor's Advisory Commission on Homelessness, the Fort Worth Housing Authority, downtown business, providers committed to creating effective solutions for the hardest to serve homeless populations.

Four key working assumptions emerged throughout our interviews:

1. The majority (greater than 86%) of the county's homeless population resides within Fort Worth.

2. The long-term shelter user and unsheltered homeless populations are underserved and there is a shortage of capacity within the current system to effectively serve them (and end their homelessness).
3. There is a robust transitional housing sector and a large Shelter + Care portfolio in Fort Worth that is serving a segment of the homeless population very effectively, but many projects are not serving the “hardest-to-serve” populations well or have eligibility requirements that disqualify them.¹
4. Low supportive services funding levels and a lack of development capacity will restrict the community’s ability to achieve scale quickly.

The analysis of the 2007 Tarrant County Point-In-Time (PIT) homeless count showed a need for approximately 1,088 new permanent supportive housing units to address the needs of individuals and families that have been homeless for the longest periods of time. Based on the assumptions above, this report models a six year production goal of 50% of the need or 544 permanent supportive housing units. By focusing on the individuals and families that have been homeless for the longest periods, Fort Worth will be able to positively impact shelter capacity immediately allowing the emergency shelters to function more effectively. To position itself to achieve the 10-year goal and increase production in the final 4 years of the plan, Fort Worth will need to implement capacity building efforts and identify sources to increase supportive services investments.

¹ Two primary reasons were generally identified as barriers to serving the long-term shelter users and unsheltered homeless, lack of money/capacity and provider philosophy. The two reasons identified are directly related to each other, particularly in an underfunded service system as is the case in Texas. Without adequate funding and training, providers have tremendous difficulty providing adequate support to populations with multiple persistent barriers to stability.

Diagram of Supportive Housing Strategy/Initiative

Increasing Permanent Supportive Housing in Fort Worth: The Next Step

Target: Single adults, families, and youth who are long-term and/or chronically homeless or at risk of becoming long-term/chronically homeless

Supportive housing goal: 544 units that will include 1-bdrm and 3-bdrm units.

Housing approach: Use existing rental in the community to support 15% of the goal. Develop new units for the remainder with 43% of those new units developed as part of larger affordable housing goal.

Families (2% of total)

Target: Families who are long-term homeless.

Supportive housing goal: 10 3-bdrm units

Housing approach: New construction of 10 three-bdrm units set aside in larger project

Service Funding: Local general funds and private philanthropy for initial 2 – 3 years while creating the case/strategy for long-term public investment.

Operating Funding: Project-based vouchers from the Housing Authority; S+C

Capital Funding: LIHTC, HOME, Ft. Worth HTF, SHP, and AHP

Adults (96% of total)

Target: Single adults who are chronically and/or long-term homeless or at-risk of becoming long-term/ and/or chronically homeless

Supportive housing goal: 524 1-brdm units

Housing approach: 82 leased scattered-site and 442 new construction

Service Funding: Local general funds and private philanthropy for initial 2 – 3 years while creating the case/strategy for long-term public investment.

Operating Funding: Project-based vouchers from the Housing Authority; S+C

Capital Funding: LIHTC, HOME, Ft. Worth HTF, SHP, and AHP

Unaccompanied Youth (2% of Total)

Target: Youth who are long-term homeless or at-risk of becoming long-term homeless.

Supportive housing goal: 10 1-brdm units

Housing approach: New construction of 10 1-bdrm units in an affordable housing project

Service Funding: Local general funds and private philanthropy for initial 2 – 3 years while creating the case/strategy for long-term public investment.

Operating Funding: Project-based vouchers from the Housing Authority; S+C

Capital Funding: HOME, Fort Worth HTF, SHP, and AHP

I. WHAT IS PERMANENT SUPPORTIVE HOUSING?

Essential for any successful permanent supportive housing (PSH) development strategy or initiative are agreed upon understandings of basic definitions. Please note that as these are descriptions or definitions that CSH has either developed or borrowed, they are based on over 15 years of experience, best practices across the country, or HUD's definition, and are broadly accepted in most communities.

What is permanent supportive housing

Supportive housing is permanent, affordable housing linked to a range of support services that enable tenants to live independently and participate in community life. It is a cost effective and successful alternative to more expensive and less effective emergency services or institutional settings.

Who lives in permanent supportive housing

Supportive housing can help people with psychiatric disabilities, people with histories of addiction, formerly homeless people, frail seniors, families, young people aging out of foster care, individuals leaving correctional facilities and people living with HIV/AIDS to live independently with dignity in the community. Tenants of supportive housing typically fall into two or more of these categories.

What does permanent supportive housing look like?

The housing will vary according to the housing market, local preferences and other local conditions. It is important—both for neighbors and tenants—that supportive housing fit into the neighborhood and has quality property management. Supportive housing can be integrated into affordable housing or mixed-use developments and can be a vital element in neighborhood revitalization efforts. While most supportive housing consists of apartments, in some locations, single-family homes or small multi-family buildings are the most appropriate housing type.

While the housing model will vary, quality supportive housing will include the following core features:

- *Landlord/tenant relationship* - Supportive housing should have a typical landlord/tenant relationship where tenants hold leases or occupancy agreements and there are no maximum length of stay requirements. Tenancy should not be conditioned on acceptance of services but in compliance with a lease.
- *Solid financing* - Supportive housing should have little or no conventional/must-pay debt, fairly stable sources of operating subsidies, and ongoing service funding that comes primarily from government sources, not philanthropy.
- *Multidisciplinary partnerships* - Well-designed and managed supportive housing draws on the combined skills of people who understand housing development, people who are experienced in property management, and people who know how to work with tenants with high service needs who have not had good outcomes in traditional service settings.
- *Flexible services* - Quality supportive housing has service providers that are willing to do whatever is necessary to help tenants stay in the housing and get more involved in the community and work. Services typically include medical and mental health care, vocational and employment services, substance abuse treatment, and independent living skills training. Services may be offered on-site, in the community, or through a mix of both. Services need to be accessible, responsive to the needs of the tenants and focused on maintaining housing stability.

Housing Models

A variety of housing models are used in the proposed development agenda to create the 544 permanent supportive housing units, including the use of existing housing as well as the development of single site supportive housing projects. The models are described in brief below.

Single site

A multi-unit apartment building of any size where formerly homeless individuals or families occupy all of the units. Typically, services to support the tenants' recovery, employment activities and reintegration into the community are available on site. Larger buildings usually include a 24-hour front desk.

Set aside rental units

Multiple units "set aside" for the formerly homeless tenants within a larger building, usually affordable housing owned and managed by a nonprofit or private market landlord. The supportive housing sponsor may hold a master lease for the units and sub-let to the tenants or the tenants may rent directly from the landlord in an arrangement facilitated by the supportive housing sponsor. Service strategies can vary and may include the provision of some services on-site. Often an extra apartment for services/program space is either leased or provided free by the landlord.

Scattered site rental units

Single units that can be houses, a unit in a duplex, or one or more units in small apartment buildings, rented from a nonprofit or private market landlord. Wherever possible, scattered site units are grouped geographically within a neighborhood to achieve management and service economies of scale. The supportive housing project may hold a master lease for the units and sub-let to the tenants or the tenants may rent directly from the landlord in an arrangement facilitated by the supportive housing sponsor. Services usually include some home visits, but most service provision occurs outside the tenant's home.

II. FORT WORTH PERMANENT SUPPORTIVE HOUSING NEED

To develop an appropriate permanent supportive housing (PSH) goal for Fort Worth, we first need an understanding of the number of households experiencing homelessness over the course of a year. A homeless point-in-time count (PIT) provides a snapshot of homelessness at a given moment and tends to be biased in showing high proportions of people who have been homeless for long periods of time. PIT counts significantly under-represent those whose homelessness does not last very long—but who nevertheless need, and use, emergency shelter and services.²

Using data from Tarrant County's 2007 Annual Homeless Survey and Street Count (Point-In-Time), we have estimated the number of households experiencing homelessness annually. The annual estimate of homeless households does not dramatically change the number of persons experiencing chronic homelessness, but does provide greater insights into the overall housing need (PSH and affordable housing) to end or significantly reduce homelessness at-large in Fort Worth.

In this report, "need" means, "What the person needs to end his or her homelessness for good." While emergency shelter is a critical need to address the immediate issues of homelessness and an important component of a Continuum of Care, for most households, emergency shelter will not end their

² CSH uses the methodology described in its publication, "Estimating the Need," to estimate the annual homeless number in Ft. Worth. The methodology was developed by leading homeless researcher, Martha Burt, at the Urban Institute.

homelessness. Most have tried emergency shelter, sometimes frequently, and they are still homeless. Some have rejected or been excluded from shelter, while others have stayed in shelters for months or years without any success in moving on to permanent housing. Therefore they do not “need” emergency shelter; they “need” transitional programs, permanent supportive housing, or affordable housing that will address long-term stability.

People need PSH if they would not be likely to obtain and/or maintain housing – even if it was housing they could afford – without ongoing support because of one or more factors that promote instability.

The people with one or more chronic and disabling conditions would probably need PSH while some people with less substantial or complex disabilities, or some who are working to achieve and sustain recovery from addiction and don't have other disabilities, may need affordable housing with shorter-term, transitional support services.

FORT WORTH NEED

Using Tarrant County's 2007 PIT data to determine the size and demographics of the homeless population, we have been able to develop an annual estimate of homeless households and the need for permanent supportive housing. The PIT report contains two key pieces of information: 1) a total point-in-time count of homeless persons and 2) self-reported characteristics of the homeless persons that completed PIT surveys.

Based on Tarrant County's 2007 PIT, CSH estimates that at a single point-in-time, Fort Worth has:

- 2,878 homeless persons or approximately 1,548 homeless households³ and,
- Of those surveyed, 36% are in shelters, 7% are outdoors (unsheltered), and 56% are in transitional housing and all are in need of permanent housing ,
- 19% have been homeless for more than one year and 18% were homeless four or more times in the past 3 years, and
- Approximately 53% of homeless persons surveyed have potentially chronic and disabling conditions that would call for supportive services to remain stably housed.
 - 26% report a mental illness and of those 36% believe their mental health condition limits their ability to live on their own,
 - 23% report a permanent physical disability,
 - 9% report testing positive for HIV⁴,
 - 23% report chemical dependency issues and of those 17% report chemical dependency as a contributing factor to their homelessness, and
 - 17% report a problem with alcohol dependency and of those 11% report alcohol dependency as a contributing factor to their homelessness.

³ The estimates do not include people counted that are currently living in permanent supportive housing, demographic information from the surveys is representative of the total count (4,042), including people currently living in permanent supportive housing.

⁴ 15% of those surveyed report never being tested for HIV and 35% reported they have not been tested in a year or more. The prevalence of HIV/AIDS can be up to nine times higher among persons who are homeless or unstably housed compared to persons with stable and adequate housing.

Based on the characteristics of the homeless persons surveyed during the 2007 PIT, we can estimate the need for PSH by looking at a few key factors:

- Everyone that is currently homeless needs a permanent residence. Unless there is a readily accessible (vacant) stock of affordable housing, the conservative estimate for new affordable housing (including PSH) is equal to the number of homeless households at the time of the PIT.
- Approximately 20% of the homeless persons have one or more chronic disabling conditions that contributed to their homelessness. For them, PSH is likely the most viable option to achieve housing stability.

Additional anecdotal information tells us:

- More homeless persons have chronic and disabling conditions than reported in the surveys.⁵

Table 1: Estimating the Total Number of Permanent Supportive Housing (PSH) Units Needed								
	Number of Households that are Homeless Over the Course of a Year	Percent of Homeless Population	Percentage of Population Group that Needs PSH	Number of PSH Units Needed	Number of Existing PSH Units	Annual Turnover Rate	PSH Units Available This Year	TOTAL PSH Units Needed
Single Individuals:	2,739	72%	45%	1,242	575		173	1,069
Single Adults:	2,673	70%	46%	1,233	575		173	1,059
Chronic Homeless:	872	23%	100%	872	22	20%	4	868
NOT Chronic Homeless:	1,800	47%	20%	360	553	31%	169	191
Unaccompanied Youth:	66	2%	15%	10	0	0%	0	10
Families with Children:	1,090	28%	5%	50	156	20%	31	19
TOTAL (Annual Homeless Estimate):	3,829	100%	34%	1,293	731		204	1,088

*CSH estimates that approx. 20% of the Fort Worth homeless population is “long-term homeless.” Long-term homelessness is defined more broadly than HUD’s chronic homeless definition. See the priority household descriptions on the following page for a full definition of long-term homeless.

III. THE CRITICAL NEXT STEPS

The housing unit goals and implementation strategies in this report are intended to map out the first critical steps necessary to make many more rental units available and accessible to extremely low-income homeless households in Fort Worth.

CSH proposes a two year focus for these next steps that will create momentum and increase needed resources to achieve the unit goal over six years and position the City for additional development:

⁵ Agency records, experience, and other studies have shown that the number of individuals who are homeless due to mental illness is much higher, but the point-in-time count is completed using a self-report survey, and therefore the number reported here is likely quite low. There is a reasonable concern that Substance Abuse/Dependence and HIV status are also under-reported for the same reason.

- Identify and secure the necessary resources to make significantly more housing affordable and accessible to homeless, vulnerable, extremely low income Fort Worth citizens.
- Foster consensus and commitment around reallocating existing resources.
- Strengthen the relationships and alliances needed to advance a development and policy reform agenda.
- Nurture the required political will from local, state and national sectors, including government, the private sector and philanthropy.
- Develop and implement public policy and program reforms required to reach the housing goals.
- Create and put in place methods to track progress towards meeting the goals and to foster accountability among all stakeholders.
- Focus on the most vulnerable homeless individuals and families, including those who have been homeless for extended periods and are currently using a disproportionate share of services. Doing so will free up existing resources for individuals and families with emergency and short-term needs.

The 544 permanent supportive housing units created will make a dramatic impact on the number of chronically homeless living in a temporary setting; however there are many homeless households that could also benefit from PSH or are in need of very affordable housing to solve their homelessness.

In order to end or significantly reduce homelessness at-large in the Fort Worth area, there is a significant need for additional PSH development and increased access to and development of quality affordable housing. Included in the overall model to reach the 544 PSH unit goal are 200 additional affordable housing units. A portion of the PSH units (232) will be developed as set-asides in mixed tenancy projects that will include both PSH and affordable housing units.

PRIORITY HOUSEHOLDS

The priority households for the six years should include:

- “Chronic” homeless single adults – those who meet HUD’s Chronic Homeless definition: An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years.
- Long-term homeless single adults – who don’t meet HUD’s definition because of the frequency of their episodic homelessness or undiagnosed disability – those who have chronic health conditions that are at least episodically disabling such as mental illness, substance use issues, and HIV/AIDS, or other substantial barriers to housing stability (e.g., domestic violence, trauma, or history of out-of-home placements), and have been homeless for long periods of time (one year or more), or repeated stays in the streets, emergency shelters, or other temporary settings, including cycling between homelessness and hospitals, jails, or prisons.
- Long-term homeless families – those who have chronic health conditions that are at least episodically disabling such as mental illness, substance use issues, and HIV/AIDS, or other substantial barriers to housing stability (e.g., domestic violence, trauma, or history of out-of-home placements), and have been homeless for long periods of time (one year or more), or repeated

stays in the streets, emergency shelters, or other temporary settings, including cycling between homelessness and hospitals, jails, or prisons.

- Long-term homeless and at-risk youth – The definition above for long-term homeless pertains to this target population as well. To provide context, youth that become homeless upon being emancipated from foster care, the juvenile corrections system or other institutional care, at or near age 18 often fall under this definition. Homeless youth often report that their family relationships have also been strained by emotional abuse, neglect, alcoholism, addictions, or disapproval of their sexuality and/or sexual identity. Lesbian, gay, bisexual, transgender and questioning youth are disproportionately represented among the homeless youth population.

There are a number of reasons for concentrating initial efforts on serving these households. ***Assisting the households most in need – those that typically use a disproportionate share of existing resources, such as long-term homeless single adults and families – will increase access to emergency and time-limited resources for other households who can use these resources more efficiently.*** Focusing on households facing the most challenges will also underscore the need to establish better coordination and collaboration among funders, social service agencies, property owners, and other key players in order to reach the housing goals and, optimally, stimulate efforts to improve these collaborations and linkages.

HOUSING MODELS AND SERVICE STRATEGIES FOR PRIORITY HOUSEHOLDS

The following chart shows the different housing options modeled in this report. All of the housing options include an intensive service strategy to most effectively support the priority households' housing stability and create healthy safe communities.

Household type	Housing/Service strategy
Chronic Homeless	<ul style="list-style-type: none"> ▪ single sites w/intensive services ▪ set asides w/ intensive services ▪ scattered site leasing w/ intensive services
Long-term Homeless	<ul style="list-style-type: none"> ▪ set asides w/ intensive services
Long-term Homeless Families	<ul style="list-style-type: none"> ▪ set asides w/ intensive services
Long-term Homeless Youth	<ul style="list-style-type: none"> ▪ set asides w/ intensive services

Intensive Services

- Focus on housing retention.
- On-site service provider(s) for single site and set aside housing models.
- Service provider(s) makes home visits to scattered site housing as often as necessary
- Services include access to primary health care, mental health and substance use treatment, prevocational and vocational services, parenting, financial and life skills classes, age-appropriate services for children in families, transportation and recreational programs, and services to support housing retention.

- Lead service provider has frequent face-to-face contact, conducts assessment and coordinates all direct services and links to community-based services.
- Service providers are typically separate (organizationally or structurally) from housing provider.

Many supportive housing projects serving tenants with the most complex needs use Assertive Community Treatment—ACT teams—or a similar approach. ACT is a service-delivery model that provides comprehensive, locally based treatment to people with serious and persistent mental illnesses. Unlike other community-based programs, ACT is not a linkage or brokerage case-management program that connects individuals to mental health, housing, or rehabilitation agencies or services. Rather, it provides highly individualized services directly to tenants who receive the multidisciplinary, round-the-clock staffing of a psychiatric unit, but within the comfort of their own home and community. Typically ACT team members create an interdisciplinary team that is trained in the areas of psychiatry, social work, nursing, substance abuse, and vocational rehabilitation.

IV. COST AND RESOURCE ANALYSIS

Developing permanent supportive housing in Texas will pose many challenges with respect to having access to sufficient resources. There are three key sources of financing needed in order to build viable, sustainable projects – capital, operating, and services. What we have learned through our research is that in spite of the lack of resources available on a state level, several cities like Austin and San Antonio have created local housing development resources primarily through bond financing.

CAPITAL

Within the Texas Department of Housing and Community Affairs (TDHCA) there are several departments that provide capital financing for the rehabilitation or new construction of new projects.

- **HOME Funds**
HOME funds are divided among 13 regions across the state with separate pots for both rural and urban locations. Only 5% of the State HOME funds are typically set-aside for local jurisdictions (participating jurisdictions) that also receive HOME funds. In 2007, this 5% rule will change and no additional funds will go to participating jurisdictions.

In addition, in the past several years, a portion of the State's HOME funds were set aside for special needs projects for participating and non-participating jurisdictions. The definition of "special needs" was broad enough to include homeless families and individuals and was thus a consistent source across the state for supportive housing.

In 2007, the set-aside will only include projects that target individuals who are developmentally disabled. Many providers across the state are speaking out against this change and hope to have this valuable resource at least split between developmentally disabled and homeless individuals.

The remainder of the State's HOME funds are primarily used for homeowners and owner occupied assistance to repair units.

- **Low Income Housing Tax Credit**

The tax credit program is highly competitive. In fact, some believe it is one of the most competitive programs in the country. States prioritize how they utilize their low income housing tax credit allocations annually through a document called the Qualified Allocation Plan (QAP). The QAP determines if specific target populations or project types are prioritized for tax credit allocation. Typically in Texas, there are not a large number of supportive housing projects applying for credits and currently, there is no supportive housing set-aside or incentives to develop supportive housing (i.e. higher points given to projects targeting chronically homeless individuals).

Despite the absence of specific targets towards the homeless, there are indirect opportunities that could give supportive housing a competitive advantage. For example, points are awarded for targeting households at or below 30% AMI, which typically is where all homeless individuals and families fall. The challenge that supportive housing developers face is not necessarily meeting the 30% or below threshold, rather it's finding sufficient operating subsidy, service funding, and gaining community support to ensure a project's viability. According to TDHCA, this is typically where many groups fall short.

Similar to HOME funds, tax credits are also divided across 13 regions across the state. For the past several years, Fort Worth has typically received two tax credit awards which have made for an extremely competitive market and a classic case of demand far outweighing supply.

Our research did find that the use of 4% credits are severely underutilized, which is pretty common among most states across the country. The 4% credit is an "as of right" credit and is automatically awarded to tax exempt bond projects. The largest obstacle when structuring projects with this source of capital financing is whether or not a supportive housing project can support debt. Typically, in supportive housing projects, the preferred structure is "no debt" given the population being served and short-term subsidies. While this is a viable and potentially strong source for financing projects, a flexible resource would also need to be created on a local level to help write down the debt.

- **Texas State Housing Trust Fund**

The Housing Trust Fund (TXHTF) is a state funded program that provides low-interest rate loans to non-profits for predevelopment, acquisition, rehabilitation, and new construction. Historically, the HTF has made available \$2.6 million biennium with several rounds of funding per year (additional funding was allocated during the 2007 legislative session that essentially doubles the fund; however, this is still not a substantial amount for a state the size of Texas). For the first round in 2007, the fund is awarding \$400,000 to eligible projects.

As the TXHTF represents a potential source of funding to develop supportive housing, it is not heavily capitalized and therefore funding awards are typically small. Sources for the fund consist of appropriations or transfers made to the fund, unencumbered fund balances, and public and private gifts or grants. Historically, a large majority of the funding allocated to the Texas HTF has been mandated to support the "Bootstrap Loan Program". This is an "owner-builder" loan program that provides loans to low and very-low income individuals and families to assist in the development of affordable housing within the state of Texas. This program would not be compatible for the target populations on which this report is focused.

While local funding opportunities are currently limited, the City has already begun to develop new resources and identify possible new sources of funding. The City of Fort Worth has recently created a Housing Trust Fund and has earmarked a portion of the fund, \$570,000 annually, for homeless housing activities.

Currently, the primary funding source for affordable and supportive housing is HOME funds. CDBG funds are limited, competitive, and more often used to encourage community development efforts across the city. These efforts may or may not include supportive housing. In 2007, the Fort Worth budget for HOME funds is \$3.5 million. The Tarrant County budget for HOME funds is \$1.2 million.

The financial modeling exercise presented in this report will show the amount of additional support needed to create an initiative for the next seven years and significantly reduce the number of homeless individuals on the streets.

This report should not only be used to start the conversations within the local city government around supporting an initiative, but also at the state level. The financial modeling exercise will also show the need for tax credit equity, which assumes that at least one project will be awarded each year. Given what we know about the competitiveness of the tax credit program, it's imperative that the State be a part and committed to Fort Worth' overall initiative.

As Texas is not necessarily capital rich in terms of state funding available for developing affordable and supportive housing, cities are challenging themselves to creatively find new sources of funding either through bonds or creating local trust funds. This will be Fort Worth' challenge – to creatively think of new resources for capital.

OPERATING

Operating subsidies are an integral component of ensuring the long-term viability and sustainability of any supportive housing project. Many communities have a very difficult time identifying these subsidies or engaging with local housing authorities to prioritize homeless populations for their use. The Fort Worth Housing Authority has a long-standing relationship with the City of Fort Worth and Tarrant County in providing affordable housing options to its most vulnerable residents. The Fort Worth Housing Authority is in good standing and has a successful history of utilizing programs such as the Section 8 Housing Choice Voucher Program and Shelter Plus Care.

The Fort Worth Housing Authority has demonstrated its commitment to the communities most vulnerable citizens not only through its traditional affordable housing programs but in its engagement around how it can play a part in ending homelessness in Fort Worth. The Executive Director has participated in site visits to other locations to learn more about best practice strategies to end homelessness as well as participating on the Mayor's Advisory Commission on Homelessness. Most recently, the Fort Worth Housing Authority participated in a development team with a local Fort Worth non-profit developer and service provider in a 4-month development training institute conducted by CSH to provide Texas state developers training on the development, operation and service delivery strategies to homeless individuals and families in supportive housing.

The Fort Worth Housing Authority has made an initial commitment of 200 vouchers both tenant and project based for projects and scattered site supportive housing units. They are confident they can meet

this commitment and are open to on-going discussions over the next few years about potential additional commitments of operating subsidy.

SERVICES

Fort Worth is heavily reliant on federal funding such as the Supportive Housing Program (SHP) which is administered through the Department of Housing and Urban Development through the McKinney-Vento Homeless Assistance Program and allocated through the formal Continuum of Care process annually. These federal resources in addition to private philanthropic funding have made up the majority of funding for supportive services because of the lack of state and local resources. Texas is ranked 47th in per capita mental health spending and 48th in public health (substance abuse) spending, drastically inadequate to support the needs of the long-term homeless individuals and families. Recommendations are included in the final section of this report for increasing access to existing resources and creating new resources to finance services.

Service cost estimates are based on certain assumptions:

- The cost will vary according to two basic housing models—single site or scattered site—with services delivered to a single site typically less expensive because the service provider may be on site or can serve multiple clients with one trip to the site.
- Service costs will vary depending upon whether the tenant household is a single adult or family, with services to a family typically costing more because each family member receives services.
- The service cost estimates are “point-in-time” and represent the potential total annual cost of services for the units that include one-on-one case management support, group therapy and support groups, and community building activities. Direct tenant contact and group/community building activities are equally important to the tenant’s and community’s stability.

V. RECOMMENDATIONS

Every supportive housing plan created should be flexible enough to provide room for refinements along the way. The implementation stage of every 10-year plan is always the most challenging as it is the time where all local stakeholders must come together around a single vision and commit the time and resources needed to create a successful strategy. Typically, funding that’s used to support an initiative comes from existing resources simply used in a different way. In the case of Fort Worth, a successful initiative will need the commitment of both existing and new resources to end homelessness. Listed below are several implementation recommendations based on CSH’s research, experience, and the local environment.

- Establish a Funders’ Council that consists of heads of all city and county agencies involved in supportive housing to create and commit to resources and a streamlined process for applying for funds.
- Increase the percentage of the City’s Housing Trust Fund dollars targeted to permanent supportive housing projects.
- Explore potential revenue streams, including:

- Barnett Shale revenue⁶
- A real estate document transfer fee
- A dedicated increase to the property tax rate approved by the voters
- City general funds
- A possible affordable housing component in a future bond issuance
- Establish an agreement with the housing authority to set-aside a portion of their project-based subsidies for supportive housing.
- Develop a pipeline of projects. This is a crucial step that is needed prior to advocating for set-asides or other incentives from TDHCA.
- Encourage partnerships between service providers and developers. Provider capacity is a big challenge in Fort Worth because of funding limitations and provider philosophy. Within supportive housing, providers will adopt a certain service philosophy. CSH acknowledges that communities utilize a variety of service philosophies but it should be noted that national research shows that voluntary services result in higher retention rates for tenants over time. However, providers must identify the service approaches that work best and will be embraced by their individual communities, especially when just beginning to develop supportive housing. It is recommended that training and capacity-building assistance be provided to non-profit and for-profit developers to help reach the unit goals as well as educate the community about the benefits of a variety of service philosophies.
- Advocate for supportive housing as a priority for HOME funds from TDHCA.
- Advocate for a set-aside of LIHTC for supportive housing from TDHCA.
- Think creatively about existing sources of financing.
- Review strategy and supportive housing need every 2 years.

Services Financing Strategies: Early impact through targeting – making the case by making it work

- Develop a plan to identify homeless individuals and families who are frequent users of costly emergency systems—including emergency room, jails, detox centers, mental health crisis services.
- Tailor the first several supportive housing projects to meet the needs of these high cost, high use individuals and establish a process to prioritize their access to the newly created housing.
- Use local general funds or philanthropic investment to “seed” the services to demonstrate effectiveness and obtain long-term public investment.
- Use “pre and post” tracking data to compare public cost of this initial target group before and after they moved into supportive housing and contrast that with the public investment in permanent supportive housing.
- Devise, implement and maintain a data collection system which tracks local, state and federal expenditures as well as philanthropic investments in the supportive housing development in order to demonstrate how local investments leverage other public and private financing. Data on cost-

⁶ Fort Worth is expected to earn approximately \$742 million in lease bonuses and royalties over the next 20 years from natural gas drilling on city property.

avoidance resulting from decreased use of expensive emergency and institutional services should also be captured, compared to the costs for developing and operating supportive housing and published on a regular basis. This information can be used to seek support from systems not currently investing in this population on the front end, e.g. emergency health care and corrections.

Services Financing Strategies: Increase eligibility for SSI/SSDI and Medicaid-reimbursable services

Efforts to secure presumptive SSI/SSDI eligibility for homeless individuals with serious physical and mental health problems should be complemented by a concerted effort to increase the number of chronic (and long-term) homeless persons eligible for Medicaid-reimbursed ACT-level services.

Many homeless people with disabilities are overwhelmed by the application process and not readily able to secure the documentation necessary to support a successful application such as psychiatric treatment records, physical exams etc. In a number of communities around the country, service providers have secured foundation or local government funds to hire “benefits coordinators” who establish positive working relationships with the local Social Security Administration office and organizations serving homeless individuals. These specialists do the legwork to collect the necessary documentation, including taking clients to necessary medical exams or other evaluations. Typically, these specialists set up arrangements with medical and mental health providers who have experience with and are sensitive to the needs of homeless individuals. Some specialists may have legal or advocacy training and are thus able to help the client successfully negotiate the appeals process if their application is initially denied.

Use the “benefits coordinators” to increase homeless persons’ dual-eligibility for SSI/SSDI and Medicaid-reimbursable support services (mental health and substance abuse).

Acronym Glossary

1. AHP – Affordable Housing Program
2. HOME – HOME Investments Partnerships Program
3. HTF – Housing Trust Fund
4. LIHTC – Low Income Housing Tax Credit Program
5. S + C – Shelter Plus Care Program
6. SHP – Supportive Housing Program



Tarrant County, TX - Supportive Housing Production Program Financial Modeling - Outline of Contents

The CSH Production Program Template is an Excel document that was created to help you estimate the upfront development and ongoing operating and service costs of a structured affordable and supportive housing production program. The Template Instructions will guide you through how to input the necessary information and financial data. The underlying assumptions you use for this model will vary nationally by area, and it is these inputs which will make the results of each financial modeling exercise unique.

PRESENTATION OUTLINE: TOPICS AND WORKSHEETS	EXCEL TAB NAME	PAGE #S
Outline of Contents	Intro-Outline	1
Key Considerations for Supportive Housing Production Programs	Key Considerations	2
Worksheet #1: Program Summary and Timeline	Summary	3
Worksheet #2: Targeted Tenancy and Production Strategies	TenantsProdStrat	4
Worksheet #3: Capital Costs for All Units	Cap Costs	5
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Worksheet #5: Operating Costs and Subsidies Required for All Units	Op Costs	7 and 8
Worksheet #6: Operating Subsidy Sources for All Units	Op Sources	9
Worksheet #7: Supportive Services Costs and Sources for Supportive Housing Units	ServCostSource	11
Worksheet #8: Calculating the Cost of Full-Time Front Desk Staffing	Front Desk Calc	10
Definitions of Key Terms	Definitions	12



Key Considerations for Supportive Housing Productions Programs

- * In most communities, a demonstration-production program will likely include a mix of acquisition/rehabilitation, new construction, and leasing strategies.
- * Development strategies may include a mix of projects that provide only supportive housing units, and projects that provide a mix of supportive housing and affordable housing units.
- * The more sources of financing it takes to fund a project, the longer it takes to develop a project, driving up the total development costs.
- * In addition to permanent financing, it will be necessary for adequate sources for acquisition, predevelopment, and construction financing to be available to cover such costs at the time those costs will be incurred, with such financing to later be taken out by the permanent financing sources.
- * Supportive housing projects typically cannot support debt service.
- * Extremely low, very low & low income tenants are not able to pay rent in an amount sufficient to cover operating costs per unit.
- * Operating costs for supportive housing units can be expected to be higher than for other affordable housing units.
- * Financing strategies should include maximizing the availability of operating and replacement reserves for supportive housing projects.
- * Low Income Housing Tax Credit Investors will require significant reserves if rental subsidies are not committed for the long term
- * Capital and Operating funding typically must be committed 2 years in advance of expenditures. Services funding typically must be committed 1 year in advance of expenditures.
- * It is critically important to analyze the planned combination of funding sources to ensure that there are no incompatibilities or conflicting regulations.
- * Projects may not be able to fund the full amount of 24 hour/7 day front desk coverage, and it may be necessary to explore additional financing sources or alternative strategies for providing this coverage.



Table 1: Production Program Summary

TOTAL NUMBER OF UNITS:	744	TIME FRAME IN YEARS:	6
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Table 2: Overview of Unit Production Plans by Unit Type, Unit Size, and Year

	Total Units	Unit Production by Year													
		2008		2009		2010		2011		2012		2013		Total by Unit Size	
		1 BR	3 BR	1 BR	3 BR	1 BR	3 BR	1 BR	3 BR	1 BR	3 BR	1 BR	3 BR	1 BR	3 BR
Supportive Housing Units:	544	0	0	82	0	100	0	100	0	100	0	162	0	544	0
Affordable Housing Units:	200	0	0	0	0	50	0	50	0	50	0	50	0	200	0
TOTAL UNITS:	744	0	0	82	0	150	0	150	0	150	0	212	0	744	0

Table 3: Financing Commitments Required for the Production of the Units (By Year)

	Total Costs	Financing Commitments by Year							
		2008	2009	2010	2011	2012	2013	2014	
Capital Financing Commitments:	\$66,782,000	\$15,582,000	\$15,000,000	\$15,000,000	\$21,200,000	\$0	\$0	\$0	
Operating Financing Commitments:	\$25,742,496	\$1,582,896	\$2,421,696	\$3,260,496	\$4,619,352	\$4,619,352	\$4,619,352	\$4,619,352	
Services Financing Commitments:	\$12,429,244	\$590,385	\$619,904	\$2,030,348	\$2,131,866	\$2,238,459	\$2,350,382	\$2,467,901	
TOTAL FINANCING COMMITMENTS:	\$104,953,740	\$17,755,281	\$18,041,600	\$20,290,844	\$27,951,218	\$6,857,811	\$6,969,734	\$7,087,253	

Note: Expenditures typically occur one budget year after a funding commitment is secured, as reflected in Table 4.

Table 4: Financing Expenditures Required for the Production of the Units (By Year)

	Total Costs	Financing Expenditures by Year							
		2008	2009	2010	2011	2012	2013	2014	
Capital Financing Expenditures:	\$66,782,000	\$0	\$82,000	\$15,500,000	\$15,000,000	\$15,000,000	\$21,200,000	\$0	
Operating Financing Expenditures:	\$17,191,608	\$0	\$687,816	\$1,582,896	\$2,421,696	\$3,260,496	\$4,619,352	\$4,619,352	
Services Financing Expenditures:	\$9,961,343	\$0	\$590,385	\$619,904	\$2,030,348	\$2,131,866	\$2,238,459	\$2,350,382	
TOTAL FINANCING EXPENDITURES:	\$93,934,951	\$0	\$1,360,201	\$17,702,800	\$19,452,044	\$20,392,362	\$28,057,811	\$6,969,734	



Tarrant County, TX - Supportive Housing Production Program
Worksheet #2: Targeted Tenancy and Production Strategies

Table 1: Targeted Tenancy by Production Strategy and Unit Size							
Targeted Tenancy	Total Units	Production Strategy by Unit Size					
		Leased Units			New Construction and Rehabilitation Units		
		1 BR	3 BR	Total	1 BR	3 BR	Total
Supportive Housing Units:	544	82	0	82	452	10	462
Single Adults and/or Youth:	534	82	0	82	452	0	452
Chronically Homeless	435	82	0	82	353	0	353
Long-term Homeless	89	0	0	0	89	0	89
Youth	10	0	0	0	10	0	10
Families with Children:	10	0	0	0	0	10	10
Chronically Homeless	10	0	0	0	0	10	10
Affordable Housing Units:	200	0	0	0	190	10	200
Single Adults and/or Youth:	190	0	0	0	190	0	190
Families with Children:	10	0	0	0	0	10	10
TOTAL UNITS:	744	82	0	82	642	20	662

Table 2: Mix of Permanent Supportive Housing and Affordable Housing Units (By Building)					
<i>Note: This Table describes the unit mix for the newly constructed and rehabilitated buildings only.</i>					
Building Size/Housing Model	Unit Mix				Year Online
	Supportive Housing Units		Affordable Housing Units		
	1 BR	3 BR	1 BR	3 BR	
50 - Unit Building/Single-site Model	50	0	0	0	2009
100 - Unit Building/Set-aside Model	40	10	40	10	2009
50 - Unit Building/Single-site Model	50	0	0	0	2010
100 - Unit Building/Set-aside Model	50	0	50	0	2010
50 - Unit Building/Single-site Model	50	0	0	0	2011
100 - Unit Building/Set-aside Model	50	0	50	0	2011
80 - Unit Building/Single-site Model	80	0	0	0	2012
132 - Unit Building/Set-aside Model	82	0	50	0	2012
662 TOTAL NEW CONSTRUCTION AND REHABILITATION UNITS:	452	10	190	10	



Tarrant County, TX - Supportive Housing Production Program
Worksheet #3: Capital Costs for All Units

Total Number of Units Planned for Production:	744
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Table 1: Total and Per Unit Development Costs (By Production Strategy)						
Production Strategy	Total Number of Units	Total Development Costs			Development Costs Per Unit	
		1 BR	3 BR	Total	1 BR	3 BR
Leased Units:	82	\$82,000	\$0	\$82,000	\$1,000	\$0
New Construction and Rehabilitation Units:	662	\$64,200,000	\$2,500,000	\$66,700,000	\$100,000	\$125,000
TOTALS:	744	64,282,000	2,500,000	66,782,000		

Table 2: Total Development Costs for New Construction and Rehabilitation Units (By Building)							
Building Size	Unit Mix				Total Development Costs		
	Supportive Housing Units		Affordable Housing Units		1 BR	3 BR	Building
	1 BR	3 BR	1 BR	3 BR			
50 - Unit Building:	50	0	0	0	\$5,000,000	\$0	\$5,000,000
100 - Unit Building:	40	10	40	10	\$8,000,000	\$2,500,000	\$10,500,000
50 - Unit Building:	50	0	0	0	\$5,000,000	\$0	\$5,000,000
100 - Unit Building:	50	0	50	0	\$10,000,000	\$0	\$10,000,000
50 - Unit Building:	50	0	0	0	\$5,000,000	\$0	\$5,000,000
100 - Unit Building:	50	0	50	0	\$10,000,000	\$0	\$10,000,000
80 - Unit Building:	80	0	0	0	\$8,000,000	\$0	\$8,000,000
132 - Unit Building:	82	0	50	0	\$13,200,000	\$0	\$13,200,000
662 TOTAL NEW CONSTRUCTION AND REHABILITATION UNITS:	452	10	190	10	\$64,200,000	\$2,500,000	\$66,700,000



Tarrant County, TX - Supportive Housing Production Program
Worksheet #4: Capital Sources for New Construction and Rehabilitation Units

Total Number of Units Planned for New Construction and Rehabilitation:	662
Total Development Costs for New Construction and Rehabilitation Units:	\$66,700,000

Table 1: Sources of Capital Financing and Amounts Required for New Construction and Rehabilitation Units				
<i>Note: The following information is based upon assumptions regarding the portion of the total development costs that each source will cover based upon the typical structuring of such projects.</i>				
Type of Financing / Financing Source	Terms of Financing	Amount of Financing Per Unit	Total Amount of Financing	Annual Amount of Financing
9% Low Income Housing Tax Credits:	Equity	\$50,378	\$33,350,000	\$5,558,333
City of Fort Worth HOME	0%, 30 Year	\$4,532	\$3,000,000	\$500,000
City of Fort Worth HTF	0%, 30 Year	\$3,021	\$2,000,000	\$333,333
HUD's Supportive Housing Program:	grant	\$4,834	\$3,200,000	\$533,333
Federal Home Loan Bank Affordable Housing Program:	0%, 30 Year	\$8,000	\$5,296,000	\$882,667
Tarrant County HOME ???:	TBD	\$0	\$0	\$0
[Other Source]:	TBD	\$0	\$0	\$0
TOTAL CAPITAL FINANCING:			\$46,846,000	\$7,807,667
TOTAL DEVELOPMENT COSTS FOR NEW CONSTRUCTION AND REHABILITATION UNITS (FROM WORKSHEET #3):			\$66,700,000	\$11,116,667
GAP IN CAPITAL FINANCING SOURCES:			\$19,854,000	\$3,309,000

** Note: Additional resources will need to be identified if a gap in the capital financing sources remains.*



Tarrant County, TX - Supportive Housing Production Program
Worksheet #5: Operating Costs and Subsidies Required for All Units

Total Number of Units Planned for Production: 744

Table 1: Maintenance and Operating Costs for New Construction and Rehabilitation Units (By Building Size)												
Maintenance and Operating Costs	Supportive Housing Units						Affordable Housing Units					
	1 BR			3 BR			1 BR			3 BR		
	Small 50 Unit Buildings	Medium* 50 Unit Buildings	Large 100 Unit Buildings	Small 50 Unit Buildings	Medium* 50 Unit Buildings	Large 100 Unit Buildings	Small 50 Unit Buildings	Medium* 50 Unit Buildings	Large 100 Unit Buildings	Small 50 Unit Buildings	Medium* 50 Unit Buildings	Large 100 Unit Buildings
Monthly Maintenance & Operating Costs Per Unit - Year 1:	\$375	\$325	\$325	\$450	\$400	\$400	\$356	\$309	\$309	\$428	\$380	\$380
Annual Maintenance & Operating Costs Per Building - Year 1:	\$225,000	\$195,000	\$390,000	\$270,000	\$240,000	\$480,000	\$213,750	\$185,250	\$370,500	\$256,500	\$228,000	\$456,000
Front Desk Staffing (24 hour / 7day) - Year 1:	\$0	\$58,950	\$117,900	\$0	\$58,950	\$117,900	\$0	\$58,950	\$117,900	\$0	\$58,950	\$117,900
Debt Service Payments:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ANNUAL OPERATING COSTS PER BUILDING:	\$225,000	\$253,950	\$507,900	\$270,000	\$298,950	\$597,900	\$213,750	\$244,200	\$488,400	\$256,500	\$286,950	\$573,900
TOTAL ANNUAL OPERATING COSTS PER UNIT:	\$4,500	\$5,079	\$5,079	\$5,400	\$5,979	\$5,979	\$4,275	\$4,884	\$4,884	\$5,130	\$5,739	\$5,739

*Mixed Income Projects

Table 2: Operating Subsidy Gaps for New Construction and Rehabilitation Units (By Building Size)												
Maintenance and Operating Costs	Supportive Housing Units						Affordable Housing Units					
	1 BR			3 BR			1 BR			3 BR		
	Small 50 Unit Buildings	Medium 100 Unit Buildings	Large 100 Unit Buildings	Small 50 Unit Buildings	Medium 100 Unit Buildings	Large 100 Unit Buildings	Small 50 Unit Buildings	Medium 100 Unit Buildings	Large 50 Unit Buildings	Small 50 Unit Buildings	Medium 100 Unit Buildings	Large 50 Unit Buildings
Monthly Maintenance & Operating Costs Per Unit (Including Front Desk Staffing) - Year 1:	\$375	\$423	\$423	\$450	\$498	\$498	\$356	\$407	\$407	\$428	\$478	\$478
Subsidy Required (+15%)*:	\$431	\$487	\$487	\$518	\$573	\$573	\$410	\$468	\$468	\$492	\$550	\$550
Fair Market Rent for (Proposed 2008):	\$699	\$699	\$699	\$1,168	\$1,168	\$1,168	N/A	N/A	N/A	N/A	N/A	N/A
Rent affordable at 50% of Area Median Income (LIHTC rent) for (2007):	N/A	N/A	N/A	N/A	N/A	N/A	\$760	\$760	\$760	\$1,086	\$1,086	\$1,086
Gap Per Unit Per Month:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gap Per Unit Per Year:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL ADDITIONAL SUBSIDY NEEDED ANNUALLY FOR BUILDING:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

*Note: 15% is added to the subsidy required to ensure that it will be sufficient each year over a 15 year period to cover increasing operating costs.



Tarrant County, TX - Supportive Housing Production Program
Worksheet #5: Operating Costs and Subsidies Required for All Units

Table 3: Total Subsidies Required for New Construction and Rehabilitation Units												
Building Size	Unit Mix				Total Annual Cost of Vouchers Providing Subsidies (Year 1)			Total Annual Operating Subsidy Gap (Year 1)			Total Subsidy Cost (Year 1)	Award Year
	Supportive Housing		Affordable Housing		1 BR	3 BR	Building	1 BR	3 BR	Building		
	1 BR	3 BR	1 BR	3 BR								
50 - Unit Building:	50	0	0	0	\$419,400	\$0	\$419,400	\$0	\$0	\$0	\$419,400	2007
100 - Unit Building:	40	10	40	10	\$335,520	\$140,160	\$475,680	\$0	\$0	\$0	\$475,680	2007
50 - Unit Building:	50	0	0	0	\$419,400	\$0	\$419,400	\$0	\$0	\$0	\$419,400	2008
100 - Unit Building:	50	0	50	0	\$419,400	\$0	\$419,400	\$0	\$0	\$0	\$419,400	2008
50 - Unit Building:	50	0	0	0	\$419,400	\$0	\$419,400	\$0	\$0	\$0	\$419,400	2009
100 - Unit Building:	50	0	50	0	\$419,400	\$0	\$419,400	\$0	\$0	\$0	\$419,400	2009
80 - Unit Building:	80	0	0	0	\$671,040	\$0	\$671,040	\$0	\$0	\$0	\$671,040	2010
132 - Unit Building:	82	0	50	0	\$687,816	\$0	\$687,816	\$0	\$0	\$0	\$687,816	2010
662 TOTAL NEW CONSTRUCTION AND REHABILITATION UNITS:	452	10	190	10	\$3,791,376	\$140,160	\$3,931,536	\$0	\$0	\$0	\$3,931,536	

Table 4: Total Subsidies Required for All Supportive Housing Units						
Production Strategy	# of Units			Fair Market Rate Rent		Total Subsidy Costs for Units (Year 1)
	Total	1 BR	3 BR	1 BR	3 BR	
Leased Units:	82	82	0	\$699	\$1,168	\$687,816
New Construction and Rehabilitation Units:	462	452	10	\$699	\$1,168	\$3,931,536
TOTALS:	544	534	10	N/A	N/A	\$4,619,352



Tarrant County, TX - Supportive Housing Production Program
Worksheet #6: Operating Subsidy Sources for All Supportive Housing Units

Total Number of Supportive Housing Units Planned for Production:	544
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Table 1: Sources of Operating Subsidies and Amounts Required for All Supportive Housing Units

Note: This Table documents the operating subsidy sources required for the first year all supportive housing units are online, based upon current Fair Market Rate Rents. It will be necessary to project cost increases for future years of operations.

Sources	Terms	Leased Units				New Construction and Rehabilitation Units				Average Subsidy Per Unit	Total Annual Subsidies for Units (Year 1)
		# of Supportive Housing Units		Fair Market Rent		# of Supportive Housing Units		Fair Market Rent			
		1 BR	3 BR	1 BR	3 BR	1 BR	3 BR	1 BR	3 BR		
Tenant-Based Vouchers:	5 years	82	0	\$699	\$1,168	0	0	\$699	\$1,168	\$8,388	\$687,816
Project-Based Vouchers:	10 years	0	0	\$699	\$1,168	452	10	\$699	\$1,168	\$8,510	\$3,931,536
[Other Source]:	TBD	0	0	\$699	\$1,168	0	0	\$699	\$1,168	n/a	\$0
[Other Source]:	TBD	0	0	\$699	\$1,168	0	0	\$699	\$1,168	n/a	\$0
TOTALS:		82	0			452	10				\$4,619,352
TOTAL SUBSIDIES NEEDED FOR ALL UNITS FOR YEAR 1 (FROM WORKSHEET #5):											\$4,619,352
GAP IN OPERATING SUBSIDIES FOR YEAR 1*:											\$0

** Note: Additional subsidy resources will need to be identified if a gap in the operating subsidies remains.*



Tarrant County, TX - Supportive Housing Production Program
Worksheet #7: Supportive Services Costs and Sources for All Supportive Housing Units

Number of Supportive & Affordable Housing Units Requiring Supportive Services:	544
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Table 1: Annual Service Costs for Supportive Housing Units (By Targeted Tenancy)

Note: This Table documents the services costs for the first year all units are online, based upon current data. It will be necessary to project service cost increases for future years of operations.

Targeted Tenancy	# of Supportive Housing Units	Annual Cost Per Unit	Total Annual Cost
Single Adults and/or Youth:			
High Service Intensity - Chronic Inebriates & Youth	60	\$10,000	\$600,000
Medium Service Intensity - Chronic Homeless	385	\$7,000	\$2,695,000
Low Service Intensity - Long-Term Homeless	89	\$5,300	\$471,700
Families with Children:			
High Service Intensity - Supportive Housing Units	10	\$15,000	\$150,000
Medium Service Intensity	0	\$0	\$0
Low Service Intensity - Affordable Housing Units	0	\$0	\$0
AVERAGE:	N/A	\$7,200	N/A
TOTALS:	544	N/A	\$3,916,700

Table 2: Annual Services Sources and Calculation of Gap in Services Financing

Funding Source	Terms	# of Supportive Housing Units Served	Annual Amount Per Unit	Total Annual Financing Amount
Medicaid	Annual Contract	544	\$1,050	\$1,360,000
Private Sector/Philanthropy	Grant	544	\$2,500	\$1,360,000
Department of Family Services/TANF	Annual Contract	10	\$1,500	\$15,000
HUD SHP	Annual Contract	250	\$750	\$187,500
City of Ft. Worth	Annual Contract	544	\$1,000	\$544,000
TOTALS:		N/A	N/A	\$3,466,500
TOTAL SERVICE COSTS FOR YEAR 1 (FROM TABLE #1 ABOVE):				\$3,916,700
GAP IN SERVICES SOURCES FOR YEAR 1*:				\$450,200

** Note: Additional services resources will need to be identified if a gap in the services sources remains.*



Tarrant County, TX - Supportive Housing Production Program
Worksheet #8: Calculating the Cost of Full-Time Front Desk Staffing

Table 1: Hours Worked By Front Desk Staff Per Year		
For Each Weekday Front Desk Staff Person		
On Site	12 hrs/day * 4 days/yr	1,920 hrs/yr
Vacation Time	8 hrs/day * 10days/yr	80 hrs/yr
Sick Time	5 hrs/mth * 12mths/yr	60 hrs/yr
Holidays	8 hrs/day * 3 days/yr	24 hrs/yr
TOTAL HOURS:		2,084 hrs/yr
For Each Weekend Front Desk Staff Person		
On Site	12 hrs/day * 2 day/wk * 48 wks/yr	1,152 hrs/yr
Vacation Time	12 hrs/day * 4 days/yr	48 hrs/yr
Sick Time	12 hrs/mth * 3 days/yr	36 hrs/yr
Holidays	12 hrs/day * 1 day/yr	12 hrs/yr
TOTAL HOURS:		1,248 hrs/yr

Table 2: Annual Costs for Wages, Fringe Benefits, and Substitutes for Front Desk Staff					
	Wage Per Hour				
	\$6	\$7.50	\$8	\$10	\$12
For Each Weekday Front Desk Staff:					
Wage = Total Hrs * \$/Hr	\$12,504	\$15,630	\$16,672	\$20,840	\$25,008
Fringe = Wage * 25%	\$3,126	\$3,908	\$4,168	\$5,210	\$6,252
Substitute = (Vac+Sick+Hol) * (\$/Hr * 1.25%)*	\$1,230	\$1,538	\$1,640	\$2,050	\$2,460
TOTAL ANNUAL COSTS PER WEEKDAY STAFF PERSON:	\$16,860	\$21,075	\$22,480	\$28,100	\$33,720
For Each Weekend Front Desk Staff:					
Wage = Total Hrs * \$/Hr	\$7,488	\$9,360	\$9,984	\$12,480	\$14,976
Fringe = Wage * 25%	\$1,872	\$2,340	\$2,496	\$3,120	\$3,744
Substitute = (Vac+Sick+Hol) * (\$/Hr * 1.25%)*	\$720	\$900	\$960	\$1,200	\$1,440
TOTAL ANNUAL COSTS PER WEEKEND STAFF PERSON:	\$10,080	\$12,600	\$13,440	\$16,800	\$20,160

* Note: Costs for substitutes are calculated at a premium wage 25% above base salary

Table 3: Calculating Total Annual Costs						
		Wage Per Hour				
	#	\$6	\$7.50	\$8	\$10	\$12
Weekday Front Desk Staff Person(s):	3	\$50,580	\$63,225	\$67,440	\$84,300	\$101,160
Weekend Front Desk Staff Person(s):	2	\$20,160	\$25,200	\$26,880	\$33,600	\$40,320
TOTAL ANNUAL COSTS FOR FRONT DESK STAFFING:		\$70,740	\$88,425	\$94,320	\$117,900	\$141,480



Definitions of Key Terms

Structured Housing Production Program:

A program which coordinates and consolidates financing and subsidies that can be used for the development and operation of affordable and/or supportive housing. The goal of a structured housing production program is to create a system for combining available resources to make it easier to access them in an efficient and effective manner.

Affordable Housing:

A general term applied to public- and private-sector efforts to help low- and moderate-income people purchase or lease housing. "Affordable", as defined by HUD, means that the tenant pays 30% or less of his/her income in rent.

Supportive Housing:

Permanent, affordable housing with voluntary, flexible services designed primarily to help tenants maintain housing. These voluntary services are those that are available to but not demanded of tenants, such as service coordination/case management, physical and mental health, substance use management and recovery support, job training, literacy and education, youth and children's programs, and money management.

Development Approaches:

- * **New Construction** - the building of a new structure on vacant land or on land where a building was completely demolished and removed.
- * **Gut Rehabilitation** - the repair and modification of an existing building which salvages most of the building's structural elements - i.e. floor, wall, and roof framing and foundation - but replaces the building's systems - i.e. plumbing, HVAC, electrical - and finishes.
- * **Leased Units** - a strategy for securing existing units in the private market to be used as affordable and/or supportive housing. Units are leased either individually or in groups - i.e. master leased - from private landlords for low-income or supportive housing tenants.

Housing Types/Models:

- * **Single Site** - typically a multi-unit apartment or townhouse development that consists of all affordable and/or supportive housing units.
- * **Set Aside** - a portion of units in a larger multi-unit apartment or townhouse development that are "set aside" for a particular population, whether they are defined by income level, or service need, or both.
- * **Scattered Site** - individual units or clusters of units located in close proximity to each other that are funded through the same program, and could represent either development strategies or leasing strategies.



Attachment A: Worksheet for Projecting an Annual Estimate of People Experiencing Homelessness in the Community

Table 1: Calculating the Total Number of People who are Homeless Over the Course of a Year				
Population	Point in Time Counts			Annual Calculation
	Number that are Homeless at a Point in Time*	Persons who became homeless within 7 days prior to the count, or were already homeless but just entered the boundaries of the community within the past 7 days	Percentage of homeless persons who have had a previous homeless episode within the past 12 months	Number of People that are Homeless Over the Course of a Year
Single adults	1512			
Unaccompanied youth	24			
Persons in families (adults and children)	1342			
TOTAL PEOPLE	2878	96	29%	6,378

Table 2: POINT IN TIME Estimates of Number / Percentage of Long-Term Homeless PERSONS								
Population	Total Homeless		Long Term-Homeless			NOT Long-Term Homeless		
	Number that are Homeless at a Point in Time*	Percentage of total homeless population	Number Among Population that are Long-Term Homeless	% of Population that are Long-term Homeless	Population's Long-Term Homeless as % of Total Long-Term Homeless	Number Among Population that are NOT Long-Term Homeless	% of Population that are NOT Long-term Homeless	Population's NOT Long-Term Homeless as % of Total NOT Long-Term Homeless
Single adults	1512	53%	872	58%	92%	640	42%	33%
Unaccompanied youth	24	1%	0	0%	0%	24	100%	1%
Persons in families (adults and children)	1342	47%	76	6%	8%	1,266	94%	66%
TOTAL PEOPLE	2878	100%	949	33%	100%	1,929	67%	100%

*Not including those living in permanent supportive housing.

Table 3: ANNUAL Estimates of Number / Percentage of Long-Term Homeless PERSONS								
Population	Total Homeless		Long Term-Homeless			NOT Long-Term Homeless		
	Number that are Homeless Over the Course of a Year	Percentage of total homeless population	Number Among Population that are Long-Term Homeless	% of Population that are Long-term Homeless	Population's Long-Term Homeless as % of Total Long-Term Homeless	Number Among Population that are NOT Long-Term Homeless	% of Population that are NOT Long-term Homeless	Population's NOT Long-Term Homeless as % of Total NOT Long-Term Homeless
Single adults	2,673	42%	872	33%	92%	1,800	67%	33%
Unaccompanied youth	66	1%	0	0%	0%	66	100%	1%
Persons in families (adults and children)	3,639	57%	76	2%	8%	3,563	98%	66%
TOTAL PEOPLE	6,378	100%	949	15%	100%	5,429	85%	100%

Table 4: ANNUAL Estimates of Number / Percentage of Long-Term Homeless HOUSEHOLDS								
Population	Total Homeless		Long Term-Homeless			NOT Long-Term Homeless		
	Number that are Homeless Over the Course of a Year	Percentage of total homeless households	Number Among Population that are Long-Term Homeless	% of Population that are Long-term Homeless	Population's Long-Term Homeless as % of Total Long-Term Homeless	Number Among Population that are NOT Long-Term Homeless	% of Population that are NOT Long-term Homeless	Populations NOT Long-Term Homeless as % of Total NOT Long-Term Homeless
Single adults	2,673	70%	872	33%	97%	1,800	67%	61%
Unaccompanied youth	66	2%	0	0%	0%	66	100%	2%
Families	1,090	28%	23	2%	3%	1,067	98%	36%
TOTAL HOUSEHOLDS	3,829	100%	895	23%	100%	2,933	77%	100%

Average number of persons per family: **3**



Ft. Worth, TX - Supportive Housing Production Program
 Attachment B: Worksheet for Calculating a Permanent Supportive Housing Unit Goal

Table 1: Estimating the Total Number of Permanent Supportive Housing (PSH) Units Needed								
	Number of Households that are Homeless Over the Course of a Year	Percent of Homeless Population	Percentage of Population Group that Needs PSH	Number of PSH Units Needed	Number of Existing PSH Units	Annual Turnover Rate	PSH Units Available This Year	TOTAL PSH Units Needed
Single Individuals:	2,739	72%	45%	1,242	575		173	1,069
Single Adults:	2,673	70%	46%	1,233	575		173	1,059
Chronic Homeless:	872	23%	100%	872	22	20%	4	868
NOT Chronic Homeless:	1,800	47%	20%	360	553	31%	169	191
Unaccompanied Youth:	66	2%	15%	10	0	0%	0	10
Families with Children:	1,090	28%	5%	50	156	20%	31	19
TOTAL (Annual Homeless Estimate):	3,829	100%	34%	1,293	731		204	1,088

Table 2: Determining the Permanent Supportive Housing Unit Goal (By Production Strategy and Service Strategy)												
Targeted Tenancy	Total PSH Units Needed	6-Year Unit Goal	Production Strategy by Unit Size						Service Strategy by Intensity of Services (Based on Anticipated Needs of Population)			
			Leased Units			New Construction and Rehabilitation Units			High	Medium	Low	No Services
			1 BR	3 BR	Total	1 BR	3 BR	Total				
Supportive Housing Units:	1,088	544	150	0	150	384	10	394	70	385	89	0
Single Individuals:		544	150	0	150	394	0	394	70	385	89	0
Single Adults:		534	150	0	150	384	0	384	60	385	89	0
Chronic Homeless:	868	435	150	0	150	285	0	285	50	385	0	0
Chronic Inebriates:		385	150	0	150	235	0	235	0	385	0	0
Chronic Inebriates:		50	0	0	0	50	0	50	50	0	0	0
NOT Chronic Homeless:	191	89	0	0	0	89	0	89	0	0	89	0
Long-term Homeless:		89	0	0	0	89	0	89	0	0	89	0
Unaccompanied Youth:	10	10	0	0	0	10	0	10	10	0	0	0
Families with Children:	19	10	0	0	0	0	10	10	10	0	0	0
Long-Term Homeless		10	0	0	0	0	10	10	10	0	0	0
Affordable Housing Units:	N/A	200	0	0	0	190	10	200	0	0	10	190
Single Adults and/or Youth:	N/A	190	0	0	0	190	0	190	0	0	0	190
Families with Children:	N/A	10	0	0	0	0	10	10	0	0	10	0
TOTAL UNITS:	1,088	744	150	0	150	574	20	594	70	385	99	190