

# **RIHOUSING HEALTH AND HOUSING PARTNERSHIP TOOLKIT LIST OF APPENDICES, FIGURES AND TABLES**

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## APPENDIX A

### Speaking the same language

When sectors come together such as housing, health care, aging and disability services, often the first challenge is one of language. Neither sector speaks quite the same language, each has its own key terms, buzzwords, acronyms etc. Some identical words (case management, outreach, residential) mean very different activities in different sectors. Neither sector is right, or wrong. Each sector has evolved separately over the decades. Knowing what sector you speak about, by nature of your work history, knowing what sector your partners are speaking about by knowing their backgrounds, and taking time to clarify any uncertainties and confusion can be the foundation of a strong partnership.

To that end, the following guide is a list of terms common to the aging, disability, health and housing sectors. Section 1 lists terms that are used in counties, cities and states across the nation. Section 2 lists aging, disability, health and housing terms that are specific to Rhode Island.

#### Section 1: Health and Housing Terms and Definitions- Terms Used Nationally

Acronym (when applicable)	Definitions
	HUD 202 Program
	HUD 811 Program
ACO	Accountable Care Organizations
ACL	Administration for Community Living
ADRCs	Aging and Disability Resource Centers
	Affordable Housing
AHAR	Annual Homeless Assessment Report
Triple As (AAAs)	Area Agencies on Aging
CDC	Centers for Disease Control
CDCs	Community Development Corporations
CILs	Centers for Independent Living
CMS	Centers for Medicare and Medicaid Services
CH	Chronic Homelessness
CCBHCs	Certified Community Behavioral Health Centers
CHC	Community Health Center
CMHC	Community Mental Health Center
CoC	Continuum of Care
CES	Coordinated Entry System
CDBG	Community Development Block Grant (HUD funding)
ES	Emergency Shelter

FMR	Fair Market Rent
FPL	Federal Poverty Level
FQHC	Federally Qualified Health Center
HRSN	Health Related Social Needs
HRSA	Health Resources and Services Administration
HFA	Housing Finance Agency
HIC	Housing Inventory Count
HIE	Health Information Exchange
HMIS	Homeless Management Information System
HOPWA	Housing Opportunities for Persons with AIDS
HRP	Housing Related Provider
	Housing First
HUD	US Department of Housing and Urban Development
IHS	Indian Health Service
LIHTC	Low-Income Housing Tax Credit
MAGI	Modified Adjusted Gross Income
	Medicaid
	Medicare
MCO	Managed Care Organization
NOFO	Notice of Funding Opportunity
PBRA	Project Based Rental Assistance
PEH	People experiencing homelessness <sup>1</sup> (HUD definition)
PHA	Public Housing Agency or Public Housing Authority
PIT Count	Point in Time Count
PLE	Person with Lived Experience
PSH	Permanent Supportive Housing
RRH	Rapid Re-Housing
SAMHSA	Substance Abuse and Mental Health Services Administration
SRO	Single Room Occupancy
TAY	Transition Age Youth (aged 18 -24 years)
TBRA	Tenant Based Rental Assistance
TH	Transitional Housing
	Unaccompanied Youth
USICH	United States Interagency Council on Homelessness
VASH	Veterans Affairs Supportive Housing

## Section 2: Health and Housing Terms and Definitions-

### Rhode Island

Acronym (when applicable)	Definitions
AE	Accountable Entities, Rhode Island’s term for ACOs (defined above).
BHDDH	<a href="#">Dept. of Behavioral Healthcare, Developmental Disabilities, and Hospitals</a>
COC	<a href="#">Rhode Island Continuum of Care</a>
DOH	<a href="#">Department of Health</a>
DOH/ OHCD	Department of Housing/ Office of Housing and Community Development- <a href="#">Welcome   Office of Housing &amp; Community Development (ri.gov)</a>
DDS	<a href="#">Division of Developmental Disabilities</a>
DDC	Rhode Island Developmental Disabilities Council- <a href="#">Rhode Island Developmental Disabilities Council   Charting A New Course (riddc.org)</a>
EOHHS	<a href="#">Executive Office of Health and Human Services</a>
OHHS	<a href="#">Office of Health and Human Services- State Medicaid office</a>
OHA	<a href="#">Welcome to OHA   Office of Healthy Aging (ri.gov)</a>
RIHousing	<a href="#">Rhode Island Housing</a>

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<sup>1</sup> [Homeless Definition](#) (PDF), HUD Exchange, 2022.

# APPENDIX B

## Assessing Partnership Fit

### Instructions:

1. Fill in the information under Your Organization first, and gather as much data as you can. Think about your answers in the context of partnering if something does not seem clear.
2. Have potential partners complete the information under Potential Partners. Again, think about answers in the context of partnering
3. You may instead choose to complete this tool together; remember, though, this tool asks for a good deal of information that could be gathered in advance of meeting.

### Optional Data & Documents to Supplement This Process:

- Organizational strategic plans, agreement documents with other partners, policies and procedures manuals
- Services budgets, funding requirements, information on data collection and management
- Service program flow charts/ overviews, client needs assessments

	1. Your Organization	2. Potential Partner
<b>General</b>		
Mission		
Target Population(s)		
Location		
Direct Service Staff Structure		
Approval/Decision Making Process & Key staff		
Top 3-5 Organizational Goals or Priorities		
This is what we do BEST:		
<b>Current Services</b>		
Committed to prioritizing homeless and chronically homeless individuals?		
Array of services offered		
<b>Mental Health</b>		
Who provides these services?		
How do clients access this service?		
Location of services		
Any funding restrictions?		
Current services needs or gaps		
<b>Medical Health</b>		
Who provides these services?		
How do clients access this service?		
Location of services		
Any funding restrictions?		
Current services needs or gaps		
<b>Substance Abuse Services</b>		
Who provides these services?		

How do clients access this service?		
Location of services		
Any funding restrictions?		
Current services needs or gaps		
Other Services		
Who provides these services?		
How do clients access this service?		
Location of services		
Any funding restrictions?		
Current services needs or gaps		
<b>Data</b>		
Current database(s) used for services data		
Is data shared with anyone outside of organization? If yes, what is shared? How is it shared?		
Data sharing restrictions		
Would client info release allow access to all data?		
<b>Partnership Readiness</b>		
Existing community collaborations or partnerships (of any kind)		
Existing partnerships or coordinated care efforts in health		
Capacity for partnership – staff champions? Resources?		
Partnership needs		
Partnership goals		
Leadership buy-in for partnerships of this kind?		
Who is driving this partnership effort? Role(s) at organization:		
<b>Funding</b>		
How are services currently funded?		
What are the major restrictions on funding?		
Do you receive funding for purposes of collaborating or partnering? If yes, what is required?		
Do you receive Medicaid? What does your funding structure look like around this?		
Do you help your clients		

enroll in Medicaid?		
<b>Innovation Factor</b>		
Are you willing to take risks? What is the most innovative program you've developed? How comfortable is your organization with ambiguity?		
Are you planning for future changes in health: MCOs, ACOs, system-wide collaborations?		
Do you see yourself as a community leader? In which ways?		

# APPENDIX C

## Assessment Analysis Guide

Info area	Analysis
Mission	Missions should be similar or have some overlap.
Target Population(s)	Commitment to serve a similar target population
Location	Consider access to services, especially if service integration will be part of the partnership. Partners should be accessible to one other for staff and clients.
Direct service staffing	<ul style="list-style-type: none"> <li>• <b>Structure:</b> This helps understand who would be interacting with the target population most – are there similarities in your structures? Are there key differences that could be of value or are potential issues?</li> <li>• <b>Roles:</b> There may already be overlap between supportive housing providers and Health Center Program Grantees with the following positions: <ul style="list-style-type: none"> <li>○ Practitioner or physician who delivers medical care to residents</li> <li>○ Licensed clinical social worker who provides directly or links to mental health and substance use services</li> <li>○ Medical assistant that provides medical support services (can factor into FQHC rate)</li> <li>○ Benefits specialist who enrolls participants in Medicaid/Medi-Cal</li> </ul> </li> </ul>
Approval/Decision Making Process & Key staff	Who are the key staff at each organization that would make decisions related to this partnership? Are they in the room now? The partnership should have leadership participation from both organizations.
Top 3-5 Organizational Goals or Priorities	The top priorities at each organization should be similar in some way, or a health/housing partnership should fall in line with these priorities
This is what we do BEST:	The strengths of each organization should be complementary
Committed to prioritizing homeless and chronically homeless individuals?	Beyond target population, there should be a commitment specifically for prioritizing homeless and chronically homeless people. A bad fit would be partners who do not want to “deal with” this population.
Array of services offered	Do partners offer a narrow or wide array of services? It may be challenging for those that offer very narrow services with no other partners to forge this new partnership, as there will be a learning curve.
Services	
Mental Health	
Medical Health	
Substance Abuse Services	
Other Services	<ul style="list-style-type: none"> <li>• Figure out <b>service gaps</b>, between the organizations</li> <li>• Note any <b>similar partners/referrals</b> that exist</li> <li>• Look for <b>common access points</b> for clients into these services. Are there common barriers to access? How can these be overcome together?</li> <li>• Are there specific <b>funding restrictions</b>? If so, what are they? How could each partner help meet these restrictions? Would any restrictions hinder partnering? How can these be addressed?</li> <li>• How can each organization bring <b>value</b> to the service gaps and needs of the other?</li> <li>• <b>Client engagement strategies:</b> How are they similar? How do they differ?</li> </ul>
Data	<ul style="list-style-type: none"> <li>• What are the client data needed for services at each partner site? Is there a lot of data overlap?</li> <li>• Determine which data is shareable. What are the data restrictions? Which organization(s) has the least restrictions?</li> <li>• Does either organization have experience sharing data with other organizations? Any experience in data sharing agreements or client information releases?</li> </ul>
Partnership Readiness	<ul style="list-style-type: none"> <li>• It is helpful if either or both organizations have experience with partnerships or collaborations in the community. If this is the case, who are the similar partners? What were lessons learned? What worked and why?</li> </ul>



	<ul style="list-style-type: none"> <li>• Both/all organizations should have staff that would commit to this partnership, with representation on both sides by leadership</li> <li>• Who would drive this partnership at each organization? How easy is it for them to make decisions and make things happen?</li> <li>• What are the hesitations to partner on either side, if any? How can these be addressed together?</li> <li>• The partnership goals should be similar if not the same</li> <li>• Staff members would follow directives from project managers who may be from the partner organization, are willing to learn about their partners and could take on new work</li> <li>• Staff are willing to integrate new practices that improve health outcomes for the target population</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>• Start with any organizational funding restrictions that may apply to a partnership with the organizations in question. How might partnering actually help meet these requirements?</li> <li>• Are there any funding opportunities that you could pursue as partners?</li> <li>• How would Medicaid funding impact this partnership? How would partnership meet these requirements? Would partnering result in additional funding for either partner?</li> </ul>
<b>Innovation</b>	<ul style="list-style-type: none"> <li>• Do partners match up in terms of their culture of risk? For example, a risk-averse partner may be too cautious or may be constrained by regulations that move more slowly for a risk-taking organization.</li> <li>• Are all partners innovators/early adopters in the community? There is not a very long history of these types of partnerships, so success may involve navigating ambiguity.</li> <li>• Have both organizations thought about how this partnership would fit in with the health/housing landscape as it develops in the future? Who else could be included in this partnership in the future?</li> </ul>
<b>Bottom Line</b>	<ul style="list-style-type: none"> <li>• <b>The value each of us can provide is complementary and fills service/resource gaps. There is equal value and effort.</b></li> <li>• <b>We enjoy working with one another and are equally engaged in discussions and planning.</b></li> <li>• <b>It's possible to back out if it's not a fit. The impacts to clients and funding resources are not too severe.</b></li> </ul>

## **APPENDIX D**

<https://www.csh.org/wp-content/uploads/2023/12/RI-Toolkit-Appendix-D-More-on-Community-Development-Investment-Funds.pdf>

APPENDIX E

# TENANT SELECTION PLAN

Other Programs  
(Non-Section 8 and 236 Programs)

DEVELOPMENT NAME

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DEVELOPMENT ADDRESS

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This Tenant Selection Plan outlines the procedures that will be followed in selecting tenants for the Development. Property Management is responsible for implementing these procedures.

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**1. Introduction**

a) Description of Development

Tenant Selection Plan Version/Date: \_\_\_\_\_

State Housing Finance Identification Number: \_\_\_\_\_

Name of Development: \_\_\_\_\_

Name of Owner: \_\_\_\_\_

Name of Property Management Company: \_\_\_\_\_

b) Description of Property

Address: \_\_\_\_\_

Type of Housing: *(check all that apply)*

Permanent Supportive Housing     Transitional Housing     Congregate Housing

Other *(Please describe)*: \_\_\_\_\_

c) Subsidy Types: *(check all that apply)*

HUD Section 8 Project-Based Rental Assistance

HUD Section 8 Rental Certificate Program (Housing Choice Voucher)

HUD Section 202 Supportive Housing for the Elderly Program

Other *(Please describe)*: \_\_\_\_\_

d) Unit Distribution:

The Development will offer \_\_\_\_\_ rental units.

This  **includes**  **does not include** a management unit.  
(Check the one that applies)

The income limitations of these units are as follows:

- \_\_\_ Market rate (no income restriction) units
- \_\_\_ Units at \_\_\_\_\_% Median income
- \_\_\_ Units at \_\_\_\_\_% Median income
- \_\_\_ Units at \_\_\_\_\_% Median income
- \_\_\_ Units at \_\_\_\_\_% Median income
- \_\_\_ Manager unit(s)

**Per Section 811 Contract (if applicable)**

- \_\_\_ Market rate (no income restriction) units
- \_\_\_ Units at \_\_\_\_\_% Median income
- \_\_\_ Units at \_\_\_\_\_% Median income
- \_\_\_ Units at \_\_\_\_\_% Median income
- \_\_\_ Units at \_\_\_\_\_% Median income
- \_\_\_ Manager unit(s)

**Other Subsidy (please describe):** \_\_\_\_\_

- \_\_\_ Market rate (no income restriction) units
- \_\_\_ Units at \_\_\_\_\_% Median income
- \_\_\_ Units at \_\_\_\_\_% Median income
- \_\_\_ Units at \_\_\_\_\_% Median income
- \_\_\_ Units at \_\_\_\_\_% Median income
- \_\_\_ Manager unit(s)

e) Rent Structure:

The current rent structure for the Development, by unit size and income distribution, is attached to this Plan as **Exhibit**

f) Tenant Types:

The Development is designated as housing for: *(check all that apply)*

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Single Adults          | <input type="checkbox"/> Low Income Residents | <input type="checkbox"/> Family                 |
| <input type="checkbox"/> Transition Age Youth   | <input type="checkbox"/> Elderly              | <input type="checkbox"/> Elderly & Special Need |
| <input type="checkbox"/> Family & Special Needs | <input type="checkbox"/> Disabled             |   |

If the "Elderly" or "Elderly & Special Needs" designation is selected, the age restriction, for the units designated Elderly, will be:

*(Check the one that applies)*

- 55 and above (households whose head or spouse or sole member is at least 55 years of age) or,
- 55 and above (one person 55 years of age or older) or,
- 62 and above (**all** members of the household are 62 years of age) or,
- 62 and above (households whose head **or** spouse **or** sole member is at least 62 years of age) (this is only available to developments participating in a HUD housing program); or
- Other *(please describe)* \_\_\_\_\_

If any of the "Special Needs" designations is selected, the Development is serving the following special needs population(s):

*(Check all that apply)*

- |   |   |
|---|---|
| <input type="checkbox"/> Battered Women                       | <input type="checkbox"/> Developmentally Disabled |
| <input type="checkbox"/> Disabled                             | <input type="checkbox"/> Physically Disabled      |
| <input type="checkbox"/> HIV/AIDS                             | <input type="checkbox"/> Ex-offenders             |
| <input type="checkbox"/> Homeless                             | <input type="checkbox"/> Substance Abusers        |
| <input type="checkbox"/> Foster Care Families                 | <input type="checkbox"/> Mentally Ill             |
| <input type="checkbox"/> Transient Families                   |   |
| <input type="checkbox"/> Other <i>(please describe)</i> _____ |   |



## **2. Fair Housing Statement**

### **a) General**

Federal civil rights laws addressing fair housing prohibit discrimination against applicants or tenants on the basis of race, color, national origin, sex, disability, religion, and familial status. The Illinois Human Rights Act addressing fair housing prohibits discrimination against applicants or tenants on the basis of race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental disability, military status, sexual orientation, gender identity or unfavorable discharge from military service.

HUD's Office of General Counsel issued a memo dated April 4, 2016, which is guidance concerning how the Fair Housing Act applies to the use of criminal history by providers or operators of housing and real-estate related transactions.

The remaining paragraphs in this section provide brief descriptions of key federal civil rights laws regarding fair housing and accessibility.

Owner and Management shall be familiar and comply with the regulations implementing these applicable federal civil rights laws and any state civil rights laws or local ordinance regarding fair housing and accessibility.

### **b) Fair Housing Act**

Fair Housing Act Amendments of 1988 ("Fair Housing Act") prohibits discrimination in housing on the basis of race, color, religion, sex, disability, familial status and national origin regardless of any federal financial assistance.

Under the Fair Housing Act, Owner and Management shall not take any of the actions listed below based on race, color, religion, sex, disability, familial status and national origin:

- i. Deny anyone the opportunity to apply to rent housing, or deny to any qualified applicant the opportunity to lease housing suitable to his or her needs;
- ii. Provide anyone housing that is different from that provided to others;
- iii. Subject anyone to segregation, even if by floor or wing;
- iv. Restrict anyone's access to any benefit enjoyed by others in connection with housing program;
- v. Treat anyone differently in determining eligibility or other requirements for admission, in use of the housing amenities, facilities or programs, or in the terms and conditions of a lease;
- vi. Deny anyone access to the same level of services;
- vii. Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program;
- viii. Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons; and
- ix. Retaliate against, threaten, or act in any manner to intimidate someone because he or she has exercised rights under the Fair Housing Act.

Fair Housing Act provides additional protections for persons with disabilities. It requires that the Management make reasonable accommodations in rules, policies, practices, or services as may be necessary to afford handicapped persons equal opportunity to use and enjoy a dwelling. Moreover, it contains specific accessibility requirements that apply to the design and construction of new multi-household housing.

Owner of federally assisted housing program shall display the Fair Housing poster required by the Fair Housing Act.

**c) Title VI of the Civil Rights Act of 1964**

Title VI of the Civil Rights Act of 1964 prohibits all recipients of federal financial assistance from discriminating based on race, color or national origin.

**d) Age Discrimination Act of 1975**

Age Discrimination Act of 1975 (the "Age Discrimination Act") prohibits discrimination based upon age in federally assisted and funded program, except in limited circumstances. It is not a violation of the Age Discrimination Act to use age as screening criteria in a particular program if age distinctions are permitted by statute for that program or if age distinctions are a factor necessary for the normal operation of the program or the achievement of a statutory objective of the program or activity.

**e) Section 504 of the Rehabilitation Act of 1973 (for HOME and CDBG programs)**

Section 504 of the Rehabilitation Act of 1973 ("Section 504") prohibits discrimination based upon disability in all programs or activities operated by recipients of federal financial assistance. Although Section 504 often overlaps with the disability discrimination prohibitions of the Fair Housing Act, it differs in that it also imposes broader affirmative obligations on the Owner to make their programs as a whole, accessible to persons with disabilities. Section 504 obligations include the following:

- i. Making and paying for reasonable structural modifications to units and/or common areas that are needed by applicants and tenants with disabilities, unless these modifications would change the fundamental nature of the project or result in undue financial and administrative burdens;
- ii. Operating housing that is not segregated based upon disability or type of disability, unless authorized by federal statute or executive order;
- iii. Providing auxiliary aids and services necessary for effective communication with persons with disabilities;
- iv. Performing a self-evaluation of Management's programs and policies to ensure that they do not discriminate based on disability; and
- v. Developing a transition plan to ensure that structural changes are properly implemented to meet program accessibility requirements.
- vi. Section 504 also establishes accessibility requirements for newly constructed or rehabilitated housing, including providing a minimum percentage of accessible units.

If the Owner, Management and Development employ 15 or more persons, regardless of their location or duties, a Section 504 Coordinator must be designated.

Does the Section 504 Coordinator requirement apply?  
(Check the one that applies)

Yes       No

If "Yes" was checked, indicate the name of the Section 504 Coordinator:

Name: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

TDD Number: \_\_\_\_\_

**f) Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity (for HOME and CDBG programs)**

Effective March 5, 2012, HUD implemented new regulations intended to ensure that HUD's core housing programs are open to all eligible persons regardless of actual or perceived sexual orientation, gender identity or marital status (HUD Notice 2015-01).

Owners and operators of HUD-assisted housing, or housing whose financing is insured by HUD, must make housing available without regard to sexual orientation, gender identity, or marital status.

All otherwise eligible families, regardless of marital status, sexual orientation, or gender identity, will have the opportunity to participate in HUD programs.

Owners and operators of HUD-assisted housing or housing insured by HUD are prohibited from asking about an applicant or occupant's sexual orientation and gender identity for the purpose of determining eligibility or otherwise making housing available.

**g) Executive Order 13166 – Limited English Proficiency (for HUD programs only)**

Executive Order 13166 requires Owner/Management to take reasonable steps to ensure meaningful access to the information and services they provide for persons with limited English proficiency. This may include interpreter services and/or written materials translated into other languages.

**h) Violence Against Women and Justice Department Reauthorization Act of 2005 & 2013 (for Tax Credit, HOME, TCAP and 1602 developments only)**

Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA 2005, and reinstated in the HUD Reauthorization Act of 2013) protects victims of domestic violence, dating violence or stalking, as well as their immediate family members generally, from being evicted or being denied housing assistance if an incident of violence is reported and confirmed.

Owner/Management responding to an incident of actual or threatened domestic violence, dating violence or stalking that could potentially have an impact on a tenant's participation in the housing program may request in writing that an individual complete, sign and submit within 14 business day of the request, the HUD-approved certification form (HUD-91066).

Alternatively, in lieu of the certification form or in addition to it, Owner/Management may accept (i) a federal, state, tribal, territorial, or local police record or court record or (ii) documentation signed and attested to by a professional (employee, agent or volunteer of a victim service provider, an attorney, medical personnel, etc.) from whom the victim has sought assistance.

Owner/Management is encouraged to carefully evaluate abuse claims as to avoid conducting an eviction based on false or unsubstantiated accusations.

### 3. Privacy Policy

#### a) Why the Property Manager Collects an Applicants Personal Information?

Financial companies choose how they share your personal information. Federal law gives customers the right to limit some but not all sharing. Federal law also gives customers the right to view personal records, and to correct a record that is inaccurate or incomplete. Federal law requires us to tell you how we collect, share, and protect your personal information. We provide this notice to customers at the time of application for RIHousing programs, products, or services, and annually thereafter. From time to time, we may revise this notice to reflect changes in the law or changes in our policies. Please read this notice carefully to understand what we do.

#### b) What Information is Collected?

The types of personal information we collect and share depend on the product or service you have with us.

This information can include:

- Social Security Number
- Income
- Account balance
- Payment history
- Credit history
- Credit score
- Date of birth
- Medical information and blood lead level test results (for lead hazard reduction programs)

#### c) Reasons why Information will be Shared?

All financial companies need to share customers’ personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers’ personal information; the reason RIHousing chooses to share; and whether you can limit this sharing.

Reasons why an Applicants Personal Information will be Shared	Does RIHousing Share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes – to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	N/A

Reasons why an Applicants Personal Information will be Shared	Does RIHousing Share?	Can you limit this sharing?
For our affiliates' everyday business purposes – information about your transactions and experiences	No	N/A
For our affiliates' everyday business purposes – information about your creditworthiness	No	N/A
For nonaffiliates to market to you	No	N/A

#### 4. Records Retention Policy

##### a) Responsibilities

The property manager is responsible for ensuring that all tenant files are maintained in accordance with applicable privacy laws, including HIPAA and applicable state laws.

##### b) File Management

A client property management file is established for each applicant and tenant. The file for each tenant should be established immediately upon tenant move-in. All tenant files need to be organized according to the Table of Contents page and place all relevant paperwork behind it in the order it is listed. The file must include all documents that must be maintained in the tenants' property management file according to funder and program. See tenant file checklist for a list of documents required. Files for applicants who are rejected (and do not become tenants) should include application materials and the denial letter and any reports from third parties.

##### c) File Storage

Property management tenant files are maintained in locked file cabinets accessible only by designated staff as authorized by applicable law, guidelines, regulations, agency policy, and by consent of the tenant.

##### d) File Audits

Property management files are subject to audit by outside agencies. If they are not properly maintained with all relevant documentation, the agency may be subject to penalty, sanction or other consequence.

##### e) Special Considerations

All Violence against Women Act (VAWA) related documents are to be stored in a sealed envelope separate from the tenant file in accordance with the VAWA rules and regulations.

Tenant services files are maintained in a separate and confidential file. The supportive service team will maintain separate tenant service files.

## 5. Establishing Preferences

### a) Establishing Preferences

Preferences are not permitted if they in any way negate affirmative marketing efforts or fair housing obligations. The following preferences apply to the Development:

### b) Existing Tenant Preferences

The following actions are always given priority if applicable. If not, State Mandated Preferences take precedence.

- i. A unit transfer because of household size.
- ii. A unit transfer based on the need for an accessible unit.
- iii. A unit transfer of a non-handicapped individual living in a handicapped accessible unit to accommodate a handicapped applicant on the Waiting List (as defined below). A lease addendum (**Exhibit B**) will be entered into with non-handicapped tenant living in a handicapped accessible unit.
- iv. State Mandated Preferences

In addition to the preferences mandated by the State of Rhode Island and the Existing Tenant Preferences listed above, the Development may establish the following preferences. The preferences listed below are subordinate to State Mandated Preferences and Existing Tenant Preferences.

*(Check all that apply and rank in the order of highest preference (1) to lowest preference):*

#### 1) HUD Pre-approved Preferences

- i. Preference for Working Families  Order #
  - ii. Preference for Persons with Disabilities  Order #
  - iii. Preference for Victims of Domestic Violence  Order #
  - iv. Preference for elderly, displaced, homeless, or disabled single person over other single  Order #
- 2) Residency Preferences (with HUD approval)  Order #
- 3) Local Preference (as established by PHA/PSH)  Order #
- 4) Existing Tenant Transfers (other)  Order #

Including, but not limited to a change in household composition, a deeper rent subsidy, or for medical reasons certified by a doctor.

### c) Verification of Preferences

The State Mandated Preferences will be verified by third party verification (**Exhibit C**). Third party verification will also be utilized if the Owner has adopted any of the Former Federal Preferences. If Management has selected any of the optional preferences and will not be using third party verification the following means of verification will be utilized:

d) Selection of Families for Participation

1. An eligible applicant who qualifies for a preference will receive housing before any other applicant who is not so qualified. These preferences take precedence over other applicants' place on the Waiting List, or date of submission of application.
2. Applicants will be informed of the availability of preferences, and will be given an opportunity to certify that they qualify for a preference. Applicants may claim a preference at any time during the application process.

e) When a Preference Is Denied

1. If it is determined that an applicant does not meet the criteria for receiving a preference, the applicant will promptly receive a written notice of this determination from Management (**Exhibit D**). The notice will contain a brief statement of the reasons for the determination, and state that the applicant has the right to meet with the Management's designee to review this decision. If the applicant requests a meeting, it will be conducted by a person or persons designated by Management.
2. Denial of a preference does not prevent the applicant from exercising any legal rights the applicant may have against Management and/or Owner.

f) Exceptions to the Preference Rule

1. Relocation and/or Unit Transfers:  
Management must give priority to current households
  - i) when their units are designated for rehabilitation and/or
  - ii) for current households residing in a unit within the Development that has been designated as uninhabitable by federal, state, local municipalities or Management due to fire, flood or other natural disaster.

**6. Eligibility Criteria**

a) Eligibility Requirements

Eligibility Requirements for All Units (Check all that apply)

- Credit and Housing History (A background criminal check will be conducted on all applicants by a third party.)
- Criminal History (A background criminal check will be conducted on all applicants by a third party.)
- Citizenship Requirements (Proof of United States citizenship is required.)
- Income (The annual gross income of the applicant(s) must be equal to or less than the income limit established by the applicable program's administrative rules for the appropriate household size.)
- Date of Birth (Dates of birth must be disclosed for all household members.)
- Social Security Numbers (The head of household/spouse/co-head must disclose Social Security Numbers)

for all household members. An explanation of acceptable documentation is provided in **Addendum 1** attached to this Plan.)

Eligibility Requirements for Subsidized Units *(Check all that apply)*

- Credit and Housing History (A background criminal check will be conducted on all applicants by a third party.)
- Criminal History (A background criminal check will be conducted on all applicants by a third party.)
- Citizenship Requirements (Proof of United States citizenship is required.)
- Income (The annual gross income of the applicant(s) must be equal to or less than the income limit established by the applicable program's administrative rules for the appropriate household size.)
- Date of Birth (Dates of birth must be disclosed for all household members.)
- Social Security Numbers (The head of household/spouse/co-head must disclose Social Security Numbers for all household members. An explanation of acceptable documentation is provided in **Addendum 1** attached to this Plan.)
- Student Eligibility Requirements (for Tax Credit only)

Households consisting entirely of full-students are not eligible for Tax Credits unless the household is income eligible and one or more of the following exceptions applies to the household:

1. All members of the household are married (they do not need to be married to each other) and are entitled to file a joint tax return.
2. The household consists of single parent(s) and their child (or children) and no one in the household is a dependent of a third party.
3. At least one member of the household receives assistance under Title IV of the Social Security Act (i.e. TANF).
4. At least one member of the household is participating in an officially sanctioned job training program.
5. At least one member of the household was formerly in foster care. Full-time status for purposes of the LIHTC program includes attendance at regular facilities for five or more months during the calendar year in which the taxable year of the taxpayer begins.

b) Occupancy Standards

The unit must have enough space to accommodate the household. Occupancy standards must comply with federal, state and local occupancy standards, and/or laws in connection with occupancy requirements, fair housing and civil rights laws, as well as landlord-tenant laws and zoning restrictions.

1. For the purpose of determining the unit size for which a household may be eligible; the following will be counted as members of the household:  
*(Check all that apply)*

- Fulltime household members
- Unborn children



- Children in the process of being adopted
- Children whose custody is being determined
- Foster children
- Children temporarily in a foster home
- Children in joint custody 50% of the year or more
- Children away at school but home for recess
- Live in aides
- Foster adults

2. Upon request, an applicant or resident may be placed on as many of the Development's Waiting List(s) that the household size qualifies.
3. A household may be required to provide proof of custody of related or unrelated occupants in order to be considered for a change in unit size.
4. An applicant with disabilities will be given priority for an accessible unit if such applicant deems that this type of unit is appropriate for their household. If the household determines that the accessible unit is not appropriate for the household's needs, the household's name will be returned to its place on the Development's Waiting Lists, as applicable.

**7. Application Process**

Applicants will be notified if they are approved or denied housing within \_\_\_\_ business days after verifications are returned. Once the decision on the applicant is made, the property manager or designated staff will either Approve or Deny the Applicant. After approving or denying, staff will generate either an approval or denial letter which must be sent to the applicant. A copy of the full background report and approval or denial letter must be placed in either the denied applicant file or approved tenant file. If they are denied housing, the applicant will be provided with an applicant rejection letter written in the applicant's primary language if possible.

a) Application Materials

- Tenant Application
- Notice of Receipt of Application
- Application Acceptance Letter
- Application Denial Letter
- Third Party Background Screening Report
- Other Documents *(Please Describe)* \_\_\_\_\_
- Other Documents *(Please Describe)* \_\_\_\_\_

Other Documents (Please Describe) \_\_\_\_\_

Other Documents (Please Describe) \_\_\_\_\_

b) Interview and Screening Procedures

Interview and screening procedures Consistent application of tenant screening standards Catholic Charities requires the consistent application of tenant screening standards to all applicants. Meeting eligibility requirements is the first step in the tenant selection process. Once an individual meets eligibility requirement, an interview will be conducted. In addition, every applicant must meet the tenant selection criteria. The applicant will be judged on ability to meet tenancy requirements and not on any attribute or behavior that may be imputed to a particular group or category of persons of which an applicant may be a member. All staff will conduct interviews using a pre-screened set of questions. A final decision on eligibility cannot be made until all verifications are complete. The applicant interview will assess the likelihood that the applicant will be able to meet all of the following the essential requirements of tenancy, as expressed in the lease, and include:

- Ability to pay rent and other charges under the lease in a timely manner;
- Ability to care for and refrain from damaging the unit and common areas;
- Ability to use facilities and equipment in a reasonable way that does not create health or safety hazards;
- Ability to reasonably report significant maintenance needs;
- Respect for the personal and property rights of others;
- Ability to refrain from engaging in criminal activity that threatens the health, and/or safety of other tenants or staff; as well as refraining from engaging in drug-related criminal activity on or near the premises; and,
- Compliance with health and safety codes and necessary and reasonable rules and program requirements of HUD, and/or other government entities, and/or the housing provider.

*Important Note: Any evaluation of an applicant must be disability-neutral and will not seek any information beyond the minimum required to clarify specific eligibility and screening issues and will not be based on any disability-related presumptions about the applicant's ability to meet the essential obligations of the lease.*

The property manager or designee is usually the lead interviewer on the applicant interview; all other applicable staff will be properly trained and prepared to participate. Program staff are encouraged to seek the assistance of on-site support services staff to help applicants understand and complete the interview process. At a minimum, the applicant interview should include at least one representative from the support services team or other tenant representative. In general, the interview's focus will be on the ability for the applicant to comply with the terms of tenancy as stated in the lease or rental agreement as well as the supports (if any) identified as needed by the applicant for such compliance.

## 8. Waitlist(s) Process

The Coordinated Entry System will serve as the waiting list for all homeless dedicated units. If there are other units in the property they will use the process below.

Creation of Waiting List(s):

If an applicant is eligible for tenancy, but no appropriately sized unit is available (as referred to in **Section VI**), Management will place the applicant on a waiting list (the "Waiting List") for the Development (**Exhibit H**). The Waiting List(s) will be maintained in either:  
(*Check the one that applies*)

A bound ledger (manually)

A computer program (electronically)

The Waiting List(s) will contain the following information for each applicant listed:

1. Applicant name
2. Household unit size (number of bedrooms household qualifies for under site occupancy standards)  
(*NOTE: applicant may qualify for multiple unit sizes*)
3. Date application received
4. Annual income level
5. Targeted program qualifications
6. Accessibility requirements
7. Number of persons in household

The Waiting List will be maintained in accordance with the following guidelines:

The pre-application will be a permanent file.

All applicants will be maintained in order of preference. Applications equal in preference will be maintained by date and time sequence.

## 9. Application Decisions

### a) Credit and Housing History

An unsatisfactory history of meeting financial obligations (including, but not limited to timely payment of rent, outstanding judgments or a history of late payment of bills)  may be considered/  will not be considered. If an applicant is rejected based on a credit report, they will be provided with the reasons for rejection and given the name of the credit bureau that performed the credit check. Applicants will also be given \_\_\_\_\_ week(s) to dispute any information on the credit report.

The inability to verify credit references  may be considered/  will not be considered and result in rejection of an applicant. Special circumstances will be considered in which credit has not been established (income, age, marital status, etc.) and lack of credit history will not cause an applicant to be rejected. In such circumstances, a person with a history of creditworthiness may be required to guarantee the lease.

The applicant's financial inability to pay his/her monthly contribution toward the rent of the unit may be assessed. Ordinarily, the total of the applicant's monthly contribution plus other long-term obligations

(payments extending more than twelve months) should be less than \_\_\_\_\_% of his/her monthly gross income. Income ratios may be considered in the context of the applicant's credit and employment history and potential for increases in income.

b) Criminal History

This project does  does/  does not reject people based on criminal justice background. The exception to this is if a funding source for the project requires rejecting applicants based on specific past crimes, within a specific timeframe. For example, if the project has housing choice vouchers they must deny any applicant who does not meet the eligibility criteria of the Public Housing Authority.

Applicants who fall into the following categories will be rejected: *(Check all that apply)*

Any household in which any member uses marijuana, or whose use of marijuana, or current addiction to or engagement in the illegal use of a controlled substance interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents will be denied admission and, if an occupant, will be subject to termination of tenancy.

Any household containing a member(s) who was evicted in the last three years from housing for drug-related criminal activity. Exception: if the evicted household member has successfully completed an approved supervised drug rehabilitation or the circumstances leading to the eviction no longer exist (e.g. the household member no longer resides with the applicant household).

Any household member that is subject to a state sex offender lifetime requirement. In order to comply with this provision, a criminal background check will be conducted on all applicants over the age of 18 that includes a check of all state sex offender registration program lists, or a national registration list that includes the information from all states.

Any household member for whom there is reasonable cause to believe that the member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety, and right to peaceful enjoyment by other residents. The screening standards must be based on behavior, not the condition of alcoholism or alcohol abuse.

Applicants who fall into the following categories may be rejected. In addition, if other persons that will be living in the unit fall into these categories, the applicant may be rejected. **Note:** The owner shall ensure that the relevant "reasonable" time period is uniformly applied to all applicants in a non-discriminatory manner and in accordance with applicable fair housing and civil rights laws.

Criminal convictions that involved physical violence to persons or property, or endangered the health and safety of other persons within the past \_\_\_\_ year(s);

Criminal convictions in connection with the manufacture or distribution of a controlled substance within the past \_\_\_\_ year(s); or

Other *(please describe):*

---

Household Characteristics

Household Characteristics may be a reason for an application being rejected if the household size or household characteristics were not appropriate for the specific type of unit available at the time of application.

c) Citizenship Status

Proof of United States Citizenship  may/  may not be required for certain subsidies.

d) Income

Proof of Income  may/  may not be required for certain subsidies.

**10. Reasonable Accommodation**

a) Reasonable Accommodations and Modifications

Where applicable, no qualified individual with a disability shall be discriminated against by the denial of or full enjoyment of the services and facilities, privileges, advantages, or accommodations furnished by the Development.

The housing application, eligibility, verification and interview process will be accessible to all applicants, regardless of physical, mental, or learning disability. Staff will assist and/or arrange for the assistance for applicants with disabilities in completing the application form, obtaining verification documents, and participating in the application process. Pursuant to law, the Development will make reasonable efforts to accommodate applicants with disabilities.

The Development is required to make reasonable accommodations to tenants with disabilities. This includes making physical modifications to the living unit and also includes making waivers or changes to the rules, policies, practices and/or services where necessary in order to provide equal access to housing.

*The Development is not required to make a reasonable accommodation if it would fundamentally alter the nature of the program in question or cause undue financial or administrative burden.*

b) Reasonable Accommodation and Modification Process

Applicants or tenants may make reasonable accommodation requests at any time, whether verbally or in writing. A request for accommodation also may be made by a family member, health professional, or other representative who is acting on the individual's behalf with the individual's consent. Staff should be aware that individuals may be making a request for a reasonable accommodation without using that term. Once staff is aware of the request, a Reasonable Accommodation Request form will need to be completed by the applicant/tenant. Staff will assist applicants or tenants who need help completing this form.

All requests for reasonable accommodation will need to be submitted to the property manager, who will then immediately forward the request to the ADA/504 Coordinator.

Medical documentation may only be requested when a disability and/or need is not apparent and there is no other medical information already on record for the individual which demonstrates that need. If additional documentation is necessary, applicants or residents should complete a Reasonable Accommodation Verification form in addition to the Reasonable Accommodation Request form. Documentation must come from a designated provider who is a credible source with sufficient professional knowledge of the applicant/tenant to answer the applicable questions which would typically be a health care professional.

*Note that the property manager has the right to sufficient documentation to make a decision, but does not have a right to diagnosis, medical history or treatment unless directly relevant to a reasonable accommodation request.*

As soon as the property manager receives a Reasonable Accommodation Verification form accompanied by the Reasonable Accommodation Request form, the property manager will send these forms to the designated provider. It is the responsibility of the applicant or tenant to secure such documentation if property management staff attempts to obtain such verifications are unsuccessful. Staff may refer the tenant to services staff for assistance.

Once the verification is complete, the property manager will forward the request and documentation to the ADA/504 Coordinator.

The ADA/504 Coordinator will approve or deny a reasonable accommodation request as soon as possible and will notify the property manager and the applicant/tenant in writing.

If the request is approved, the property manager will implement the change as soon as reasonably possible and will notify applicant/resident of reasons for delay and estimated completion time for such requests.

If the reasonable accommodation is denied for any reason, the ADA/504 Coordinator will notify applicant/tenant and will include in the denial notification a written or alternate format notice of the right to a grievance hearing and the procedures for requesting one.

c) Service, Assistance, and Companion animals

Tenants who are permitted to have service animal as a reasonable accommodation of tenancy will agree to abide by the Assistance Animal responsibilities policy. Property management staff will discuss the responsibilities outlined in the policy with the tenant and obtain written consent that the tenant will comply with the policy.

## 11. Post Selection Tenancy Requirements

a) Recertification Requirements

### Annual Recertification Requirements

Property Management is required to request and tenants are required to submit to a recertification of household income and composition at least annually (applicable per program guidelines). Property Management must then recalculate the tenants' rents and assistance payments, if applicable, based on the information gathered.

Property Management must inform tenants, through written notices, about the tenants' responsibility to provide information about changes in household income or composition necessary to properly complete an annual recertification. These notices include information on the recertification process, requirements, and timelines.

### Interim Recertification Requirements

To ensure that assisted tenants pay rents commensurate with their ability to pay, tenants must supply information required by the Property Manager or HUD for use in an interim recertification of family income and composition in accordance with HUD requirements. All tenants must notify Property Management when:

1. A household member moves out of the unit;
2. The household proposes to move a new member into the unit;
3. An adult member of the household who was reported as unemployed on the most recent certification or recertification obtains employment; or
4. The households income cumulatively increases by \$\_\_\_\_.00 or more per month. In addition, tenants may request an interim recertification due to any changes occurring since the last recertification that may affect their total tenant payment or tenant rent and assistance payment for the tenant, including decreases in income, increases in allowances (i.e., increases medical expenses and higher child care costs), and other changes affecting the calculation of a households annual or adjusted income including but not limited to a family member turning \_\_\_\_ years old, becoming a full-time student, or becoming a person with a disability.

b) Unit Inspections

### Move-In Inspection

Property Management will perform a move-in inspection with tenant prior to execution of a lease using a form

to indicate the condition of the unit. The move-in inspection form must be attached to and made a part of the lease agreement. The condition of the unit must be decent, safe, sanitary, and in good repair. If cleaning or repair is required, Property Management must specify on the inspection form the date by which the work will be completed. The date must be no more than \_\_\_\_ days after the effective date of the lease. Both the Property Management and tenant must sign and date the inspection form. The tenant has days to report any additional deficiencies to the Property Management to be noted on the move-in inspection form.

#### Move-Out Inspection

Property Management will complete a move-out inspection with tenant if the tenant is available and willing to participate. Upon a tenant's request, he/she must be allowed to attend the move-out inspection conducted by Property Management. If a tenant does not wish to participate, the Property Manager may do the inspection alone. If an Property Manager determines that the unit is damaged as a result of tenant abuse or neglect, Property Management may use the security deposit to cover repair costs in compliance with all applicable local and state laws.

#### Housekeeping Inspections

Property Management reserves the right to conduct annual inspections as part of the annual recertification process. In addition, where there is reasonable cause to believe that tenant has poor or unsafe housekeeping habits, Property Management reserves the right to conduct periodic inspections to ensure that the housing remains decent, safe, and sanitary.

##### c) Implementation of House Rules

Property Management has established written House Rules which are an attachment to every lease agreement. These House Rules shall be compliant with HUD requirements and will not discriminate against individuals based upon membership in any federal, state or local protected class.

Property Management must give tenants written notice 30 days prior to implementing any new house rules.

## 12. Onboarding

The property manager is the primary point of contact for the new tenant. The property manager (or designee) will explain to the new tenant what is expected of them in relation to their compliance with the rental agreement and consistency with housing program's goals and objectives.

- a) Careful review of the lease agreement and house rules. The applicant is not a tenant until she/he has paid the required rent and security deposit and has signed all required paperwork. Only then can the property management representative release the unit key to the new tenant.
- b) A unit walk through and inspection with the tenant. At the end of the inspection, the tenant will sign the inspection form. The building staff who performs the inspection will also sign the form. The tenant will get a copy of the signed inspection form to keep in their files with their lease, tenant handbook and rules.
- c) A tour of the building, pointing out where various facilities are located, including on-site support services staff and/or offices, laundry room, compost, trash and recycling room, community rooms and other common areas.
- d) Prompt introduction of the new tenant to support services staff so that the tenant is aware of the vital support services available and so that the support service team can encourage the new tenant to access support, services and resources.

- e) An explanation of the developments housing goals and objectives. Because supportive housing is provided with voluntary support services, the better that tenants understand the developments mission or business purpose, the better the opportunity for the property management and support services staff to gain the tenant's cooperation and involvement in the supportive housing community.

Orientation should provide the incoming tenant(s) additional information about accessible and/or on-site support services and resources, as well as local resources (for example, shopping districts and recreational facilities).



**13. Certification**

By signing this Plan, Management certifies that the contents of this Plan will be followed as written, and that no other Tenant Selection Plan has been executed for the Development at this time or will be executed in the future without written approval from Rhode Island Housing.

**Counterparts and Electronic Signatures**

This Plan may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. A signed copy of this Plan transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Plan.

**MANAGEMENT:**

Entity Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

This Plan is acknowledged and agreed to.

**OWNER:**

Entity Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

This Plan has been reviewed as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**RHODE ISLAND HOUSING:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**14. Amending the Tenant Selection Plan**

This Plan may be amended only with the prior written approval of Rhode Island Housing.

**15. Appendix**

Lease	Lease Violation form
Tenant House Rules	Onsite training checklist
Tenant Acceptance letter	Unit turnover inspection checklist
Applicant Rejection letter	Tenant agreement to dispose of property left in unit
Rent Reasonableness	Security Deposit Return Letter
Reasonable Accommodation	Visitor sign in sheet
Need for Reasonable Accommodation Verification form	Tenant Visitor Sign in sheet
Reasonable Accommodation Approval or Denial form	Overnight Guest Documentation
Assistance Animal Checklist	Resident Request to Remove Person from unauthorized visitor list
Notice of Late Rent Payment	Approval/Denial to Remove Person(s) from unauthorized visitor list
Final Notice of Late Rent Payment	New Tenant File Checklist
30-day Notice to Vacate for Non-payment of Rent	Wellness Check Request and Release form
Rent Payment Plan form	Trespass Notice
Housing Inspection Checklist for move in	Tenant to Tenant Complaint
Housekeeping Standards	Tenant Maintenance Request

**16. Exhibits**

**Exhibit A – Rent Structure Template**

# of Units	Unit Type	Market Rate	Low-Income	Very Low-Income	Utility Allowance
	Studio				
	1 Bedroom				
	2 Bedroom				
	3 Bedroom				
	4 Bedroom				
	5 Bedroom				

**NOTE:** The rents shown above are the initial rents for the development. After the initial rents, this exhibit will be replaced with a copy of the most recently approved Rent Schedule for the Development.

**Exhibit B – Sample Lease Addendum For Accessible Unit Availability**

This addendum to the Lease Agreement between

\_\_\_\_\_  
(Lessor)

and \_\_\_\_\_  
(Lessee)

entered into a lease agreement on \_\_\_\_\_.  
(Date)

In order to comply with Section 8.27 of Section 504 of the Rehabilitation Act of 1973, the landlord or its agent must first lease vacant accessible units to current occupants requiring accessibility features of the vacant unit and occupying a unit not having such features. If no such occupants exist, the unit would be leased to an eligible qualified applicant on the waiting list, who requires the accessibility features of the vacant unit. When offering an accessible unit to an applicant not having handicaps requiring the accessibility features of the unit, the landlord must require the applicant to agree to move to a non-accessible unit when available.

The resident noted above has been offered an accessible unit and does not have a physical condition requiring such a unit. The resident noted above hereby agrees, upon request of the landlord to transfer to a non-handicapped accessible unit to accommodate a person or person(s) on the wait list who have required such an accessible unit. The resident noted above will be responsible for all moving expenses they incur.

Agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_

\_\_\_\_\_  
(Lessor)                      Date Signed:

\_\_\_\_\_  
(Lessee)                      Date Signed:

Accepted:

\_\_\_\_\_  
(Owner or its agent)                      Date Signed:

**Exhibit C – Sample Verification Of Preference Status**

Dear \_\_\_\_\_:

\_\_\_\_\_ (Applicant) SSN# \_\_\_\_\_,

has applied for housing at \_\_\_\_\_ and has indicated that they are eligible for a housing preference given the following circumstance:

**1. State Preferences**

- A.**  Displaced from an urban renewal area.
- B.**  Displaced by a disaster, such as a fire or flood, that resulted in extensive damage or has destroyed the unit.
- C.**  Displaced by an activity carried on by an agency of the United States or by any State or local government body or agency.

**2. Former Federal Preferences**

- A.**  An action by an owner which resulted in the applicant's having to vacate his/her unit where:
  - \* **the reason for the owner's action is beyond the applicant's ability to control or prevent.**
  - \* **the action occurred despite the applicant's having met all previously imposed conditions of occupancy.**
  - \* **the action taken is other than a rent increase.**
- B.**  Actual or threatened physical violence directed against applicant or one or  
more members of the applicant's household by a spouse or other member of the applicant's household; or the applicant lives in a housing unit with such an individual who engages in such violence.
- C.**  Applicant is living in substandard housing because:  
\_\_\_\_\_
- D.**  Applicant lacks a fixed, regular, and adequate nighttime residence.
- E.**  Applicant is paying \$\_\_\_\_\_ in monthly rent which is greater than 50% of the household income.

In order to determine the preference status, we are required to verify the preference. Therefore, we would appreciate your completing the certification below and returning this form in the enclosed envelope. This information will be used only for purpose of determining the preference for this applicant.

Sincerely, \_\_\_\_\_ I hereby authorize the release of the requested information.  
(Applicant Name)

\_\_\_\_\_  
(Signature of Property Manager)

\_\_\_\_\_  
(Signature of Applicant)

-----  
-----  
-----

(Please complete items below, sign and date).

I verify that \_\_\_\_\_ (Applicant's) current living situation meets  
\_\_\_\_\_ preference(s) as cited on the previous page.

Firm or Agency Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Firm or Agency Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit D – Sample Rejection Letter For Preferences**

Re: \_\_\_\_\_ Apartments

Dear \_\_\_\_\_:

In your recent application for \_\_\_\_\_ Apartments, you indicated that you qualify for the following preference(s):

- Displaced from an urban renewal area.
- Displaced by a disaster, such as a fire or flood, that resulted in extensive damage or has destroyed the unit.
- Displaced by an activity carried on by an agency of the United States or by any State or local government body or agency.
- (List the preferences adopted by the owner)

After reviewing the documentation, which you submitted, we regret to inform you that you do not meet the criteria for receiving a preference based on the following reason(s):

The person named below has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's regulations implementing Section 504 (24 CFR Part 8 dated June 2, 1988).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

\_\_\_\_\_  
Telephone (voice)

\_\_\_\_\_  
Telephone (TDD)

If you feel this decision has been made in error and wish to provide additional documentation, please contact the rental office at \_\_\_\_\_ (voice) or \_\_\_\_\_ (TDD).

Sincerely,

\_\_\_\_\_  
Property Manager

**Exhibit E – Sample Applicant Inquiry**

Date: \_\_\_\_\_

Dear \_\_\_\_\_:

Thank you for your initial inquiry regarding housing at \_\_\_\_\_. Residents will be selected only from those eligible persons who make formal application. We have numerous inquiries for our apartments.

We are now accepting pre-application forms from interested households. If you are still interested in living at \_\_\_\_\_, please return the enclosed pre-application form by mail as soon as possible.

You may be eligible for a preference if one of the following conditions applies to you have been displaced: from an urban renewal area; by a disaster, such as a fire or flood, or by an activity carried on by an agency of the United States or by any State or local government body or agency. (Also list the preferences adopted by the owner). Households qualifying for a preference will receive assistance before any other applicant households that are not so qualified. If you feel you qualify for a housing preference, complete the appropriate certification form attached to this letter and return it along with your pre-application form by mail.

For households not claiming housing preference, screening will be conducted according to the order in which the pre-application cards were received.

Interviews will be conducted at \_\_\_\_\_. Leasing personnel will be unable to see applicants prior to their scheduled interview. If you have any questions, we will be happy to answer them at the time of your interview.

The person named below has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's regulations implementing Section 504 (24 CFR Part 8 dated June 2, 1988).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

\_\_\_\_\_  
Telephone (voice)

\_\_\_\_\_  
Telephone (TDD)

Sincerely,

\_\_\_\_\_  
Property Manager

**Exhibit F – Sample Pre- Application Form**

Date received: \_\_\_\_\_ Time Received: \_\_\_\_\_

Interested person for  1 BR  2 BR  3 BR  other \_\_\_\_\_

(Check all that apply)

Name (Head of Household):

Address:

Phone (Home): \_\_\_\_\_ Phone (Work): \_\_\_\_\_

Cell phone: \_\_\_\_\_ E-Mail:

Would you be interested in a handicapped accessible unit?  Yes  No

Do you feel you qualify for a housing preference?  Yes  No

Do you live/work in the Community?  Yes  No

Annual Household Income: \$\_\_\_\_\_ Date Apartment Needed?

Household data: Please list all persons who will occupy the unit:

<u>Name</u>	<u>Age</u>	<u>Relationship</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

<b>Optional and for Federally Subsidized Programs ONLY.</b>			
<b>ETHNICITY:</b>	<input type="checkbox"/>	Hispanic or Latino	<input type="checkbox"/>
			Non-Hispanic or Non-Latino
<b>RACE:</b>	<input type="checkbox"/>	Caucasian	<input type="checkbox"/>
	<input type="checkbox"/>	Asian	<input type="checkbox"/>
	<input type="checkbox"/>	Native	<input type="checkbox"/>
			African American
			American Indian or Alaskan
			Native Hawaiian or Other Pacific Islander



Exhibit G - Sample Pre - Application Form Log

**IN ORDER OF RECEIPT**

Check All That Apply

<u>Date Rec'd</u>	<u>Time Rec'd</u>	<u>Name</u>	<u>Unit Type</u>	<u>Housing Preference</u>	<u>Accessible Unit</u>	<u>Income Level - VL/L/M</u>

Exhibit H - Sample Waiting List

<u>Date Rec'd</u>	<u>Time Rec'd</u>	<u>Head of Household</u>	<u>Unit Size</u>	<u>Income Level</u>			<u>Need for Accessible Unit</u>		<u>Comment/Contact</u>	<u>Remove/Rejected Date</u>	<u>Move-in Date</u>	<u>Preference Type</u>
				<u>EL</u>	<u>VL</u>	<u>L</u>	<u>Y</u>	<u>N</u>				
12/3/22	10:30 AM	John Johnson	2	X				X				Working household preference; Elderly Preference
12/4/22	1:00 PM	Mary Smith	2		X		X					

**Exhibit I – Sample Waiting List Update**

Date: \_\_\_\_\_

Dear \_\_\_\_\_:

We are currently in the process of updating our waiting list for \_\_\_\_\_. Some time ago, you expressed an interest in living at our development, and your name was placed on the waiting list.

If you are still interested in living at \_\_\_\_\_, enclosed is a form that must be returned to \_\_\_\_\_, management office, within \_\_\_ days (excluding weekends and designated Federal Holidays). Failure to return this information within this time period will result in your name being permanently removed from the waiting list.

It is not necessary to call or come into the office at this time, as we do not have anything immediately available.

The person named below has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's regulations implementing Section 504 (24 CFR Part 8 dated June 2, 1988).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

\_\_\_\_\_  
Telephone (voice)

\_\_\_\_\_  
Telephone (TDD)

Thank you for your interest in \_\_\_\_\_.

Sincerely,

\_\_\_\_\_  
Property Manager

**Exhibit J - Reply Form**

---

**I AM STILL INTERESTED IN LIVING AT**

---

DEVELOPMENT NAME

APPLICANT NAME

CURRENT  
ADDRESS

HOME PHONE#

WORK PHONE#

E-MAIL  
ADDRESS

CELL PHONE #

UNIT SIZE DESIRED

0 BR

1 BR

2 BR

3 BR

OTHER

---

**Exhibit K – Sample Waiting List Acknowledgement**

Date \_\_\_\_\_

Dear \_\_\_\_\_:

This letter is to acknowledge receipt of your waiting list update card. Currently you are on our  
\_\_\_\_\_ bedroom waiting list(s).

We do not have an exact time in which you will be contacted regarding an apartment; however, please remember to keep us advised of your current address and phone number.

The person named below has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's regulations implementing Section 504 (24 CFR Part 8 dated June 2, 1988).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

\_\_\_\_\_  
Telephone (voice)

\_\_\_\_\_  
Telephone (TDD)

Sincerely,

\_\_\_\_\_  
Property Manager

**Exhibit L - Applicant Rejection**

Date \_\_\_\_\_

Dear \_\_\_\_\_:

Thank you for your interest in renting an apartment at \_\_\_\_\_. After careful consideration and review of your application, we regret we are not able to accept your application for tenancy at this time for the following reasons:

If you wish to appeal this decision, please contact the \_\_\_\_\_ Management office at \_\_\_\_\_ (voice) or \_\_\_\_\_ (TDD) within 14 days of the date of this letter (excluding weekends and designated federal holidays) to schedule an appointment.

Regardless of whether or not you decide to respond to this notice, you may still exercise other avenues of relief available to you if you believe that you have been discriminated against on the basis of race, color, creed, religion, sex, national origin, age, familial status, ancestry, unfavorable military discharge, marital status, receipt of governmental assistance, or handicap.

The person named below has been designated to coordinate compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Development's regulations implementing Section 504 (24 CFR Part 8 dated June 2, 1988).

\_\_\_\_\_  
Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

\_\_\_\_\_  
Telephone (voice)

\_\_\_\_\_  
Telephone (TDD)

Sincerely,

\_\_\_\_\_  
Property Manager

# **ADDENDUM 1**

## **SOCIAL SECURITY NUMBER REQUIREMENTS**

The head of household/spouse/co-head must disclose social security numbers (SSN's) for all household members. In addition, applicants must provide adequate documentation or acceptable evidence of the SSN including any of those listed below:

- Original Social Security card
- Driver's license with SSN
- Identification card issued by a federal, state or local agency, a medical insurance provider, or an employer or trade union
- Earnings statements on payroll stubs
- Bank statement
- Form 1099
- Benefit award letter
- Retirement benefit letter
- Life insurance policy
- Court records

Applicants do not need to disclose or provide verification of a SSN to be placed on the waiting list; however applicants must disclose a SSN and provide adequate documentation to verify each SSN for all non-exempt household members before they can be housed.

If household members have not disclosed and/or provided verification of the SSN at the time a unit becomes available, the next eligible applicant must be offered the available unit.

The applicant who has not provided required SSN has 90 days from the date they are first offered an available unit to disclose/verify the SSN. During this 90-day period, the applicant may retain its place on the waiting list. After 90 days, if the applicant has been unable to supply the SSN documentation the applicant will be determined ineligible and removed from the waiting list. An additional 90 days will be granted if the failure to provide documentation of a SSN is due to circumstances that are outside the control of the applicant.

Individuals who have applied for legalization under the Immigration and Reform Control Act of 1986 will be able to disclose their SSN, but unable to supply the cards for documentation. SSN are assigned to these persons when they apply for amnesty. The cards are forwarded to the Department of Homeland Security (DHS) until the persons are granted temporary lawful resident status. Until that time, their acceptable documentation is a letter from the DHS indicating social security numbers have been assigned.

## **ADDENDUM 2 (Section 811 Only)**

### **ENTERPRISE INCOME VERIFICATION (EIV)**

HUD has developed a web-based computer system containing employment and income information on individuals participating in HUD's rental assistance programs.

The EIV system provides the owner and/or manager of the property with income information and employment history for applicants and residents. This information is used to meet HUD's requirement to independently verify employment and/or income when applicants certify for rental assistance.

This development will use EIV to perform an Existing Tenant Search Report for all applicants. This report identifies applicants applying for assisted housing that may be receiving rental assistance at the time of application processing at another location.

Owners/Agents must:

1. Run this report at the time they are processing an applicant for admission to determine if the applicant or any applicant household members are currently being assisted at another Multifamily Housing or Public and Indian Housing (PIH) location.
2. Provide a copy of the handout "EIV & You" (see attached) for all new applicants.

# Emerging Practices

## *In Inclusive Tenant Screening*

### Frequently Used Terms:

**“Applicant”** means any person considered for, who requests to be considered for, or who requests to be considered for tenancy within a rental dwelling unit.

**“Housing provider”** means a landlord, an owner, lessor, sublessor, assignee, or their agent [e.g., property manager], or any other person receiving or entitled to receive rents or benefits for the use or occupancy of any rental dwelling unit.<sup>1</sup>

**“Person with conviction history”** means a person with a history of justice system involvement such as a person who has been convicted of one or more crimes. It’s worth noting that many people charged in our justice system take plea deals even when factually innocent to avoid longer sentences.

### Introduction:

#### **Purpose of this Resource:**

This document is to support housing providers interested in implementing practices that promote more inclusivity and reduce applicant denials based on conviction history with the intention to screen more applicants in, not out. This document is non-exhaustive and is based on emerging practices informed by research and expertise generated in the field. Today, the field is continuing to evolve and research steadily growing to support more inclusive practices and policies related to tenancy of individuals with conviction and arrest history. The guidance below can be used as a starting point as you begin developing your individual tenant selection plan procedures. The adoption of this guidance is strictly voluntary, but encouraged and does not carry with it any statutory conditions or requirements.

### Background Screening:

#### **General Guidance:**

- The tenant selection plan (TSP) should include a detailed description of screening criteria that explicitly states what will be considered in the background screening



process, how applicants will be selected, and related fees. This will allow applicants to determine whether they meet the selection requirements. The background screening criteria should be provided prior to collecting any application fee.<sup>2</sup>

- Providing the TSP prior to accepting an application fee will help the applicant save time and money on the application if they do not meet the housing providers selection criteria.
  - **Note:** In addition, and to help prevent applicants from potentially screening themselves out at the beginning of the application process, housing providers should present the criteria as a wholistic assessment and clarify the importance mitigating factors play in the decision-making process.<sup>3</sup>
- Do not use blanket bans for applicants with conviction or arrest history in practice or policy. An example of a blanket ban is, “no criminal background allowed”. Blanket bans are in violation of fair housing laws.<sup>4</sup>
- In addition to implementing a low-barrier background screening approach, develop evidence-based practices and policies when considering conviction history and mitigating factors in the selection of applicants.<sup>5</sup>
- Consider implementing a First in Time (FIT) process. This means applications must be processed one by one in the order they are received, with offers of tenancy made in that same order (first come, first served). Implementing a FIT process will help to reduce discrimination and bias and create a fairer selection process.<sup>6</sup>
- Consider eliminating background screening entirely. A defense often raised by housing providers is that the utilization of background screening promotes the safety of property and other tenants. According to HUD’s 2022 memorandum, such an assertion should be supported by evidence. Further, even if such evidence exists, a housing providers investigation should still consider whether their interest can be “served by another practice that has a less discriminatory effect.”<sup>7</sup>

### Individualized Assessment:

- The TSP should outline a clear process for how the individualized assessment will be conducted and what supporting evidence will be considered. For example, include a set of questions that will be answered in the assessment or a list of possible materials that could provide context to any relevant conviction history.
- When conducting your individualized assessment consider these additional examples for supporting evidence of rehabilitation or mitigating circumstances. This list is non-exhaustive and often includes:
  - Job readiness training
  - Supportive services that assist with the transition back to society
  - Completion of a GED or other education programs
  - Completion or current/willingness to participate in a drug or alcohol rehabilitation treatment program

- Completion or current/willingness to participate in a behavioral therapy program.
  - For example: anger management
- History of trauma related to domestic violence, human trafficking, sexual assault etc.
- Reentry report from a correctional facility
- Age/maturity level
- Contextual information related to the convictions such as age at the time of the conviction, circumstances surrounding the conviction, and other relevant information
- The effects that denial of admission may have on other members of the family who were not involved in the action or failure.<sup>8</sup>
  - **Note:** Currently there is no best practice in determining the number of factors that a person must meet to be considered acceptable for tenancy, however, the bright line is does the applicant pose a demonstrable risk to the personal safety and/or property of others.
- As a best practice consider keeping documentation of all responses and communication to help protect yourself from claims of discrimination and to mitigate any liability. The more you can define your discretionary factors, the more transparent your process will be, and the more protection you should have against accusations of discrimination or preferential treatment.<sup>9</sup> In addition to protecting against claims of discrimination and mitigating liability, detailed record keeping and tracking of denials can help properties self-assess any patterns or implicit biases that could exist in the decision-making process.
- As part of your individualized assessment, do not consider crimes that are no longer illegal in your state.
  - For example, marijuana-related offenses
- As a best practice, include a detailed appeals process that is clearly stated in your TSP.<sup>10</sup>

### Third-Party Screening Companies:

- If you are going to use a third-party screening provider, use a reputable provider with a consistent track record and confirm the accuracy of the report. Many third-party screening providers are notorious for making adverse recommendations based on incomplete or inaccurate information, including information that has been sealed, expunged, or vacated, based on juvenile records, using racially biased algorithms, and the utilization of information that has no substantiated relationship to housing outcomes or success. Further, confirm with third-party screening providers that they are following local laws in their background screening reports (for example: fair chance

housing laws). Lastly, screen only for activity within the timeframe you indicate in your tenant selection plan.<sup>11</sup>

- As a best practice housing providers should accept the use of portable screening reports. This allows individuals with limited means and/or conviction history to pay a one-time cost and can be used to apply to multiple units. This also allows for individuals to better control the accuracy of the information generated from a third-party screening report. This does not prevent housing providers from purchasing/securing their own background screening reports in addition to the portable report, however, the applicant should not be charged for the additional report. The option of using a portable screening report should be provided up front.<sup>12</sup>

### Lookback Periods:

- As part of our TSP guidance, we recommend that housing providers should only screen for felony convictions that have occurred within the last three years. In addition, we recommend that lookback periods should begin at either the point of conviction or the point of release from incarceration.<sup>13</sup> For example, if you're using point of conviction as a starting point, if an applicant was released from incarceration one year ago, for a conviction that took place four years ago, their conviction should not be considered in the report as they would have met the three-year conditional lookback period.<sup>14</sup>
  - **Note:** According to research and to further support this position, people who were released from incarceration tended to reoffend soon after their release. Research also found that of the people who were rearrested within the first nine years of their release, the majority (82%) of them were rearrested within the first three years.<sup>15</sup>

### Final Comments:

One of the first steps anyone needs to take after incarceration is finding secure housing. Without stable housing, it is almost impossible to secure a job, become a part of the community, create social networks, pay bills, reintegrate into society, and avoid future crime. CSH's work in supportive housing has demonstrated repeatedly that people with incarceration histories can be successful tenants when they are connected with appropriate housing and services. Further, ensuring access to housing opportunities for justice-involved populations is an investment that reduces crisis and institutional costs and increases public safety.

CSH also acknowledges that housing providers have some responsibility to maintain safe environments for their residents. Housing providers have to navigate liability concerns and are sometimes required to follow federal, state and local policies that may impact their discretion. Even so, the evidence is clear, there is no way to predict future criminality based on one's

conviction history and screening out people based on past conviction history may decrease overall public safety.

Everyone deserves a second chance and a place to live regardless of race, gender, and socio-economic status and we believe that starts with stable housing. We also believe housing providers who rent to individuals with conviction histories helps to further fair housing. By working together, our communities are better off.

**Disclaimer:** This document is not intended to serve as legal advice. Instead, it was developed to supplement the CSH model screening template and FAQ by providing housing providers a non-exhaustive list of emerging practices to consider when developing their site-based tenant selection plans related to background screening. It's important to know that state and local laws vary by jurisdiction. If you have questions or concerns about your screening process, it's recommended you contact **your local legal provider** who can provide you with the appropriate legal advice on how your practice or policy might violate/be in conflict with local fair housing, [crime free/public nuisance laws](#), be discriminatory, or related to landlord liability.

To find your local legal provider consider using these related search terms. Name of state/city/county, including civil/human rights office/commission, housing legal provider, fair housing organization or legal provider.

Example 1: California fair housing legal provider: [Housing | CRD \(ca.gov\)](#)

Example 2: California fair housing organization list: [Fair Housing Organizations List \(ca.gov\)](#)

## Resources for Further Learning:

- [Fair Chance Ordinances: An Advocate's Toolkit | NHLP](#)
- [Success in Housing: How Much Does Criminal Background Matter? | Wilder Research](#)
- [Opening Doors to Affordable Housing: | Vera Institute](#)
- [Tenant Screening in an Era of Mass Incarceration: A Criminal Record is No Crystal Ball | NYU Journal of Legislation and Public Policy](#)
- [Just Housing Amendment to the Human Rights Ordinance | Cook County](#)

**This resource was created thanks to support from Capital One. This resource was prepared by Corporation for Supportive Housing (CSH). No reproduction of this material is allowed without the written permission of CSH. For questions or more information, contact [justice@csh.org](mailto:justice@csh.org)**

## END NOTES

<sup>1</sup> [Perma | www.njoag.gov](#)

<sup>2</sup> [Opening-Doors-to-Affordable-Housing-Report.pdf \(vera.org\) \(p.12\)](#); Second cite for above cite: [Fair Housing and Tenant Selection with Regard to Criminal Record Screening 071421.pdf \(la.gov\) \(p.2\)](#); [Opening-Doors-to-Affordable-Housing-Report.pdf \(vera.org\) \(p.21\)](#); [Perma | Chapter 35B. Fair Criminal Record Screening for Housing. | D.C. Law Library \(<- D.C. Code § 42–3541.02, <https://perma.cc/ZP33-TMN9>\)](#)

<sup>3</sup> [WDMD-final.pdf \(povertylaw.org\). \(p.13\)](#)

<sup>4</sup> [Office of the General Counsel \(hud.gov\)](#); [HUD’s Guidance on Application of Fair Housing Act Standards to the Use of Criminal Records: Where Do We Stand? - FCAP \(fcapgroup.com\)](#)

<sup>5</sup> [Assistant Secretary for Fair Housing and Equal Opportunity \(hud.gov\)](#) (p. 9 of this Fair Housing Guidance from HUD includes a list of best practices in tenant screening, all of which comply with federal Fair Housing laws)

<sup>6</sup> [State Supreme Court Rules Seattle’s “First in Time” Constitutional - Rental Housing Association of Washington \(rhawa.org\)](#) (The type of first-in-time process you develop should be based on the idea of “first come, first served” and be applied in a consistent and equitable manner.); [Portland Requires Landlords To Use First-Come-First-Served System To Choose Tenants - OPB](#)

<sup>7</sup> [HUD Gives Further Guidance on Criminal Background Screening — Fair Housing Project \(fairhousingnc.org\)](#); [Assistant Secretary for Fair Housing and Equal Opportunity \(hud.gov\)](#) (p.7)

<sup>8</sup> [jha faq for landlords updated 5.4.22.pdf \(cookcountyl.gov\) \(p.3\)](#); [Assistant Secretary for Fair Housing and Equal Opportunity \(hud.gov\)](#) (p.9-10); [Fair Housing and Tenant Selection with Regard to Criminal Record Screening 071421.pdf \(la.gov\) \(p.2-4\)](#)

<sup>9</sup> [Tenant-Screening-Report.pdf \(hjcmn.org\) \(p.25\)](#)

<sup>10</sup> [TenantSelectionPlanGuidelines.pdf \(ohiohome.org\) \(p.2\)](#)

<sup>11</sup> [Updated-FTC-Letter-with-all-Exhibits\\_Final.pdf \(povertylaw.org\) \(p.4, 22, 24\)](#); [Tenant-Screening-Report.pdf \(hjcmn.org\) \(p.20-21\)](#)

<sup>12</sup> [Updated-FTC-Letter-with-all-Exhibits\\_Final.pdf \(povertylaw.org\) \(p.8\)](#); [021320\\_NHLP\\_FairChance\\_Final.pdf \(p.28\)](#); Marin Scott, How to Avoid Hidden Rental and Application Fees as a Renter, Avail, Sept. 17, 2021

<sup>13</sup> [looking-beyond-conviction-history.pdf \(vera.org\)](#)

<sup>14</sup> [Texas-Criminal-Background-Screening-Guide-for-Rental-Housing-Providers.pdf \(austinecho.org\).](#)

<sup>15</sup> [looking-beyond-conviction-history.pdf \(vera.org\) \(p.1\)](#); Mariel Alper, Matthew R. Durose, and Joshua Markman, 2018 Update on Prisoner Recidivism: A 9-Year Follow-up Period (2005-2014) (Washington, DC: Bureau of Justice Statistics, 2018) [Perma | www.bjs.gov](#)

## APPENDIX G

### Qualified Allocation Plan Resources To Incentivize Supportive Housing Development

Annually, Novogradac compiles and posts Qualified Allocation Plans for all allocating agencies. In addition to Qualified Allocation Plans, this site also provides other programmatic documents from allocating agencies such as applications, NOFAs, guidelines, etc. Previously issued QAPs (as far back as 2000) are also available through this source.

The compilation of Qualified Allocation Plans can be found here: [2023 QAPs and Applications | Novogradac \(novoco.com\)](#)

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#### **Incentivizing through Points:**

- Colorado QAP (page 45): [CHFA Low Income Housing Tax Credit Allocation Plan \(novoco.com\)](#)
  - Nevada QAP (page 49): [Final LIHTC 2023 QAP \(novoco.com\)](#)
  - Connecticut QAP (page 14): [Low-Income Housing Tax Credit 2022 and 2023 Qualified Allocation Plan \(novoco.com\)](#)
  - Maine QAP (page 12): [2023-2024 Low-Income Housing Tax Credit Qualified Allocation plan \(novoco.com\)](#)
- 

#### **Incentivizing through Allowance of Basis Boost:**

- Minnesota QAP (page 21): [2024-2025 Draft Housing Tax Credit Qualified Allocation Plan \(novoco.com\)](#)
- 

#### **Incentivizing through Set Aside / Pools:**

- Kentucky QAP (page 5): [2023-24 Qualified Allocation Plan \(novoco.com\)](#)

## APPENDIX H

### Exhibit D

#### Health Center Program Grantee & Behavioral Health Organization or Supportive Housing Partnership Sample Agreement<sup>3</sup>

##### Memorandum of Understanding Regarding Integrated Services

This Memorandum of Understanding (“MOU” or “Agreement”) is entered into between -----, Inc. (Health Center) and --- -- (Community Mental Health Center/Supportive Housing Agency (SHA)) effective [Date]. Each signatory to this MOU may be referred to as a “party,” and collectively as “Parties.”

WHEREAS, CMHC/SHA , a [NAME OF STATE] nonprofit corporation, is the community mental health (or SH) center that provides behavioral health services in ---- county, and

WHEREAS, Health Center, a [NAME OF STATE] nonprofit corporation, is a Health Center Program Grantee providing primary care in ----- county, and

WHEREAS, in the interest of collaborating for more effective treatment CMHC/SHA and Health Center will work together to serve patients whom they believe may have behavioral health problems and/or substance abuse issues that interfere with their ability to maintain good overall health.

WHEREAS the Parties desire to enter into an agreement that clearly identifies the roles and responsibilities of each party with respect to the development and implementation of an Integrated Health Services Program (list site here if there is a specific site where services will be).

#### ARTICLE I: TERM AND TERMINATION

- **1.1 Initial Term.** The initial term of this MOU shall be from DATE until DATE unless earlier terminated and in accordance with Section 1.3.
- **1.2 Automatic Renewal.** Upon expiration of the Initial Term, this MOU shall be automatically renewed for successive one-year terms, each commencing on the first day following the date on which the preceding initial term or renewal term shall have expired. Each Party reserves the right not to elect to renew the MOU.
- **1.3. Termination.** Notwithstanding any other provision in this MOU, this MOU may be terminated on the first to occur of the following:
  - (a) Either Party may terminate this MOU, with or without cause and with or without providing reasons for termination, upon giving the other Party ninety (90) days’ prior written notice.
  - (b) Either Party may terminate this MOU for breach upon giving the other Party thirty (30) days’ prior written notice of intent to terminate and a description of the specific breach of the MOU. If the breaching Party has not cured the breach by the end of the 30 day notice period, this MOU shall terminate immediately at the expiration of the 30 day period.

#### ARTICLE II: RESPONSIBILITIES

- **2.1. Responsibilities of CMHC/SHA.** CMHC/SHA shall:
  - Hire LIST NEEDED BH/SH STAFF POSITIONS through the standard hiring process
  - Provide new employee orientation
  - Pay a monthly base salary of -----
  - Provide standard benefits package with cost to be paid by -----
  - Provide laptop computer for work related functions, including documentation of encounters
  - Pay for any mileage, lodging, and incidental expenses incurred as a regular part of employment
  - Provide Health Center with a quarterly statement of one half the cost of salary and benefits

<sup>3</sup> Adapted from <http://www.coloradohealthpartnerships.com/provider/integrated/Sample-FQHC-CMHC-MOU-Unabridged.pdf>

- Provide training and supervision by the BH/SH Integration Coordinator to a 1 FTE BH/SH provider (Provider) following the agreed upon integrated service-delivery model. This person will also coordinate referral and communication with both CMHC/SHA and other specialty care services in the community. The Provider will be expected to participate in clinical training activities as time permits
- Providers providing services on Health Center premises will be appropriately licensed, certified, and/or otherwise qualified to furnish services as assigned
- CMHC/SHA shall provide all services pursuant to this MOU in accordance with applicable state and federal law and any performance standards established by Health Center and CMHC
- Not discriminate by payer source or patient's county of residence
- Document patient encounters in Health Center EMR only
- Bill for patient encounters utilizing Health Center Standard Operating Procedures for behavioral health billing
- **2.2. Responsibilities of Health Center Program Grantee.** Health Center shall:
  - Credential the Provider in full compliance with state regulations as described in [NAME OF STATUTE] Health Care Professional Credentials Application
  - Provide a furnished office for the Provider (if needed)
  - Provide organization orientation with required information confidentiality statements
  - Reimburse the CMHC/SHA one-half of the salary and benefit expenses as billed by a quarterly statement.
  - Provide a monthly encounter report to CMHC/SHA. This report can also be submitted directly to [\_\_\_\_\_]

### **ARTICLE III: LIABILITY AND INSURANCE**

- **3.1 Liability.** Each Party shall be solely liable for any and all claims, costs, and expenses arising from or out of any act or omission in the performance of its obligations thereunder
- **3.2 Insurance.** Each Party shall maintain such policies of general and professional liability insurance as shall be necessary to insure it, its Board of Directors, and its employees against any claim or claims for damages arising by reason of an act or omission in the performance of its respective obligations hereunder. Such policies shall be carried in amounts of not less than \$1,000,000 per occurrence. Each party shall further maintain worker's compensation and unemployment compensation policies for its employees
- **3.3. Coverage.** Health Center shall provide coverage under FTCA upon completion and approval of State Credentialing requirements as described in section 2.1

### **ARTICLE IV: CONFIDENTIALITY**

The Health Center and the CMHC/SHA are covered entities for the purpose of Health Insurance Portability and Accountability Act (HIPAA)<sup>4</sup> and subject to 45 CFR and 164 of the HIPAA Privacy Regulation. To the extent that employees are participating, employees shall:

1. Be considered part of the FQHC workforce for HIPAA compliance purposes in accordance with 45 CFR 164.103, but shall not be constructed to be employees of the Health Center.
2. Receive training by Health Center and CMHC/SHA on, subject to compliance with, all of the Health Center and CMHC/SHA privacy policies adopted pursuant to the Regulations, and
3. Not disclose any Protected Health Information, as the term is defined by 45 CRF 160.103, to which an Employee has access through program participation.

### **ARTICLE V: GENERAL PROVISIONS**

IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT:

1. **PARTICIPATION IN SIMILAR ACTIVITIES:** This instrument in no way restricts the CMHC/SHA or Health Center from participating in similar activities with other public or private agencies, organizations, and individuals.
2. **COMMENCEMENT/EXPIRATION /TERMINATION:** This MOU takes effect upon the signature of the CMHC/SHA and Health Center and shall remain in effect for 365 days from the date of execution. This MOU may be extended or amended upon written request of either the CMHC/SHA or Health Center and the subsequent written concurrence of the other(s). Either the CMHC/SHA or Health Center may terminate this MOU with a 30 day written notice to the other(s). Any remaining salary and benefit costs will be split by the agencies.

<sup>4</sup> Note: This might not be the case for a SHA.



3. RESPONSIBILITY OF PARTIES: The CMHC/SHA and Health Center and their respective agencies and office will handle their own activities and utilize their own resources, including the expenditure of their own funds, in pursuing these objectives. Each party will carry out its separate activities in a coordinated and mutually beneficial manner.
4. PRINCIPAL CONTACTS: The principal contacts for this instrument are: CMHC/SHA Contact \_\_\_\_\_;  
Health Center Contact\_\_\_\_\_.

AUTHORIZED REPRESENTATIVES: By signature below, Health Center and CMHC/SHA certifies that the individuals listed in this document as representatives of the Parties are authorized to act in their respective areas for matters related to this agreement.

This agreement is for the time period of DATE to DATE and can be renewed or amended at that time upon the agreement of both parties.

\_\_\_\_\_  
Chief Executive Officer  
CMHC/SHA

\_\_\_\_\_  
Chief Executive Officer  
Health Center

## APPENDIX I

### Development and Housing Finance 101

Information found in this Appendix originated from CSH's Health System Investments in Housing, A *Development Guide*; [Healt System Investments in Housing: A Development Guide \(csh.org\)](https://www.csh.org/development-guide).

### Development Team Selection

The first step in supportive housing development is to build a team of professionals with knowledge and experience in affordable housing as well as the unique aspects of supportive housing design, financing, and regulation/approval processes is key to ensuring a successful outcome. Your team members should have clearly defined roles, shared values, fluid communication, and trust; this is important for navigating the unavoidable and unexpected challenges that will arise over the course of the project. Written descriptions of team members' or partnering organizations' roles, especially for new relationships, can be an effective way to clarify the responsibilities and expectations of each party. Your team will likely include the following roles:

The **PROJECT SPONSOR** could be either a for-profit or nonprofit housing sponsor and/or may also act as a social services provider in some cases.

The **ARCHITECT** is responsible for design development and construction management and is involved in all approval and permitting processes.

The **PROJECT ATTORNEY** drafts and reviews legal documents associated with the various transactions occurring throughout the development process. The firm must be experienced with affordable housing tax credit development. In-house counsel may advise on aspects of the deal.

The **DEVELOPMENT CONSULTANT** is responsible for securing funds required to develop the project. This can include acquisition, construction, and permanent financing from private lenders or government agencies. The development consultant may also act as a project manager responsible for maintaining the project schedule and team coordination.

The **ENVIRONMENTAL AND ENERGY CONSULTANTS** perform required testing or environmental studies and any mitigation plans required for closing, such as the Phase I ESA. Certain green building programs like LEED and Passive House may require additional consultants.

The **AGENCY PARTNERS** issue bonds, tax credits, and capital loans.

The **PRIVATE LENDERS** include banks or other private lending institutions and offer financing for the acquisition, pre-development, construction, or permanent phases.

The **TAX CREDIT SYNDICATOR** is an intermediary between the project sponsor and the tax credit investor if your project is utilizing Low Income Housing Tax Credits. The syndicator works with the sponsor to negotiate pricing, the timing of equity payments, and other terms of the equity investor.

The **GENERAL CONTRACTOR** coordinates all aspects of construction, including bidding, site preparation, the hiring and management of sub-contractors, and on-time, on-budget construction and delivery of the completed building.

The **MANAGEMENT COMPANY** handles all aspects of the building operations. This includes rent collection, managing tenant leases, management of building staff, maintenance and operating schedule, expenses, and Low-Income Housing Tax Credit monitoring and certifications.

### *Additional Resources:*

- For more information on the planning process and building quality teams, reference Planning a Quality Supportive Housing Project: <https://www.csh.org/toolkit/supportive-housing-quality-toolkit/project-design-and-administration/planning-a-project/>.

## The Development Process

An operational supportive housing development begins with a concept and follows a progression of phases over the course of several years. Ensuring your team has a clear understanding of the development process and timeline will help ensure you have the right people involved and shared expectations. The following milestones, key activities, and approximate timelines may not happen in succession, and may in-fact overlap, as the development process involves multiple partners and deadlines.

### *Concept Development: Approximate Duration: 1 Year*

The goal of this phase is to define your development concept. This involves creating a feasible strategy for land acquisition, building design, financing, and management and service delivery in the completed project. It is essential that sponsors complete a self-assessment of their own organizational and financial capacity for development, and that the executive staff and Board of Trustees have agreed upon clearly articulated organizational housing goals. Additionally, make sure you are speaking early and often to an attorney knowledgeable about or versed in affordable and supportive housing development, and certainly before you sign any legal documents.

### *Pre-Development: Duration: 2-3 Years*

In this phase, your development team must raise service, operating, and capital financing; secure environmental and public approvals; develop the building design; secure community support and negotiate the business and legal terms with funders, investors, and development partners. Pre-development and closing activities are highly interdependent as the project moves toward closing.

### *Closing: Approximate Duration: 2-3 Months*

The lead-up to closing is a period of intense negotiation and activity. Volumes of documents must be drafted and negotiated before closing can occur. Even with a consultant, you will need extra staff capacity during a closing. This is NOT a good task for your executive staff as few executives have sufficient bandwidth to manage a closing alongside an already demanding schedule.

### *Construction Phase: Approximate Duration: 18-24 Months*

One of the most important roles of the owner/developer is to oversee the construction period. Construction delays can be extremely costly and could jeopardize equity financing and developer fees if the project gets stuck. Delays tend to occur during site preparation and foundation construction and at the end with securing the occupancy permits. Thorough sub- surface investigations and early planning with adjacent property owners can help mitigate risk of significant delays.

### *Rent-Up/Conversion: Approximate Duration: 6 months*

The completed building(s) must be occupied before a project can convert to permanent financing (typically tax credits). Sponsors are responsible for rent-up on both supportive and “community” units in accordance with special needs tenant eligibility and tax credit regulations. Your rent-up and marketing plan must be carefully designed and strictly followed so as to avoid placing a tenant who is not eligible under one or more of the tenant eligibility requirements for service, operating, or capital subsidies. It is crucial at this phase to work with property management and services partners if such partnerships are part of your project.

### *Operations: Approximate Duration: 15+ Years*

The operations phase begins by finalizing tenant selection and rent-up procedures. Pay attention to any long-term affordability and tenant eligibility requirements attached to your funding sources. During this phase, you (and/or your partners) will also finalize operating procedures and policies, select and order furniture and supplies, hire and train property management and service staff, and organize tenant orientation.

## Partnerships

The emergence of integrated development models, the shortage of sites in many markets, and a complex real estate market have spurred new partnerships for affordable and supportive housing developments. Nonprofits may be motivated to a joint venture partnership by access to land or financing guarantees, development and management expertise, or the desire to develop larger mixed-use projects.

**Co-Development Partnerships:** In a co-development partnership model, partners share the responsibility for ownership, project development, supportive service delivery, and property management of the project. Joint ventures can be created between two or more nonprofit housing providers or with for-profit development or management companies.

**Single Owner Model:** The sponsor contracts with a partner to develop the building. In this model, sometimes referred to as a “turnkey,” there is a temporary shared partnership between the sponsor and the developer with ownership control shifting to the sponsor-owner upon completion and permanent finance conversion. In the single owner model, risks and rewards of ownership fall upon the single owner as the responsible organization. The development partner exits the deal at the permanent conversion, typically earning some or all of the development fee.

**Shared Owner Model:** The sponsor may partner with a developer or property manager to support the financing or operations of the building. In this model, two or more organizations co-own the building as partners, and share the long-term business and legal responsibility for the development, operations, management, and service delivery in the project. In a co-ownership model, the sponsor is actively involved in the early development stages providing expertise on capital, service, and operating financing, building design and community support. Shared ownership spreads the responsibilities, risks, and economic benefits among the partners.

## Financing

Putting together the financing for a supportive housing project can be thought of as a three-legged stool with capital, operating, and service funding, each comprising a leg. The budget for each of these three pieces can include multiple funding sources braided together. Federal, state, and local government programs, as well as private capital and philanthropy, are all common funding sources. The following section will provide additional information on key considerations for developing capital, operating, and service budgets and explain common sources of funding for each. Keep in mind that funding availability, application processes, and administering agencies may differ according to state or locality, and some local funding opportunities not listed here may be available in your area. The list of programs and resources listed below is not intended to be exhaustive but instead lays out the key types of funding sources and administering agencies. It is important to include experienced developers and service providers who understand the local funding landscape as part of your development team. Connecting with local PHAs, CoCs, and HFAs will offer further details, application timelines, and funding availability.

If you aren't familiar with your state HFA, you can find it here: <https://www.ncsha.org/housing-%20help/>

## Building the Capital Budget

Capital costs are sometimes called “brick and mortar” costs and refer to all acquisition, construction, and rehabilitation expenses. A capital (or “development”) budget breaks out all capital requirements for completing the project, which includes site acquisition and costs in two broad categories: hard and soft costs. Hard costs typically include construction and rehabilitation work, and any needed offsite improvements, such as sewers or utilities. Soft costs include architectural services, appraisals, engineering, legal costs, fees and permits, and rent-up costs.

When preparing a capital budget, the following two questions will help ensure a workable and timely budget:

1. Is the budget complete? Does the budget include all of the costs that the developer/sponsor will incur to complete a fully operational project? This requires understanding the project in detail.
2. Is the budget accurate and reliable? As a project gets closer to construction, it becomes possible to refine cost projections and budgets. By the time a project has an identified site, preliminary funding commitments, and basic design, the development budget should be fairly refined.

Capital financing comes from federal, state, and local sources, with many projects also utilizing equity raised from the sale of Low-Income Housing Tax Credits. As previously noted, becoming familiar with

state and local housing finance agencies' funding programs is strongly advised. Federal capital funds are also available from the U.S. Department of Housing and Urban Development. Typically, HUD administers funding through two mechanisms: formula grants and competitive grants. Formula grants, also known as block grants, are allocated to a local government entity (county or city, and sometimes state), who then distributes the money to individual projects. With competitive grants, HUD distributes the money directly to project sponsors. The following descriptions lay out some common forms of capital financing.

#### *Additional Resources:*

For more on how to develop a capital budget: [https://www.csh.org/wp-content/uploads/2013/09/PreparingDevelopmentBudgets\\_F.pdf](https://www.csh.org/wp-content/uploads/2013/09/PreparingDevelopmentBudgets_F.pdf)

To reference an example Supportive Housing Project Proforma (a financial plan for developing and operating the project): <https://www.csh.org/resources/preparing-the-supportive-housing-project-proforma/>

## Sources of Capital Financing

Common sources of capital may include:

*Low Income Housing Tax Credit (LIHTC):* Widely recognized as one of the most successful federal programs generating affordable housing development, the Low-Income Housing Tax Credit (LIHTC) program catalyzes private investment into the historically underserved affordable housing market. Since its inception in 1986, the program has led to the development (through construction or rehabilitation) of approximately 2 million affordable units. LIHTC was created via a permanent provision in the Internal Revenue Code (IRC) and is administered by state agencies with the assistance of guidance from the Treasury Department and the Internal Revenue Service. The federal government allocates tax credits to states and territories, whose housing finance agencies allocate the credits to affordable housing developers based on criteria and priorities included in their qualified allocation plans (QAP). Developers then generally sell the credits to investors, who receive a dollar-for-dollar reduction in federal taxes claimed over a 10-year period, in exchange for equity investments that contribute to the project's capital budget.

Investors are typically large banks and corporations with substantial tax liabilities and will be able to fully utilize the credit over ten years once the affordable housing project is operational. Such investors can enter directly into a partnership with the developer or can use a syndicator to match capital investors with projects. Syndicators often pool investor capital in equity funds, which spreads risk across multiple projects. Financial institutions may also receive favorable Community Reinvestment Act consideration from their regulating agency for these investments.

In order for projects to be eligible for a LIHTC allocation, the project must meet both an income unit test for tenants and a gross rent test. Projects can meet the income unit test in one of three ways:

1. 20% of units must be occupied by households with incomes at or below 50% AMI.
2. 40% of units must be occupied by households with incomes at or below 60% AMI.
3. 40% of units must be occupied by households with incomes that average no more than 60% AMI, with no household income exceeding 80% AMI.

Gross rent cannot exceed 30% of the designated income limit. Developments are required to maintain these affordability standards and comply with IRC requirements for 15 years, and extended use periods of at least 15 additional years are required.

A project will utilize one of two types of LIHTC, depending on the nature of the project: a “9% Credit” or a “4% Credit,” based roughly on the percentage of a project’s qualified basis that can be claimed each year, for the 10-year period. 9% credits are allocated via competitive applications to housing finance agencies, and are generally used for new construction projects, while 4% credits are “as-of-right credits” for projects financed using tax-exempt bonds. The equity generated through the sale of a 9% credit can fund approximately 70% of the present value of a project’s qualified basis, while equity generated through the sale of a 4% credit can fund approximately 30%.

For more information on your jurisdiction’s Qualified Allocation Plan and LIHTC application, visit your HFA’s website. For additional details on how states are prioritizing supportive housing in LIHTC allocations, please visit CSH’s Qualified Allocation Plan webpage: <https://www.csh.org/qap/>

**Home Investment Partnership Program (HOME):** The Home Investment Partnership Program (HOME) is an extensive, flexible block grant program intended to create affordable housing for low-income households run by HUD and administered by participating local jurisdictions. HOME funds can be used by states and localities, usually in partnership with nonprofits, for building, acquiring, and/or rehabbing of affordable housing for rent or homeownership, as well as for providing direct rental assistance to low-income people.

Each year the U.S. Department of Housing and Urban Development (HUD) allocates approximately \$2 billion among the states and hundreds of localities nationwide; however, the amount varies. HOME funds are awarded annually as formula grants to participating jurisdictions. States are automatically eligible for HOME funds and receive either their formula allocation or \$3 million, whichever is greater. Local jurisdictions eligible for at least \$500,000 under the formula (\$335,000 in years when Congress appropriates less than \$1.5 billion for HOME) also can receive an allocation. The formula allocation considers the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, its fiscal distress, and other factors.

HOME funds may be used for a variety of project costs, including building or rehabilitating rental housing, acquisition costs, demolition of dilapidated housing so that HOME-funded housing may be built, community planning costs, as determined in the locality’s Consolidated Plan.

To find out which agency administers HOME funds and regulations in your area, visit the HUD website: <https://www.hudexchange.info/grantees/#/byProgram>

To find your local Consolidated Plan, search here:

<https://www.hudexchange.info/programs/consolidated-plan/con-plans-aaps-capers/>

**Community Development Block Grants (CDBG):** The Community Development Block Grant Program (CDBG) is a formula-based block grant program established in 1974 to help communities develop a wide range of community programs, planning, and housing for low-and-moderate-income people. Funds are allocated by formula to cities, counties, and states based on poverty rates and housing conditions. The program works to ensure decent, affordable housing, to provide services to the most vulnerable in our

communities, and to create jobs through the expansion and retention of businesses. Funds may be used for public facilities, community revitalization, housing rehabilitation, and innovative development leveraging private investments. CDBG funds can only be used for new construction in limited circumstances. More information on eligible uses can be found at:

[https://www.hud.gov/sites/documents/DOC\\_16473.PDF](https://www.hud.gov/sites/documents/DOC_16473.PDF)

**Federal Home Loan Bank Affordable Housing Program:** The Federal Home Loan Bank system was chartered in 1932 to provide flexible credit liquidity to community lenders involved in home mortgage and neighborhood lending. The system is comprised of 11 regional FHLBanks, each separate, government-chartered, member-owned corporations with around 6,800-member financial institutions.

The FHLBanks' Affordable Housing Program (AHP) is the largest private source of grant funding. Since 1990, more than \$5.8 billion has been awarded assisting in the acquisition, construction or rehabilitation of more than 865,000 units of affordable housing. Funded with 10 percent of the FHLBanks' net income each year, the AHP is administered regionally by each individual FHLBank, through its financial institution members and their community-based partners.

AHP funds can be used in combination with other programs to support affordable and supportive housing projects serving a wide range of community needs. FHLBank members access funds through the AHP Competitive Application Program. Project sponsors must coordinate applications for grants through member institutions. To ensure that projects serve local housing needs, each FHLBank designs and administers its own competitive program, advised by an Advisory Council made up of community organizations from within the FHLBank's district. AHP grants are highly competitive, with approximately one out of three applications receiving funding.

More information on the AHP can be found at <https://fhlbanks.com/affordable-housing/> , and by contacting Community Investment Officers at the regional FHLBanks.

**Housing Trust Fund:** The National Housing Trust Fund (HTF) provides grants to states for the production and preservation of affordable housing for extremely low-and-very low-income households. HTF funds are allocated by formula annually by HUD to states and state-designated entities, which administer funds via HTF Allocation Plans. States must use at least 80 percent of each annual grant for rental housing; up to 10 percent for homeownership; and up to 10 percent for administrative and planning costs. HTF funds may be used for acquisition, new construction and/or rehabilitation of affordable housing, which must have a minimum affordability period of 30 years. Eligible forms of assistance include loans, grants, interest subsidies, equity investments, and other forms of assistance approved by HUD.

Income targeting requirements are set based on the annual amount of available HTF funds. In any fiscal year in which the total HTF funds available are less than \$1 billion, 100 percent of HTF funds must be targeted by grantees for the benefit of extremely low-income families or families with incomes at or below the poverty line, whichever is greater. When the total HTF funds available are equal to or exceed \$1 billion, at least 75 percent of HTF funds must be targeted by the grantee for the benefit of extremely low-income families or families with incomes at or below the poverty line, whichever is greater. Any grant funds not used to serve extremely low-income families must be used for the benefit of very low-income families.



Units assisted by HTF funds must be occupied by income-eligible households. Rents, including utilities, are set at 30 percent of household income at either 30 percent or 50 percent of area median income, adjusted for the number of bedrooms in each unit.

More information can be found at <https://www.hudexchange.info/programs/htf/> and by contacting your state or state-designated entity that is a grantee of HTF funds.

## Building the Operating Budget

Operating funding refers to rental subsidy costs as well as expenses associated with operating and/or maintaining the housing. For projects owned by a housing sponsor, this can include property management, utilities, maintenance, insurance, security, debt service or other loan payments, and operating and replacement reserves. For projects with units leased by the sponsor (either single-site or scattered-site), there may be ongoing operating costs, depending upon the terms of the lease with the property owner. All project sponsors must ensure that the operations budget includes sufficient subsidy to ensure affordability based on income for tenants: typically, no more than 30% of income can be paid toward rent. Operating subsidies supplement the difference between the tenant's portion and a reasonable rent charged under market conditions.

There are three general forms of operating subsidies:

1. **Project-based** are those that are “attached” to particular housing units.
2. **Tenant-based** subsidies attach to an individual or family.
3. **Sponsor-based** attaches to a specific housing sponsor, typically a non-profit housing developer or supportive housing provider.

### *Additional Resources:*

The Operating Pro Forma is the tool used to estimate the expenses of a project during operations. For more on “Preparing an Operating Pro Forma”: [https://cshorg.wpengine.com/wp-content/uploads/2015/08/PreparingOperatingProFormas\\_F.pdf](https://cshorg.wpengine.com/wp-content/uploads/2015/08/PreparingOperatingProFormas_F.pdf)

## Sources of Operations Funding

*Continuum of Care (CoC) Program:* As described earlier in this guidebook, the Continuum of Care (CoC) is a body of stakeholders, a geographic entity, a planning process, and a source of funding from HUD designed to promote community-wide commitment to end homelessness. To distribute CoC funding to CoC collaborative applications, HUD issues a Notice of Funding Availability (NOFA) each year. Based on each CoC's annually reporting and local and federal priorities, the CoCs score and strategically rank their various existing and proposed rapid rehousing, transitional housing, permanent housing, and some other eligible homeless service programs to form their applications to HUD. Some years, HUD creates an opportunity to receive bonus funding for population-specific programs, such as establishing new domestic violence programs within the continuum. The following expenses are allowable as part of the CoC program:

**Leasing Costs:** Leasing costs are an eligible use of funds under the Permanent Housing (PH), Transitional Housing (TH), Support Services Only (SSO), and Homeless Management Information System (HMIS) program components. This funding can be used to lease individual units, some of a building's units, or the entire building. While all rents must be reasonable, individual units cannot have rents exceeding fair market rent (FMR) rates determined by HUD.

**Rental Assistance Costs:** Under the permanent and transitional housing program components, rental assistance is an eligible expense and may take one of three types: tenant-based, sponsor-based, or project-based. Depending on the project type, the rental assistance may be short-term (up to 3 months), medium-term (up to 24 months), or long-term (>24 months) depending on the housing type through which the project is funded. Funded projects must serve the full number of tenants approved in their applications, but if actual costs are lower than the amount reserved for the term of the grant, the recipient may use the remaining funds to cover property damage, rent increases, or the rental needs of a greater number of program participants.

**Tenant-Based Rental Assistance:** Tenant-based rental assistance allows program participants to rent any unit within the CoC's geographic area, given that the unit size and rent meet criteria determined by HUD. In some circumstances, the geographic area in which tenants can lease an apartment may be restricted to ensure access to supportive services. Victims of domestic violence, however, may retain their rental assistance if they relocate outside the geography of the CoC.

**Sponsor-Based Rental Assistance:** Under this component of CoC funding, the CoC-funding recipient (or contracted sponsor organization) may offer rental assistance to program participants who reside in housing owned or leased by the recipient/sponsor organization.

**Project-Based Rental Assistance:** Through project-based rental assistance, a building's owner agrees to lease units to program participants. The rental assistance cannot be transferred if the household decides to relocate to a unit in another building.

In all three types of rental assistance, the participating household holds a lease with the landowner and must pay a portion of the rent in accordance with HUD's interim rule.

*Additional Resources:*

For further details on the CoC program, visit the HUD Exchange page:

<https://www.hudexchange.info/programs/coc/>

**Housing Choice Vouchers:** The Housing Choice Voucher program is HUD's major program for providing housing operating assistance to very low-income families, aging, and people with disabilities. The vouchers are administered by local Public Housing Authorities (PHAs). The housing subsidy is paid

directly to the landlord and the voucher holder is responsible the amount not covered by the subsidy. Vouchers can either be tenant based or project based.

The Housing Choice Voucher program also administers special purpose vouchers; including, Family Unification Program, Foster Youth to Independence Initiative, Mainstream Vouchers, Non-Elderly Disabled, and Veterans Affairs Supportive Housing Vouchers.

*Additional Resources:*

Reference the HUD Exchange for the most up to date information on Special Purpose Voucher Programs. [HCV Programs and Initiatives | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

**Section 811 Supportive Housing for Persons with Disabilities-Project Rental Assistance:** Section 811 Supportive Housing Project Rental Assistance is a federally funded program offering rental subsidies for extremely low-income people living with disabilities. State housing agencies (HFAs) wishing to apply for Section 811 funding must establish partnerships with state health and human services as well as Medicaid agencies to develop tenant selection criteria, referral processes, and service provision plans to ensure extremely low-income tenants most in need can access the supportive housing. Section 811 Project Rental Assistance offers operating subsidies that can be paired with new or existing affordable housing funded by LIHTC, HOME, or other capital sources.

Tenant households must be extremely low-income (<30% AMI), and at least one household member (not necessarily the head of household) must have a disability and be between the ages of 18-62. Note that the age and disability criteria is assessed at the time of voucher issuance; households will not lose the voucher when the qualifying member turns 62.

To find out about the availability and application process for Section 811 Rental Assistance in your area, look on your local Housing Finance Agency's website.

*Additional Resources:*

For more information about the Section 811 Rental Assistance Program, see the HUD Exchange Info Page: [https://www.hud.gov/program\\_offices/housing/mfh/progdesc/disab811](https://www.hud.gov/program_offices/housing/mfh/progdesc/disab811)

### Building the Supportive Service Budget

Supportive housing projects should have a separate service budget that is distinct from the operations budget. When designing a services budget it is important to make sure projected expenses match projected revenues:

- **Expenses:** This will include personnel and other than personnel expenditures associated with delivering services that match the acuity level and particular needs of the project's tenants. These services should be tailored according to the population the supportive housing project intends to serve.
- **Revenues:** Supportive housing service budgets typically include a blend of multiple revenue sources to be able to provide for the range on ongoing support services for a diverse group of tenants. Typically, revenue for supportive services costs is provided in one of three ways: as a fee-for-service arrangement, through a publicly funded contract in which the organization provides specified supportive services according to an established budget, or through private fundraising.

Federal funding for services, like funding for development and operating costs, is generally distributed by formula grants or competitive grants.

*Additional Resources:*

For additional information on how to budget for supportive housing services, please see: <https://www.csh.org/resources/supportive-housing-services-budgeting-tool/>

**Medicaid and Supportive Services:** As supportive housing is intended to serve highly vulnerable people, including older adults and medically frail individuals, integrating Medicaid reimbursement as a source of funding for service provision can help supplement a project's services budget. While types of services covered under Medicaid vary according to location, many states have adopted Medicaid waivers or State Plan Amendments (SPAs) that allow for reimbursement of non-traditional medical services (often referred to as "tenancy support services") such as housing navigation, case management, and environmental modifications.<sup>1</sup> Medicaid typically cannot cover a supportive housing project's entire service budget but can provide a reliable source of funding and support more specialized staffing and services, as might be performed by an LCSW or a Master's level clinician.

When considering incorporating Medicaid as part of a supportive housing project's service budget, the sponsor organization should examine its state Medicaid plan, the services covered under it, and the extent to which the population served would have service needs that would be eligible for reimbursement. The organization also may consider various administrative models for billing Medicaid: becoming a Medicaid billable agency that performs services and manages billing in-house, hiring an Accountable Care Organization (ACO) to manage billing, or contracting with an external organization that can provide services to tenants and bill directly to Medicaid.

*Additional Resources:*

For specifics on supportive services covered in your state's Medicaid plan, explore CSH's "A Quick Guide to Medicaid Waivers and State Plan Amendments:" <https://www.csh.org/resources/a-quick-guide-to-medicaid-waivers-and-state-plan-amendments/>

To compare the Administrative Models for Medicaid Funding Services, visit: <https://www.csh.org/resources/administrative-models-for-medicaid-funding-services/>

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<sup>1</sup> <https://www.csh.org/resources/summary-of-state-action-medicaid-housing-services-2/>

**Continuum of Care (CoC):** As part of HUD's funding to local CoCs funding for supportive services may be covered in the transitional housing, rapid rehousing, permanent supportive housing, and the supportive services only (SSO) program components. HUD's interim rule lists all eligible services, such as legal assistance, case management, and employment services. Services must be offered to residents of permanent housing for the full period of their residence. The funding also allows recipients and sub-recipients to provide services for households experiencing or previously experiencing homelessness but who do not reside in housing operated by the recipient.

When considering applying for CoC funding, it is best to start by connecting with your local CoC.

*Additional Resources:*

For basic information about funding components eligible under CoC funding:

<https://www.hudexchange.info/programs/coc/coc-program-eligibility-requirements/>



## Case Study

# Health Center and Supportive Housing Capital Development Partnerships

St. Joseph's Mercy Care  
Decatur Street Clinic and  
McAuley Park Affordable  
Housing in Atlanta, Georgia

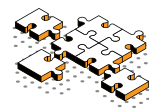
The COVID-19 pandemic has reinforced the value of community health and housing collaborations aimed at improving housing stability and quality of life for vulnerable populations. Increased demands for affordable and supportive housing combined with the need for more effective service coordination are fueling exploration of these health and housing collaborations.

- + How do community partners develop **shared vision and strategy** for successful co-located mixed-use developments?
- + What are the **roles in development** for health centers, and how do they assess capacity and growth opportunities?
- + Which resources are available to **build and sustain** new health and housing co-developments?
- + What are the **key decisions** health centers evaluate as they pursue health and housing co-development?

Read the case study below to learn more about the key steps and decisions leading health centers and providers have made on their path to building new health and housing collaborations in their communities.



**Building Common Vision and Strategy**



**Evolution of Partnership**



**Development and Financing**



**Lessons Learned**



# Mercy Care Meeting the Community Need for Quality Health Care and Housing

## Decatur Street Clinic

### THEN AND NOW: EVOLUTION OF A COMMUNITY HEALTH CARE CLINIC

The Decatur Street Clinic (“Clinic”), located at 424 Decatur Street in Atlanta, Georgia, is currently undergoing a massive expansion (the “Project”) in response to the community’s need for quality medical services, affordable housing and essential support services. The Sponsor, St. Joseph’s Mercy Care Services, Inc. (“Mercy Care”) built this health care clinic in 1985 to address the unmet and increasing health care needs of Atlanta’s Sweet Auburn neighborhood. In 2001, the Clinic underwent major renovations to create more space to treat its rising number of patients and modernize the facility. In 2009, Mercy Care utilized New Market Tax Credits (“NMTC”) to help finance another expansion and renovation to modernize the Clinic. Since inception, Mercy Care has had the vision to expand and respond to the growing and changing needs of its patient base.

In 2016, Mercy Care determined the Clinic once again needed more clinic space and wanted to also evaluate how providing for related community needs would positively benefit the community.

#### Mercy Care identified the three largest challenges:

1. Growing demand for behavioral health services;
2. Limited and outdated space, and;
3. Difficulty connecting patients to other services.

Mercy Care recognized that a larger, more modern facility could assist with reaching two of the three challenges and wanted to also explore the relationship between health and housing in a co-located space as a way to help connect community members and patients to housing, a non-medical service with a direct correlation to health outcomes.



St. Joseph’s/Mercy Care is one of the largest Federally Qualified Health Centers (FQHC) in Atlanta, and the only health center in the city designated as a Health Care for the Homeless provider. It consistently earns the annual *Clinical Quality Improvers* and *Enhancing Access to Care* awards from the Health Resources and Services Administration (HRSA) for the quality and extent of care administered. Mercy Care and affiliates are members of Atlanta’s Continuum of Care network focused on ending homelessness through collaboration.

#### POPULATION SERVED

**The Clinic provides direct health services to some of Atlanta’s most vulnerable residents.**

- + 90% below 200% Federal Poverty Guideline
- + 70% homeless
- + 86% ethnic minority
- + 77% are uninsured

### Senior Housing

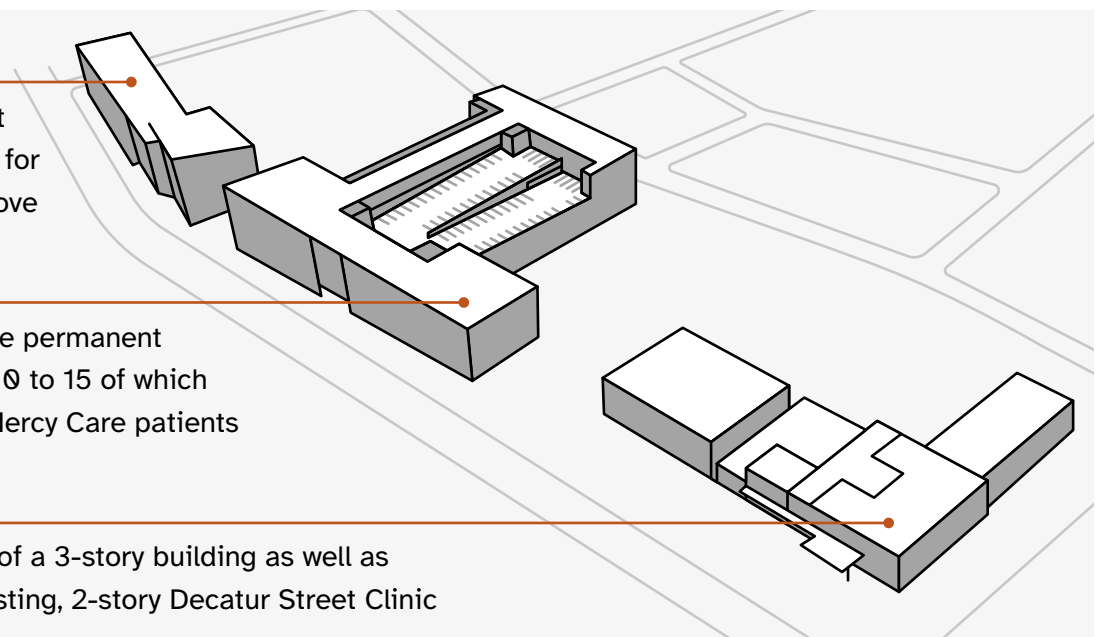
100 units of independent living affordable housing for residents age 62 and above

### Family Housing

180 units, 36 of which are permanent supportive housing and 10 to 15 of which are respite housing for Mercy Care patients

### Clinic (The Project)

Consists of the addition of a 3-story building as well as the renovation of the existing, 2-story Decatur Street Clinic



With the Decatur Clinic expansion, Mercy Care recognized a growing need for more affordable housing in the community as gentrification continued to drive rents higher. Mercy Care data revealed approximately 70% of patients seen at the Clinic were facing the challenges of homelessness. In addition to the renovation of the 37,000 sq. ft. existing health clinic, the plan included new construction of a 37,000 sq. ft. onsite medical office building, 171-unit affordable housing building for individuals and families (“Family Building”) as well as a 100-unit affordable housing building for seniors. Included in the family buildings are 30 supportive housing units and 10 medical respite care units. Thinking ahead, Mercy Care included additional space in the new building to allow for growth.

## Mercy Care

### A LONG-STANDING TRADITION OF CARE

Owned and operated by Mercy Care Services, the Clinic is part of a mixed-use development that intersects health care and housing; created from their vision of evaluating health with a holistic lens that included how living situations impact the physical health of individuals and families.

Mercy Care has a prominent presence in Atlanta that dates to Atlanta’s first hospital in 1880. Mercy Care was formed over a century ago after Sisters of Mercy founded Atlanta Hospital, Atlanta’s first hospital that was eventually renamed St. Joseph’s Hospital. When St. Joseph’s hospital decided to move out of downtown Atlanta, the Sisters of Mercy led a group of volunteer physicians and nurses to return downtown regularly to care for Atlanta’s population facing homelessness. Today, Mercy Care operates seven permanent health clinics, four dental clinics and four mobile coaches. It employs more than 200 staff and is a controlled entity of St. Joseph’s Health System, which is a mission health ministry of Trinity Health Corporation, a national Catholic health system.

Mercy Care completed a previous health and housing co-location development; partnering with Mercy Housing Southeast (unrelated) on the Mercy Park mixed-use development to construct the 45,000 square foot Chamblee Clinic (developed by Mercy Care) and 79 affordable senior housing units (developed by Mercy Housing Southeast).



## SO MUCH MORE THAN A “TYPICAL” EXPANSION

The Decatur Street Clinic is a staple in Atlanta’s Sweet Auburn neighborhood addressing the community’s designation as a *Federally Designated Medically Underserved Area*<sup>1</sup> and Primary Care Health Shortage Area. The expansion of the existing medical clinic, construction of the new medical office building and inclusion of two new residential buildings addresses the needs of the community that Mercy Care serves. The existing medical building is located adjacent to MARTA’s King Memorial public transit station. The facility now includes four integrated hubs that feature exam rooms to support the comprehensive treatment of medical and behavioral health issues in one visit, as well as dedicated space for dental care, vision care, and educational programs. In this space, Mercy Care also offers case management through dedicated counseling offices to better address social determinants of health. This re-design and expansion address the challenges patients face navigating complex social service systems by bringing service providers on-site in a new resource center that will help address social determinants of health (e.g. workforce development, food access, benefits access, legal assistance). The second and third floors accommodate staff offices, telehealth and other administrative space and includes space for future growth.

The housing component of this development is unique and helps to solve for an affordable housing gap in the neighborhood. The housing buildings are utilizing Low Income Housing Tax Credits (LIHTC) to assist with the financing of the affordable housing units. Mercy Care is partnering with an experienced affordable housing developer and owner, Penrose Properties to construct two affordable housing buildings to serve low-income seniors and family households (at or below 60% of Area Median Income (AMI)). One of the buildings—McAuley Park—is the north-facing neighbor of the Decatur Clinic and includes 170 units; including 30 supportive housing units for tenants in need of wrap around services. In addition, 10 medical respite care units are set aside for Mercy Care patients experiencing homelessness and requiring higher level of care. Collectively, these 40 units will be reserved for households at or below 30% AMI and will serve some of Atlanta’s most vulnerable. The adjacent 100-unit senior building is home to seniors also at or below 60% AMI. The close proximity to the Clinic helps alleviate transportation barriers to medical care for those living in the new affordable housing buildings.

The federal tax code has historically utilized a system of tax incentives (or disincentives) to drive public policy. Common examples include taxing products such as tobacco to discourage use or tax rebates on purchases of energy saving equipment to improve the environment. Tax incentives in the form of tax deductions or tax credits are frequently used to drive investments to build infrastructure, including housing, and are often utilized as an alternative to direct grants or loans. The investors receive a financial benefit on their investment (reduced tax liability) when they invest in transactions that provide a tax credit or deduction.

The Low-Income Housing Tax Credit (LIHTC) program was added to the federal tax code in 1986 and provides a dollar-for-dollar reduction in federal tax liability for eligible investments in **rental housing** that meet specific criteria to serve low- and moderate-income households. The New Markets Tax (NMTC) Credit Program incentivizes investment in developments that **promote economic development** and growth in underserved communities. These two funding sources are key elements of most developments that include either/ both health and housing uses.

## DECATUR STREET MEDICAL CLINIC EXPANSION

### Renovation of Existing 37,000 Sq. Ft. Health Clinic

Four integrated primary care hubs to include exam and consult rooms for primary, behavioral and mental health as well as dedicated space for dental care, vision care and education programs.

### New Construction of 37,000 Sq. Ft. Onsite Medical Office Building

Includes lobby, patient resource center, and clinical office space on the ground floor and staff, telehealth and other administrative space on the second and third floors to include space for future growth.

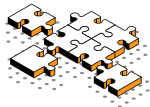


### New Construction of 170 Affordable Family Housing Units

Inclusive of 30 supportive housing units and 10 medical respite units. Units will be leased to households at or below 60% AMI, with the supportive housing and respite units leased to households at or below 30% AMI.

### New Construction of 100 Affordable Senior Housing Units

Units in this senior building will provide housing to seniors at or below 60% AMI.



## Finding the Right Partnerships to Foster Community Benefit

Mercy Care is an active partner with Atlanta Regional Collaborative Health Initiative (ARCHI)<sup>2</sup> focused on finding collaborative solutions for health care needs across several counties in the region. With 70% of Mercy Care's clientele experiencing homelessness and the continued increase of rents in the neighborhood, it was clear to internal and external leadership that a housing component would strongly benefit the community. It was also clear that the expertise of a housing developer was needed to execute the vision of health and housing co-development. Mercy Care drafted and released a comprehensive request for qualifications (RFQ) seeking a housing development partner and was able to attract Pennrose Properties, an experienced affordable housing developer with a national reputation for creating quality housing. Pennrose has successfully completed over 350 developments with more than

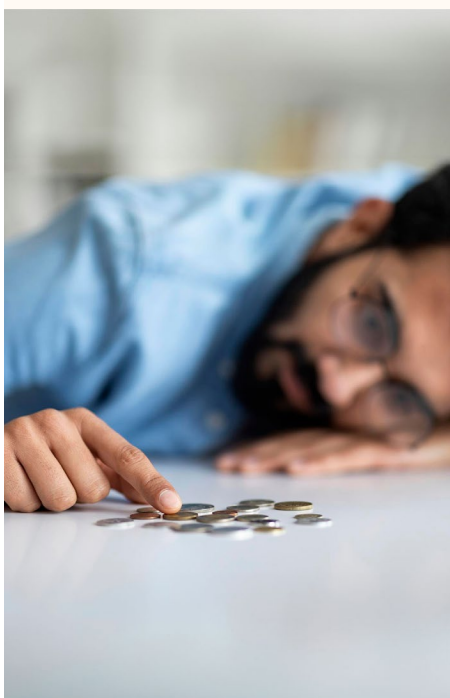
27,000 rental units and oversight of \$5 billion in total development costs. While Pennrose is a national housing development company, they understand the value of local partnership. The majority of their projects are developed through local partnerships with housing authorities, community development corporations and community and neighborhood organizations.

The Decatur Street clinic expansion allows Mercy Care to grow all its programs and to increase its patient base at the existing Clinic by 50% from 6,100 to 9,000, and patient visits served from 26,500 to 57,100 each year. After completion, the size of the clinic will be doubled, adding four new exam rooms (16 total), 12 new behavioral health/counseling rooms (17 total) and five new dental chairs (11 total) and provides for additional space to grow with the needs of the community.

## PROVIDING QUALITY JOBS

In 2023, the Department of Health and Human Service set the federal poverty level at \$30,000 for a family of four. That is equivalent to about \$14.42 per hour for a full-time worker. A living wage must at least be greater than the poverty level.

The federal minimum wage and Georgia's minimum wage is \$7.25 per hour. A full-time worker making the minimum wage of \$7.25 per hour would be well below the poverty line at \$15,080 annually. A household of four would need two people working minimum wage jobs to barely raise above the poverty line.



This Project is creating high quality jobs with 100% of employees earning a Living Wage. For employees with less than a 4-year degree, the average wage is \$21.35/hour, which is 1.6x the Living Wage. In addition to Living Wages, 100% of employees have access to a comprehensive benefits package offering discounted rates for adoption of healthy behaviors, tuition reimbursement program, and discounted high-quality legal representation. Employees are also given the opportunity to be trained in Mental Health First Aid, Youth Mental Health First Aid, Patient Experience and Clinical training (CME).



## Development and Financing Nuts and Bolts

While the housing and health developments occupy adjacent sites, the ownership of each use is held separately by the partners. Penrose Properties is operating partner with investors in the housing developments. For the Decatur Clinic expansion, a Mercy Care entity partnered with Truist Community Capital LLC (formerly SunTrust) as the investor in the NMTC. Truist was formed in 2019 as a result of a merger between SunTrust and BB&T and, as a Community Development Entity (CDE), has received more than ten rounds of NMTC allocations.

Financing health and housing developments can be a challenge and require a long lead time to align the concept, feasibility, financing, and actual development phases. All funding resources bring requirements of varying complexities including proposed use, who has access and benefits, and the duration of use. For the housing component, developers must establish capital, operating and service budgets and secure financing to cover those budgets. Capital funding is generally tied to the bricks and mortar of the building as well as the soft costs related to the construction and are needed during the construction of the building. **Operating financing** provides financial security for the ongoing costs associated with the long-term operations of the building. **Service financing** is sought to finance the cost of ongoing social services to tenants and is generally a cost seen in buildings with supportive housing units.



### The decisions considerations for ownership include:

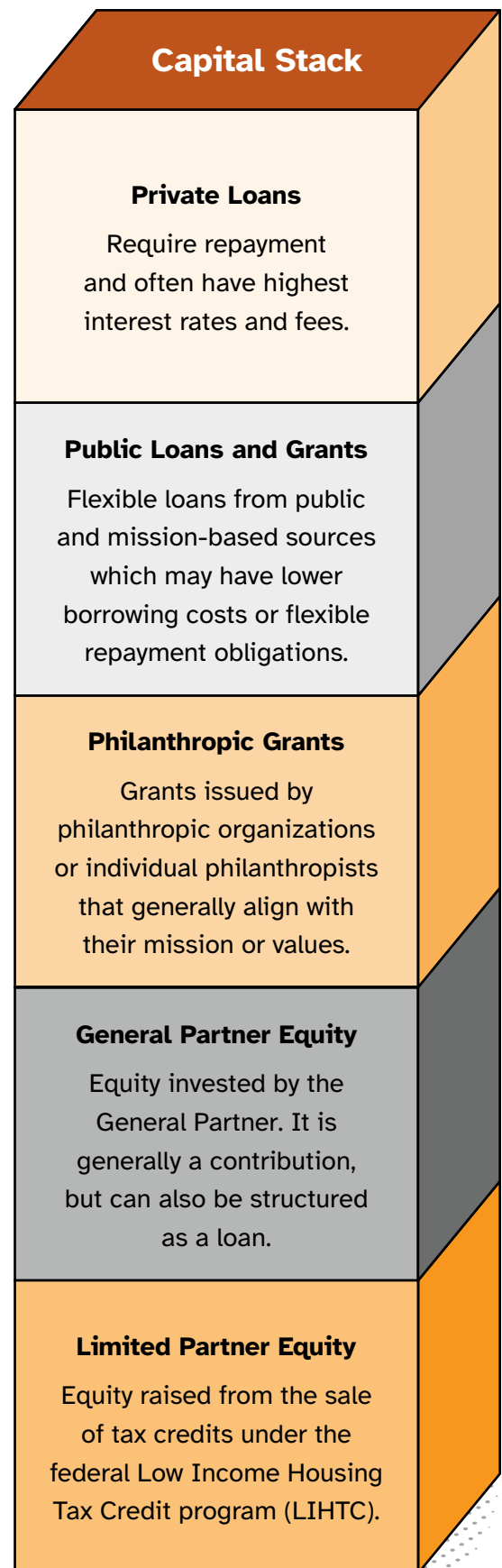
- + **Single Purpose Entity:** This model of ownership isolates the assets (the property) under a separate entity created specifically for ownership of the property. This structure will limit the risk and liabilities of the new development from the organization's other properties, programs, and financial assets. If there is a flood at one property, or the delayed lease-up of a property causes an operating deficit, the organizations' other properties are protected.
- + **Partnership (aka Joint Venture, Limited):** In a partnership model the primary entity responsible for the property development and operations enters into a legal partnership with other entities that bring expertise and/or financing investments. This is a common structure utilized in the LIHTC program to link the managing or operating entity with the investor who will receive the financial and tax benefits over the term of the partnership.
- + **Tenant, Sublease:** Often mixed-use properties will have a single owner (often an experienced housing developer) that will lease space to one or more organizations to provide services.
- + **Condominium Ownership:** This ownership structure will divide the ownership for the respective uses of the property to different ownership entities/partnerships. Often this type of funding structure is necessitated by funders only able to invest in one of the property uses; program partners wanting to limit their obligations and risks to those areas of the development for which they have expertise and responsibility.
- + **Ground Lease:** A ground lease ownership structure enables an existing landowner to maintain long-term control of the use of the land they own, while enabling the right to build on the land to another entity for a purpose they support.

## CAPITAL BUDGET

Private, public and philanthropic funding sources are the most common in a project’s “capital stack”. Capital funding is generally competitive and awarded through an application process or competitive funding round. Since each source comes with its own set of funding requirements, a capital stack layers different types of financing to allow for different rent and income restrictions, populations served and other project characteristics. Legal documents, such as Regulatory Agreements, define these requirements, and are recorded on the property for a specified number of years.

In mixed-use developments with both service and residential components, the development team can attract a broader range of funding that may be designated for one of the additional uses. A deeper look at the capital budget for the Decatur Street Health Clinic Expansion highlights key resources and relationships unique and necessary to carry out a development integrating housing and health. Since the earlier Decatur Street Health Clinic utilized the New Market Tax Credit Program on the previous expansion, Mercy Care turned to this known source again, and was able to utilize a new allocation of NMTC.

The Clinic was funded with a mix of public, private and philanthropic funding, as well as New Market Tax Credits while the family housing was funded with a mix of private and public funds and Low Income Housing Tax Credits. This capital stack of funding sources allowed for a wide range of flexibility. Each component of this project have separate ownership structures created as single purpose entities established for the sole purpose of owning one property. Each partnership is responsible for either the health or housing component. An added element in the ownership structure, which is not uncommon, is that a Mercy affiliate (Mercy Services Downtown, Inc) owns the land and air rights at the site of the Project and the health partnership will lease the right to build and operate on the land through a ground lease. Mercy Services Downtown, Inc, entered into a triple net Master Lease with Mercy Care, which means all operating costs are passed on to Mercy Care, such as utilities, taxes and insurance.



## Health: NMTC Health Clinic Renovation and Expansion

**Use:** Primary health, behavioral health, mental health, vision center, dental care, full scale pharmacy, office space, patient resource center, telehealth offices

Sources		Uses	
Permanent Debt	\$9,611,047	Acquisition	\$1,249,846
St. Joseph's Health Investment	\$2,978,449	Hard Construction Contract/ Site Work	\$15,145,740
NMTC Equity (Net)	\$5,960,800	Furniture and Equipment	\$1,683,263
Developer Contributions	\$1,526,965	Soft Costs and Sponsor Contingency	\$3,546,616
Developer Cash	\$2,889,704	Reserves and Closing Costs	\$1,341,500
<b>Total Health Financing</b>	<b>\$22,966,965</b>	<b>Total Housing Financing</b>	<b>\$22,966,965</b>

## Housing: Family and Supportive Housing

**Use:** Affordable and Supportive Housing

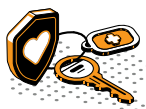
Sources		Uses	
St. Joseph's Affiliates Health Investment	\$8,400,000	Acquisition	\$1,700,000
LIHTC Equity	\$30,000,000	Hard Construction Contract/ Site Work	\$37,000,000
Soft Loans and Grants	\$12,100,000	Soft Costs and Contingency	\$10,000,000
		Reserves and Fees	\$1,800,000
<b>Total Health Financing</b>	<b>\$50,500,000</b>	<b>Total Housing Financing</b>	<b>\$50,500,000</b>

## FUNDING OPERATIONS

Operating funding is vital for health clinics as well as low-income housing developments. Like the Capital Budget discussion, each component—housing and health—at the sites maintains its own operating budget including income and expenditures. To be able to offer rent levels affordable for extremely low and very low income levels, rental assistance subsidies are needed to bridge the gap between fair market rents and the amount an extremely low and very low income household pays for rent.

For the Clinic, the primary source of operating revenue is grant funding (mostly from Health Resource and Services Administration—HRSA), contributions and operating support from St. Joseph’s Health System and Mercy Care Foundation along with patient volume-driven revenues.

Service costs at both the health and housing components of the Decatur Health Clinic are paid for by a combination of reimbursements from Medicaid and other insurance providers, annual grants from state, local and philanthropic partners, and HRSA resources available to Mercy Care as an FQHC and healthcare for the homeless health center.



## Lessons Learned from Mercy Care’s Decatur Street Clinic and McAuley Park Housing

- ☑ **Build Your Team:** Seek experienced professionals to assist with the complexities of the development and include leadership from a wide range of health system, government and housing leaders to advisory, planning and governing boards.
- ☑ **Keep It Real:** Understand and build organizational capacity to assume realistic responsibilities, while leveraging partners to align and assign gaps in expertise.
- ☑ **Have Patience:** The timeline for health and housing infrastructure development is long and requires vision, collaboration and perseverance from a range of community partners.
- ☑ **Be Adaptable:** While every development starts with a plan, the team must be flexible and able to adapt and troubleshoot when challenges arise.

Community Health Centers bring three vital elements to successful health and housing facility partnerships: Connections in the Community, Health Service Program Knowledge, and Organizational Expertise.

According to the U.S. Department of Housing and Urban Development (HUD) metrics for income, the Area Median Income (AMI) for Atlanta in 2022 was \$96,400 for a family of four. Units set aside for one person household with incomes at 50% of AMI would try to reach households earning at or below \$20,250, and one person households at 30% of AMI would have incomes no greater than \$20,250. HUD defines affordable when tenants pay no more than 30% are gross income for housing costs. For a single person household with 30% AMI and \$20,250 income—rents would have to be no greater than \$506 per month. A key point of comparison is the standard Social Security Disability Income (SSDI) income in 2022 was \$841 month. Using the same 30% affordability calculation, a person earning SSDI only could afford rents at approximately \$250 per month. Clearly many of the population facing homelessness with limited incomes could not afford even the lowest rent levels.

## Acknowledgments

Thank you to the development partners bringing the Decatur Street Clinic and McAuley Park housing to fruition:



**MERCY CARE**

### Hope in Healing—Mercy Care

**LEARN MORE AT [MERCYATLANTA.ORG](https://mercyatlanta.org).**



CSH, the Corporation for Supportive Housing, is the national leader in supportive housing, focusing it on person-centered growth, recovery, and success that contributes to the health and wellbeing of the entire community. Our greatest asset is our team. From our Board of Directors to staff, we work every day to build healthier people and communities. Through our consulting, training, policy, and lending, we advance innovation and help create quality supportive housing. Our hub offices drive initiatives in 48 states and more than 300 communities, where CSH investments create thousands of homes and generate billions of dollars in economic activity.

**FOR MORE INFORMATION, VISIT [CSH.ORG](https://csh.org).**

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## Endnotes

- 1 <https://bhw.hrsa.gov/workforce-shortage-areas/shortage-designation/>
- 2 <https://archicollaborative.org/>

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## Leveraging Low Income Housing Tax Credits to Support Thriving Communities

The COVID-19 pandemic is shedding light on critical gaps in American housing and community-based services for vulnerable families and individuals in communities throughout the country. The Low Income Housing Tax Credit (LIHTC) program can be an instrumental piece of closing this gap when supportive housing is prioritized within the LIHTC allocation. Supportive housing is safe, stable, affordable housing with quality integrated services. It is a proven method for increasing housing stability, and has been shown to decrease high utilization of emergency services and public systems, generating significant public cost savings over time leading to greater benefits not only for individuals, but for the community at-large. The significant cost that goes into emergency and institutional response systems is woefully inadequate, which is further underscored during a public health crisis. At a time when state budgets are depleted and more service cuts are inevitable, prioritizing supportive housing and developing cross-systems opportunities to maximize resources will be critical.

Before COVID CSH estimated there are 1.1 million individuals and families in need of supportive housing nationwide<sup>i</sup>. We expect the pandemic may exacerbate this need as individuals and families are affected by loss of income and increasing housing instability. As state leadership begins to plan for 2021 and continue to manage the effects of the COVID-19 pandemic, the Qualified Allocation Plan (QAP) offers one tool to leverage LIHTC alongside broader state strategies for promoting thriving communities.

### Nationwide Trends

In 2019, more than \$948 million of LIHTC were distributed to states. Six states had a supportive housing set-aside totaling more than \$22.4 million. An additional eight states also had a supportive housing set-aside but did not indicate how much of the total allocation would be dedicated for this purpose.

As has been the trend in years past, in 2019 all states and territories included at least one method for incentivizing housing for vulnerable individuals and families either as part of the QAP<sup>ii</sup> or through an alternative state resource that was leveraged alongside LIHTC.

When comparing year-over-year data, there was an increase from 2018 in the number of states requiring or incentivizing extended low-income periods for developments. Similarly, more states included fair housing requirements that went beyond the Fair Housing Act. There was also an increase in the number of states using set-asides for extremely low-income (ELI) units serving those at or below 30% area median income (AMI); however, fewer states actually required ELI units as part of a threshold.

Table 1 provides an aggregate breakdown of the percent of states requiring or incentivizing each category through a threshold requirement, dedicated set-aside, or scoring incentives.

Table 1: % of states with categorical requirements

Category	Threshold Requirement	Credit Set-Aside	Scoring Incentive
Serve Low Income Populations	100%	39%	84%
Serve Extremely Low Income Populations	4%	11%	72%
Serve Vulnerable Individuals/Families	26%	37%	83%
Other Resources to Expand Supportive Housing Development	9%	19%	65%
Service Enrichments	24%	13%	72%
Extended Low-Income Use	35%		48%
Geographic Designation		41%	57%
Integrated Design	13%		48%
Exceeds Fair Housing Regulations	11%		

## Promoting Supportive Housing in QAPs

Housing finance agencies (HFAs) should view QAPs as the starting point for prioritizing supporting housing funding. While all states include at least one method for incentivizing housing for vulnerable individuals and families, the degree to which this prioritizes supportive housing varies greatly from state to state. Consistent with previous years' recommendations, the action items below provide concrete steps HFAs can take to develop a supportive housing pipeline.

### 1. Clearly Define Supportive Housing and Ensure Quality Standards

While the vast majority of QAPs incentivize housing for vulnerable individuals and/or families, it is important for HFAs to recognize supportive housing is more than just prioritizing a special population. By definition, supportive housing is permanent housing that ensures access to both affordable housing and support services. Services should be flexible, voluntary, and offer a comprehensive array of support. Services that help tenants sustain housing stability and meet life goals are best. HFAs should request a social service plan (SSP) that outlines the intended services, description of source funding, length of funding, and evidence of sustainable funding beyond the current timeline. The service provider listed on the SSP should also provide evidence of experience serving the intended tenant population and an understanding of the community that the housing development will serve. Further evidence of the provider engaging people with lived experience to develop proposed services and programs available to tenants should be further incentivized through additional points on applications.

To ensure supportive housing maintains a level of quality, the definition of supportive housing should also address the dimensions of quality. Quality supportive housing is housing that is – (1) tenant-centered, (2) easily accessible to tenants of all backgrounds, (3) coordinated amongst housing partners with a shared goal, (4) integrated with voluntary services and community connections, and (5) sustainable over time<sup>iii</sup>. HFAs can integrate these dimensions of quality into the QAP process by requiring developers to, at minimum, submit a Commitment to Quality checklist as part of the application<sup>iv</sup>. By making this commitment, the applicant affirms that each project partner named in the application understands and commits to implementing the project in a way that is consistent with the quality standards. HFAs may also require applicants to submit a quality endorsement, which is a third-party review of supporting housing project plans to determine if they meet national quality standards<sup>v</sup>.

### 2. Allocate Tax Credits for Supportive Housing

The majority of states use the scoring incentive method to award tax credits for supportive housing development. However, it is hard to determine how meaningful individual points are compared against the total score needed to receive a tax credit award. As such, HFAs must prioritize threshold and set-aside requirements to ensure enough units are dedicated to those who need them most. Fourteen states had a supportive housing set aside. Of those, six QAPs indicated a specific amount of tax credit allocations explicitly for supportive housing. These amounts range between 5% and 30% of the total LIHTC available in the state. It's important to note that, depending on the development costs in the state<sup>vi</sup>, set-asides of less than 10% may produce a limited number of units. HFAs should project the number of units expected to be developed from the supportive housing allocation and report annually on how many units were actualized. These steps are needed to ensure progress towards developing a pipeline and closing the state's supportive housing gap.

### 3. Include Requirements for Extremely Low Income Units

Supportive housing households typically include individuals and families with extremely low incomes at or below 30% of area median income (AMI). Seventy-two percent (72%) of HFAs encourage the development of units for those at or below 30% through scoring incentives, but just over 10% *require* dedicated units for this cohort. While this is a slight increase over 2018, it is important for HFAs to recognize how the lower income limits fit within the ranges of affordability and designate units specifically to meet the needs of low incomes at or below 30% of AMI.

#### 4. Prioritize the Populations Most in Need of Supportive Housing

CSH believes that there are six critical sectors that essentially create pipelines into the homeless system. By targeting these cross-sectors further upstream with designated supportive housing resources we can feasibly alter our emergency and institutional response system so that fewer people end up homeless, more people have choice in where they live have the resources they need to thrive in their communities. These sectors include affordable housing, aging, health care, justice, child welfare, and intellectual and developmental disability (IDD). Nationwide, of the 1.1 million people in need of supportive housing, the three highest sectors are IDD (268,980/25%), justice (243,674/22%), and aging (226,674/21%). These trends are often mirrored in individual states as well. Considering such, HFAs should consider scoring incentives for projects proposing to serve one of these three populations. Additional points should be awarded for developing cross-sector commitments with providers and governmental agencies that serve these sectors already. Commitments should reflect the agreement between the sector experts and the applicants to provide appropriate services and supports for the supportive housing units.

#### 5. Allow Points for Larger Families in the Supportive Housing Set-Aside

Approximately a quarter of families experiencing homelessness have five or more people in the household<sup>vii</sup>. Lack of stable housing is often a precipitating factor for a family's involvement in the child welfare system. Supportive housing offers a safe, stable, and affordable solution for families so they can stay together while improving overall safety and well-being. Children and youth who have a reliable place to call home spend fewer days in foster care, experience a reduction in subsequent abuse and neglect cases, and increase their school attendance<sup>viii</sup>. These families should have access to units that can provide adequate space to house multiple children and also receive support services.

#### 6. Ensure Equitable Access to Housing and Address Disparate Impacts to Fair Housing

It is important for HFAs to acknowledge the long history of racist housing policies that have led to discriminatory rental practices and ongoing neighborhood segregation. To begin to shift this paradigm, HFAs must assess critical aspects of the QAP to understand if they continue to contribute to these practices and address possible disparate impacts to fair housing. To start, while many QAPs incentivize development in certain neighborhoods, it is not always clear if this consistently increases housing options in high opportunity areas. High opportunity areas offer access to quality health care, close proximity to transit, quality education, economic security, low income inequality, and minimal residential segregation<sup>ix</sup>. HFAs should actively analyze neighborhood distribution of LIHTC and ensure those in need of supportive housing have neighborhood choice.

Further, HFAs that address guidelines for tenant selection should ensure that criteria and processes are transparent and there are no unnecessary barriers to minority applicants. Screening criteria that decrease opportunity for individuals who have been homeless, involved in the child welfare system or the justice system, or create barriers based on sources of income will have an adverse discriminatory effect on minorities. Black, Native American, and Latino individuals are often disproportionately represented in these systems<sup>x</sup>. Because race is a federally protected class, screening individuals out (advertently or inadvertently) based on system involvement would present legal challenges to the Fair Housing Act.

HFAs should also incentivize LIHTC applicants to engage supportive housing tenants and people with lived experience. HFAs often require applicants to submit letters of support of the development from community boards or local elected officials. In some instances, this creates barriers to developing in certain neighborhoods and continues to limit access and choice for supportive housing tenants. An alternative approach of including letters of support from people with lived experience would ensure that developments reflect the needs of those who need housing and increase choice to high opportunity neighborhoods.

## Strategies to Promote Supportive Housing in Thriving Communities

HFAs must recognize that broader strategies and coordination amongst state agencies must be developed to ensure a comprehensive approach to addressing the affordable housing crisis and the gap in supportive housing nationwide. The recommendations below provide details on ways HFAs can partner with state administrations, legislatures, and agencies to strengthen their overall housing financing approach.

### 1. Develop a Cross-Divisional Team

HFAs must recognize LIHTC are not enough to sufficiently meet the demand for supportive housing. Additional funding and service resources exist within other state agencies and can be used collectively as part of a comprehensive approach to addressing the supportive housing gap in the state. States should develop a non-partisan, cross-divisional team responsible for identifying solutions, aligning resources throughout the state, and promoting best practices. This can be achieved through executive order and/or legislative action. In some cases, states may have already developed an HFA workgroup to guide the QAP process or a State Interagency Council on Homelessness (SICH) that brings together secretaries and commissioners from key governmental departments, often including the HFA, with stakeholders. States may look to leverage the SICHs as a platform for solving the upstream challenges of housing instability and affordability. Alternatively, in states that have not developed SICHs or where SICHs choose to remain explicitly focused on ending homelessness, states can create a cross-divisional team by bringing together the HFA with core state agencies, such as Housing, Health and Human Services, Child Welfare, Corrections, Economic Development, Education, and Finance. The governor may appoint a chair for the taskforce or members may select a leader or co-leaders. It should be the goal of the taskforce to coordinate available development and services resources across all partner agencies to ensure impact is maximized.

### 2. Conduct a Supportive Housing Needs Assessment

As a first step, the Housing Taskforce should conduct a thorough housing needs assessment, with a specific focus on supportive housing. This should include total number of units needed in each community across the state and details on specific vulnerable populations. The taskforce should leverage the administrative data across state agencies to create a wide reach in their review. To underscore the necessity of linking data across systems, data sharing agreements should be codified in statute or through an agreed upon Memorandum of Understanding (MOU). The findings from the needs assessment should be accompanied with concrete solutions including an implementation strategy and a supportive housing production plan. The production plan must include the number of units needed in each community and details on funding resources that developers can access to meet the production goals.

### 3. Layer Housing and Services Funding Sources

In response to COVID-19, the CARES Act appropriates significant new resources that, if aligned strategically, can have a substantial impact in supporting systemic change from emergency response and institutional settings to long-term, permanent housing. Coronavirus funds such as Community Development Block Grants (CDBG-CV) can be used for longer-term options such as capital, rental assistance, housing navigation, and tenancy support services. Waivers may also be requested for CDBG appropriations from FY19 and FY20 to align these monies for broader, long-term COVID-19 responses. In addition to the CARES Act funding, it is critical to consider additional sources of funds that can be aligned. The chart below outlines additional resources that may be available that can be used to maximize LIHTCs. Table 2 provides examples of possible available funding sources for consideration. Based on a review of other resources to expand supportive housing development, almost two-third of HFA incentivize braiding of funds such as project-based rental assistance or state housing tax credits. HFAs should extend this model and look to

Table 2: available funding sources

Funding	Capital	Operating	Service
SAMSHA			X
Medicaid			X
Ryan White			X
LIHTC	X		Limited
HOME	X		
CoC	X	X	X
CDBG	X		X
HOPWA		X	X
Hospitals/Philanthropy	X	X	X
CDFI Loans	X		
National Housing Trust Fund	X	X	
Public Housing Authority	X	X	
Social Impact Bonds		X	X
Tax Reserves	X		X
Housing Bonds	X		X
OZ Funds	X		
State LIHTC	X		
Housing Vouchers		X	
State Agencies		X	X

partner with other state agencies such housing, child welfare agency, and/or department of corrections to pair housing vouchers and services dollars with development capital.

#### 4. Develop Key Performance Indicators (KPIs) and Report on Progress

In addition to HFAs reporting on the number of units projected and actualized from the LIHTC supportive housing allocation, similar efforts should be made to report on the progress of the Housing Taskforce. The taskforce must set clear expected outcomes and review data annually to determine progress on both implementation and unit production plans. While the Housing Taskforce is encouraged to develop its own set of KPIs to track outcomes based on the goals set forth and agreed upon by its members, at a minimum it should track the total number of units in the production pipeline and the total number of units

created. The governor or legislature may consider mandating an annual report to key offices or committees to ensure outcomes are being met. During annual reporting, the taskforce may consider budgetary requests to support the Housing Taskforce goals and develop capacity through training for service providers, developers, and property managers.

<sup>i</sup> Supportive Housing Needs Assessment: <https://www.csh.org/supportive-housing-101/data/>

<sup>ii</sup> In 2018 CSH modified the research methodology used to collect and analyze QAP data. Categories from previous years will not yield viable comparisons.

<sup>iii</sup> The Dimensions of Quality Supportive Housing is a national standard created by CSH and based on two years of research with communities across the country. Additional information on the Dimensions of Quality Supportive Housing can be accessed at <https://www.csh.org/supportive-housing-101/quality/>

<sup>iv</sup> CSH is currently piloting this tool in several communities. A downloadable overview of the Commitment to Quality Checklist can be accessed <https://d155kunxf1aozz.cloudfront.net/wp-content/uploads/2019/02/Commitment-to-Quality-Checklist.pdf>

<sup>v</sup> A downloadable overview of the Quality Endorsement can be accessed <https://d155kunxf1aozz.cloudfront.net/wp-content/uploads/2019/02/CSH-Quality-Endorsement-Overview.pdf>

<sup>vi</sup> If state-level data is not available, HFAs may use national averages. More information available from: National Council of State Housing Agencies. (2018). *Development Costs and Cost Drivers in the Housing Credit Program*. Retrieved from <https://www.ncsha.org/resource/cost-study/>

<sup>vii</sup> USICH (2018). *Homelessness in America: Focus on the Families with Children*.

<sup>viii</sup> Metis Associates (2010). *Keeping Families Together: An evaluation of implementation and outcomes of a pilot of supportive housing models for families involved in the child welfare system*.

<sup>ix</sup> FreddieMac (2018). *Affordable Housing in High Opportunity Areas: an Overview of Demographics and Housing Characteristics*

<sup>x</sup> Racial Disparities and Disproportionality Index, <https://www.csh.org/supportive-housing-101/data/>