Promising Innovations in Permanent Supportive Housing Development

April 8, 2019
Community Housing Network, Inc.

History

Community Housing Network (CHN) was founded in 1987 by the Alcohol, Drug and Mental Health Board of Franklin County to be its housing agency for people with long-term mental health conditions who are able to live independently in the community with supportive services.

In 1998, CHN expanded its mission to provide affordable housing for people with disabilities related to addiction, including people who are or have been chronically homeless. CHN’s success in housing chronically homeless individuals resulted in the agency becoming a contract agency to the Continuum of Care of Columbus and Franklin County, which with the support of the Community Shelter Board, coordinates local agencies’ efforts to address the needs of homeless people in Franklin County.
Community Housing Network, Inc.

Permanent Supportive Housing Portfolio

- Over 1,200 apartments at more than 140 sites located in 32 zip codes.

Types of Housing

- Homes 🏡
- Rental Subsidy 💰
- Scattered Site Apartments 🏠
- Single-Site Multifamily Apartments 🏳️‍🌈
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Continuum of Support

- Residential Care Facility
- 24/7 Supportive Services
- Service Enriched Housing
- Housing Supported by Community Services

Populations Served

- Individuals and Families with:
  - Histories of homelessness
  - Serious persistent mental illness
  - Histories of substance abuse
Before you innovate:

Solid Foundations

- Development Team
- Financing Partners
- Service Partners
- Community Support

PSH Basics

- Capital
- Operating
- Services
- Community
Before you innovate:

Understand the *population* you are trying to serve

- Interact and seek guidance from representatives of the population
- Talk to experts and practitioners
- Review data and studies
- Service, property management and building needs
- Evidence based practices
- Financing available
I nnovative Finance

Why do you need to be financially innovative when developing Permanent Supportive Housing?
Case Study 1:  50 3rd Party Landlords Units

**Mainstream Vouchers**

- **Capital:** Not Applicable
- **Operations:** U.S. Department of HUD Mainstream Housing Choice Vouchers
- **Services:** ADAMH of Franklin County
- **Population:** Individuals with persistent mental illness exiting institutional settings
Case Study 1: 50 3rd Party Landlords Units

Mainstream Vouchers 💰住房 🚗

Innovation?

Operations:

- New operating subsidy requires built on systems collaboration
- ADAMH of Franklin County /CHN /CMHA:
  - Housing search facilitation
  - Supportive service facilitation focused on comprehensive wellness and individually tailored services
  - Resident housing retention services and landlord engagement and satisfaction
  - Research of outcomes through third party

Community Housing Network, Inc.
Case Study 2: 414 units in 6 ownerships of scattered site apartments:

**CHN Preservation Portfolio**

**Capital:** Combines existing ODMHAS loans with 9% LIHTC, State/County/City HOME, FHLB AHP

**Operations:** HUD Section 8 and CMHA Project Based Housing Choice Vouchers

**Services:** Community based service providers funded by ADAMH Board of Franklin County
Case Study 2: 404 units in 6 ownerships of scattered site apartments:

**CHN Preservation Portfolio**

Innovation?

**Capital:**

- Legislative change to allow first mortgage superior to ODMHAS mortgage
- Six phase strategy agreed upon by key funder partners
- Repaid permanent debt that was due
- Addressed aged building systems and upgrade HVAC, kitchens and bathrooms
- Reorganized ownership into tax credit entities
Case Study 3: 40 units of Service Enriched Housing:

Laurel Green

Capital: ADAMH/ODMHAS/4% LIHTC/MF for Bond HDAP/City/County/FHLB

Operating: CMHA Project Based Housing Choice Vouchers

Services: Creation of ADAMH Front Door, ADAMH funded service contracts and reaching into psychiatric hospitals, resident care facilities, and nursing homes to ‘move-down’ residents to housing with appropriate service levels
Case Study 3: 40 units of Service Enriched Housing:

Laurel Green

Innovation?

Capital:
- Raising nearly 30% of TDC from ADAMH and ODMHAS resources

Operating:
- Single-site multifamily with a resident manager and no 24/7 front desk security

Services:
- ADAMH funded on-site services
Case Study 4: 24/7 Supportive Housing:

Briggsdale Apartments II

Capital: 9% LIHTC, FHLB, State & City HOME, Governor’s Funds

Operating: HUD Continuum of Care Project Rental Assistance

Services: HUD/CSB/Medicaid
Case Study 4: 24/7 Supportive Housing:

Briggsdale Apartments II

Innovation?

Capital

- Governor’s Funds

Operating:

- Connecting existing PSH to new PSH to improve operating costs of front desk and services by adding units to existing property
Case Study 5: PSH for Young Adults:

Marsh Brook Place

40 PSH units for Young Adults between 18 to 24 years of age.

Of the 40 units, 30 one-bedroom intended for couples and 10 two-bedroom apartments intended for young-parents.

All 40 units will be targeted to individuals and heads of households who meet the HUD definition of literally homeless.
Marsh Brook Place: Innovation?

New population and service partner for CHN and new housing type for Huckleberry House.
Youth participation in many facets of development:

- Site selection
- Building design
- Amenities choices
- Services
- House rules
- Furnishings
# Marsh Brook Place

## Development Cost Summary

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
<th>Per Unit Cost</th>
<th>Per SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$227,000</td>
<td>$5,675</td>
<td>$5</td>
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<tr>
<td>Hard Costs</td>
<td>$6,265,600</td>
<td>$156,640</td>
<td>$151</td>
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<tr>
<td>Professional Costs</td>
<td>$489,993</td>
<td>$12,250</td>
<td>$12</td>
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<tr>
<td>Developer Fees</td>
<td>$850,000</td>
<td>$21,250</td>
<td>$20</td>
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<tr>
<td>Financing Costs</td>
<td>$420,913</td>
<td>$10,523</td>
<td>$10</td>
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<tr>
<td>Operating Reserves</td>
<td>$146,000</td>
<td>$3,650</td>
<td>$4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,399,506</strong></td>
<td><strong>$209,988</strong></td>
<td><strong>$202</strong></td>
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</table>

## Development Source Summary

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIHTC Equity</td>
<td>$6,014,163</td>
</tr>
<tr>
<td>State/County/City HOME</td>
<td>$1,488,713</td>
</tr>
<tr>
<td>FHLB Cin AHP</td>
<td>$500,000</td>
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<tr>
<td>Deferred Developers Fee</td>
<td>$396,630</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$8,399,506</strong></td>
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</tbody>
</table>

*All costs and sources are subject to change and are not final.*
## Operating Expense Summary

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
<th>Per Unit</th>
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</thead>
<tbody>
<tr>
<td>Administrative Expenses</td>
<td>$102,374</td>
<td>$2,559</td>
</tr>
<tr>
<td>Management Fee</td>
<td>$27,862</td>
<td>$697</td>
</tr>
<tr>
<td>Utilities</td>
<td>$52,545</td>
<td>$1,314</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$61,552</td>
<td>$1,539</td>
</tr>
<tr>
<td>Taxes &amp; Insurance</td>
<td>$31,885</td>
<td>$797</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$276,218</strong></td>
<td><strong>$6,905</strong></td>
</tr>
</tbody>
</table>

| Replacement Reserve     | $14,000 | $350    |

## Operating Income Summary

<table>
<thead>
<tr>
<th>Unit Type</th>
<th># Units</th>
<th>Monthly Rent</th>
<th>Annual Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom Apartment</td>
<td>30</td>
<td>$750</td>
<td>$270,000</td>
</tr>
<tr>
<td>Two Bedroom Apartment</td>
<td>10</td>
<td>$875</td>
<td>$105,000</td>
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<tr>
<td><strong>Total</strong></td>
<td>40</td>
<td></td>
<td><strong>$375,000</strong></td>
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</tbody>
</table>

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**SERVICE INCOME**

<table>
<thead>
<tr>
<th>Source</th>
<th>Total Amount</th>
<th>Amount/Total Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUD SHP</td>
<td>$210,926</td>
<td>$5,273</td>
</tr>
<tr>
<td>ADAMH</td>
<td>$211,000</td>
<td>$5,275</td>
</tr>
<tr>
<td>Medicaid</td>
<td>$46,000</td>
<td>$1,150</td>
</tr>
<tr>
<td>CSB Funding</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>VOA</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Misc. Sources</td>
<td>$5,352</td>
<td>$134</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$473,278</strong></td>
<td><strong>$11,832</strong></td>
</tr>
</tbody>
</table>

**SERVICE EXPENSES**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost</th>
<th>Cost/Unit</th>
<th>FTE Assumptions and Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Assessment of Service Needs</td>
<td>$5,744</td>
<td>$144</td>
<td></td>
</tr>
<tr>
<td>Assistance with Moving Costs</td>
<td>$-</td>
<td>$-</td>
<td></td>
</tr>
<tr>
<td>Case Management</td>
<td>$115,000</td>
<td>$2,875</td>
<td>3.0 2 FTE CSP and 1 FTE Program Managers</td>
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<tr>
<td>Life Skills Training</td>
<td>$59,800</td>
<td>$1,495</td>
<td></td>
</tr>
<tr>
<td>Program Activities</td>
<td>$14,000</td>
<td>$350</td>
<td>Baby supplies and cleaning supplies</td>
</tr>
<tr>
<td>Food</td>
<td>$9,400</td>
<td>$225</td>
<td>Pantry supplies</td>
</tr>
<tr>
<td>Training</td>
<td>$2,500</td>
<td>$63</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>$16,600</td>
<td>$415</td>
<td>Staff transportation plus bus passes</td>
</tr>
<tr>
<td>Indirect Costs</td>
<td>$110,234</td>
<td>$2,756</td>
<td>0.2 FTE Team Leader, 0.9 Admin (0.9 FTE) + $20k</td>
</tr>
<tr>
<td>Front Desk</td>
<td>$140,000</td>
<td>$3,500</td>
<td>4.5 $12.16/hour</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$473,278</strong></td>
<td><strong>$11,832</strong></td>
<td>9.5</td>
</tr>
</tbody>
</table>

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