

Homeless and Mentally Ill Housing Resources

TENANT-BASED RENTAL ASSISTANCE (TBRA) – is a “Section 8 look-alike” program for special populations whereby the client is subsidized in housing available within the community. To put it simply, clients pay no more than 30% of their adjusted gross income on rent and utilities, and the TBRA source pays the balance of the rent/utilities. Roughly speaking, the only restrictions are finding housing units where the landlord is willing to take a TBRA and the unit can pass a Housing Quality Standards inspection. Funding sources for TBRA include:

- Local jurisdictions and the State Housing Division receive federal HOME funds which can be used for TBRA vouchers for two years, but could be renewed. It is advisable to partner with a Public Housing Authority to administer the TBRA portion, as the rules and procedures are rather intricate, and also an arrangement may be made for the client to be “rolled over” into the regular Section 8 program at the end of the 2-year period.
 - Clark County Housing Authority is currently using HOME funds for a TBRA with homeless clients: Gus Ramos, 702-922-1623
- HOPWA funds can be used for TBRA for clients also living with HIV/AIDS.
- Each year, Supportive Housing Program (SHP) funds and Shelter Plus Care (S+C) program funds are available in the national Continuum of Care competition. With slightly different requirements for each program, these funds can be used for 3 or 5 years of TBRA funding for a special population, with renewals possible.

PARTNER WITH NONPROFIT HOUSING DEVELOPERS such as Nevada HAND in Southern Nevada or Community Services Agency in Northern and Rural Nevada who regularly build, rehab or construct new housing affordable to the very low-income. Request some units to be set-aside for your clients, while you provide the case management and supportive services. They have (or can arrange for) units with rents low enough that a person on limited income could pay. They often have on-site supportive services that can help in monitoring the clients.

BUILD MORE HOUSING AFFORDABLE TO THOSE ON FIXED INCOMES.

New Construction can average \$60,000 to \$95,000 per door in Southern Nevada (depending on size of unit), and rehab is typically \$5,000 to \$7,000 per door. Note, most federal funds used for construction or major rehabilitation will require that the buildings benefiting from the federal funds be used for homeless or very low-income for at least 20 years.

- HOME and LIHTF funds can be used to acquire, rehab, or construct housing for the extremely low-income. HOME funds can cover all or most development costs (eliminating or minimizing private debt service needs), etc. When combined with other homeless-targeted funds, such as the Supportive Housing

EXHIBIT <u>I</u>	MentalHealth	Document consists of <u>9</u> pages
<input checked="" type="checkbox"/> Entire document provided.		
<input type="checkbox"/> Due to size limitations, pages ____ through ____ provided.		
A copy of the complete document is available through the Research Library (775-684-6827 or e-mail library@icb.state.nv.us).		
Meeting Date <u>10-9-03</u>		

Program or Shelter Plus Care, the costs of creating these new truly-affordable units can be reduced significantly, allowing rental income to assist in paying for the necessary supportive services.

- **Section 811 – Supportive Housing for Persons with Disabilities:** provides interest-free capital advances to housing developers to subsidize the financing of new rental housing such as independent living projects, condo units, small group homes, or medium-size apartment complexes that also have supportive services on-site. The advance does not have to be repaid as long as the housing remains available for very low-income persons with disabilities for at least 40 years. Section 811 funds can also be used for Project-Based Rental Assistance (PBRA) for up to five years (renewable) and functions similar to TBRA, but is project-specific.
- **Supportive Housing Program (SHP), Shelter Plus Care (S+C) and Section 8 Moderate Rehabilitation SRO Program** funds available in the annual Continuum of Care competition can also be used for Project Based Rental Assistance, providing housing subsidies to housing units reserved for a special needs population for 3, 5 or 10 years (renewable). In most cases, these subsidies would be available to housing units rehabbed for this homeless population, or otherwise newly added to the permanent housing stock targeting this homeless population.
- **Rural Housing Section 515 Program** provides low-interest loans to finance affordable multifamily housing or congregate housing in rural communities (communities with populations of up to 10,000 or in non-urban communities with populations up to 20,000)
- **Community Development Block Grant (CDBG)** funds can be used for construction and other capital costs of building new or renovating existing housing to make it available for affordable rentals
- **YouthBuild funds** have a mixed goal of creating affordable housing and training at-risk youth in construction skills. It is advisable to partner with a Workforce Training program such as Nevada Business Services or Nevada Partners to recruit and train the youth and apply for funding, while the State Mental Health Division perhaps provides the capital costs, match funds, unit design, and supportive services once built.

The Fine Art of Developing Housing Affordable to the Extremely Low-Income

Factors that affect the cost of development:

- Basic construction costs – i.e. lumber, cement, drywall, labor, etc. (fixed cost)
- Cost of market-rate project financing – e.g. borrowing money to pay for the project (fixed cost)
- Size of unit – i.e. build bigger or smaller units (variable cost)
- Quality of materials (variable cost)
- Size of the project (variable cost)

Costs of constructing various types of non-luxury housing in Clark County:

Single Room Occupancy

- Small efficiency units (200-400 sq. ft.)
- May include utility kitchen and bath
- Intended to be occupied by a single individual
- Intensive use of facility recommends durable construction materials
- Approximate per unit cost: \$40,000 - \$75,000 (including land, financing, common area amenities, etc.)

Examples:



HELP Las Vegas Apts.
(75 units for homeless Veterans)

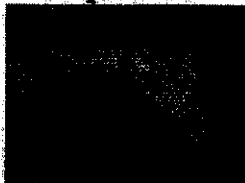


St. Vincent/HELP
Transitional Apartments
(120 units for homeless)

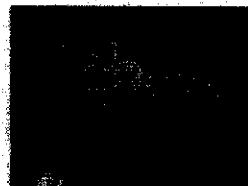
1-2 Bedroom Apartments

- 400 – 800 sq. ft.
- 1 bathroom, modest common area amenities
- economies of scale occur when building 100+ units
- Approximate per unit cost: \$85,000 - \$95,000 (including land, financing, common area amenities, etc.)

Examples:



Sun River Apts
24 units for seniors
(HUD Section 515)



Tropical Pines
60 two-bedrooms for seniors
(Tax Credit)

Relationship between the cost of a multi-family development and its target renter:

- Operating budget determines development budget
 - The difference between the amount of rent collected and the expenses to operate — the net operating income (NOI) — is the amount available to provide debt service

- ❑ Typically, a lender will require that its loan be protected by cash flows of 20% above the loan payment, or a debt coverage ratio of 1.2 (1.20 of cash flow for every dollar of loan payment)
- ❑ A rough measure of the amount of a loan a project could get is to divide the project's potential NOI by the debt coverage ratio
- ❑ Once the annual debt service amount is determined, the project's potential loan amount can be figured using a mortgage calculator and plugging in the rate and term of the loan
- ❑ When a project serves a lower income customer and consequently generates less cash from rent, there will be less money available for making loan payments
- ❑ Affordable housing is difficult to develop mainly because the amount of rent available is insufficient to borrow enough money to pay for the cost of constructing the units
- ❑ The difference between the potential funds available and the actual funds required to develop the project is called the "gap"
- ❑ Generally, the lower the income of the target occupant, the greater is the resulting development budget gap
- ❑ Example:
 - 100 two-bedroom apartments renting for \$500 per month
 - Rental income will be \$600,000 per year
 - Expenses will be approximately \$2,500 per unit/per year, or \$250,000
 - Net Operating Income will be approximately \$350,000
 - Lenders typically require a margin of cash to cover their risk – usually at least 20% of NOI. So, would only loan \$291,668 ($\$350,000 \div 1.2$)
 - If the project makes monthly loan payments of \$24,306 ($\$291,668 \div 12$) and the market rate is 8% for a 30-year loan, the project can borrow \$3.3 million
 - If estimated develop cost for 100 two-bedroom units is \$7.5 million, the gap is over \$4 million. This project cannot be built without a \$900,000 grant to cover this gap.

Funding Source	Contact:	Can be used for:	Temp. Hg (E.S. & T.H.) Oper	Increasing A/E. Hg (Rehab, New, etc.)	Multi- month Residential Assistance	Direct Service or Service Coordination	Mental Health Tx	Drug Tx	Outreach
Emergency Shelter Grant www.hud.gov	Clark County: 455-5025 City Las Vegas: 229-2330 Washoe County: (775) 328-2009 Balance of State: (775) 687-4258 x265		X	X	X	X	X	X	X
Supportive Housing Program www.hud.gov	Federal competition available through local collaboration. For information on local collaboration, call: So. NV: 455-5025 No. NV: (775) 324-4567 Balance of State: (775) 684-5979		X	X	X	X	X	X	X
Shelter Plus Care www.hud.gov	Federal competition available through local collaboration. For information on local collaboration, call: So. NV: 455-5025 No. NV: (775) 324-4567 Balance of State: (775) 684-5979				X				
Section 8 Mod Rehab/SRO www.hud.gov	Federal competition available through local collaboration. For information on local collaboration, call: So. NV: 455-5025 No. NV: (775) 324-4567 Balance of State: (775) 684-5979			X					
Housing Opportunities for People with AIDS www.hud.gov	Formula Grants: Southern Nevada: 229-2330 Northern Nevada: Balance of State: Competitive Grants: www.hud.gov		X	X	X	X	X	X	X
Section 811 - Supportive Housing for Persons with Disabilities www.hud.gov	www.hud.gov/funds/index.cfm			X					
Section 202 - Supportive Housing	www.hud.gov/funds/index.cfm			X					

Funding Source	Contact:	Can be used for:	Temp. Hg (R.S. & T.H.) Oper	Increasing Aff. Hg (Rahab, New, etc.)	Multi- month Rental Assistance	Direct Services or Service Coordination	Mental Health Tx	Drug Tx	Outreach
for the Elderly									
Assisted-Living Conversion Program	www.hud.gov/funds/index.cfm			X					
Rural Housing and Economic Development (RHED)	www.hud.gov/funds/index.cfm			Planning & Capacity Increase					
YouthBuild	www.hud.gov/funds/index.cfm			X					
HOME	Clark County: 455-5025 City Las Vegas: 229-2330 Washoe County: (775) 328-2009 Balance of State: (775) 687-4258 x265			X	X				
Low Income Housing Trust Fund	Nevada Housing Division (775) 687-4258			X					
Public Housing and Section 8 Vouchers / Certificates	Southern Nevada City of Las Vegas: 922-6964 Clark County: 451-8041 North Las Vegas: 649-2451 Northern Nevada		X	X	X				
Runaway and Homeless Youth	www.acf.dhhs.gov/homereans/ywb/index.html		X	X	X	X			X
Community Services Block Grant Program (CSBG)	NV Dept. of Human Resources 775-684-4000		X	X	X	X	X	X	X
Temporary Assistance to Needy Families (TANF)	NV Dept. Human Resources - Welfare Division 775-687-8243		X		X	X	X	X	X
VA's Homeless Provider's Grant and Per Diem Program	www.va.gov/health/homeless				X				
Homeless Chronically Mentally Ill (HCMII)	www.va.gov/health/homeless		X			X	X		X

Funding Source	Contact:	Can be used for:	Temp. Hg (B.S. & T.R.) Oper	Increasing Aff. Hg (Rehab, New, etc.)	Multi- month Rental Assistance	Direct Service or Service Coordinator	Mental Health Tx	Drug Tx	Outreach
Domiciliary Care for Homeless Veterans (DCHV)	www.va.gov/health/homeless					X			
HUD- VASH	www.va.gov/health/homeless		X	X		X			
VA's Supported Housing Program	www.va.gov/health/homeless		X	X	X	X			X
Drop In Centers for Veterans	www.va.gov/health/homeless					X			X
VA's Comprehensive Homeless Centers	www.va.gov/health/homeless					X			X
Homeless Veterans' Reintegration Project	Cassandra Willis (201) 219-6445 www.dolcra.gov		X			X			
VBA - VHA Special Outreach and Benefits Assistance	www.va.gov/health/homeless					X			X
VBA's Acquired Property Sales for Homeless Providers	www.va.gov/health/homeless		X						
VA Excess Property for Homeless Veterans Initiative	www.va.gov/health/homeless		X						
Serious Violent Offender Reentry Initiative - "Going Home"			X			X	X	X	
Young Offender Initiative: Reentry Grant Program	www.ojtdp.ncjrs.org		X			X	X	X	
One-Stop (Employment) Centers						X			
Homeless Veteran Reintegration Program	www.va.gov/health/homeless		X		X	X	X	X	X

Funding Source	Contact:	Can be used for:	Temp. Hg (E.S. & T.H.) Oper	Increasing Aff. Hg (Rehab, New, etc.)	Multi- month Mental Assistance	Direct Service or Service Coordinator	Mental Health Tx	Drug Tx	Outreach
Asset Forfeiture Program	Attorney General, 388-6336		X						
Community Development Block Grant Formula Grants to state and local governments	Cities Las Vegas, 229-6241 North Las Vegas 633-1532 Henderson, 565-4493 Reno Sparks Counties Clark County, 455-3500 Washoe County, 775-328-2009		X	X		X		X	X
Private Foundations	Several websites, including: www.fdncenter.org www.women-philanthropy.org www.edpublications.com www.medi.org Fruenuff Foundation (501) 219-1410 www.acef.org www.rusica.com/cmp/allkids/allkids.htm www.dermody.com www.bocfa.org www.conagra.com/conagra_foundation.jsp www.handwriting.com/compan/foundation www.whofoundation.org www.tbhf.org www.thevivacefoundation.org/grant www.discountfoundation.org The Ray Foundation (775) 782-8399 Joseph E. Seagram & Sons Inc. Fund (212) 572-7000 Ploughshares Foundation (312) 321-9700 www.publicwelfare.org								

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Local Businesses & Casinos	www.thecoca-colacompany.com/foundation www.kaplanynic.net/community/command www.microsoft.com/giving www.walgreens.com/about/wfs/programs.html www.americaeast.com/aboutus/community/na_community_foundation.htm www.verizon.com/foundation Spring Foundation www.sprint.com/erint/overview/cenrun.html#4 UPS: www.community.nas.com Wal-Mart: www.walmartfoundation.org Washington Mutual Foundation (800) 258-0543 Enterprise Rent-A-Car Foundation (314) 512-2754 Merrill Lynch - contact local branch offices State Farm Companies Foundation (309) 766-2161 Target Stores								