

Report to the Ohio Interagency Council on Homelessness and Affordable Housing



Prepared By the
Technical Assistance
Collaborative

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Acknowledgements

TAC is pleased to submit this *Report to the Ohio Interagency Council on Homelessness and Affordable Housing* containing recommendations to expand the supply of permanent supportive housing throughout the State of Ohio. This report is the result of a truly collaborative process that involved countless individuals and organizations across the State of Ohio. A complete list of stakeholders who played a role in the creation of this report is included in Appendix C. TAC would like to extend a special thanks to Bill Graves, Ohio Department of Development's Director of the Community Development Division, Erika Robbins, Director of the HOME Choice Transition Program at ODJFS, and Kevin Aldridge, Assistant Deputy Director of the Ohio Department of Mental Retardation and Developmental Disabilities (ODMRDD), each of whom provided support and guidance to TAC throughout our collection and analysis process. TAC would also like to acknowledge the efforts of ODOD's Lauren Spero and Ciel Gavin as well as ODMRDD's Moseniece Thomas in helping to coordinate TAC's activities and communications with a broad array of stakeholders.

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Executive Summary

On April 23, 2007, Ohio Governor Ted Strickland signed a groundbreaking Executive Order establishing the Interagency Council on Homelessness and Affordable Housing (the Council). The mission of the Council is “to unite key state agencies to formulate policies and programs that address affordable housing issues and the needs of Ohioans who are homeless or at-risk of becoming homeless.” The Governor charged the Council to make recommendations to assist him in devising and implementing a *long-term plan* to support affordable housing and to end chronic homelessness.

On September 30, 2008, the Council engaged the Technical Assistance Collaborative, Inc. (TAC) to assist the Council in certain core areas of its work on behalf of people with significant and long term disabilities including people who are chronically homeless. Specific tasks included a thorough review and analysis of the affordable housing and Medicaid resources available in Ohio and how they are being utilized to expand the Permanent Supportive Housing (PSH) approach.

As a result of this analysis, TAC is proposing two core policy recommendations to the Council:

- **Recommendation #1:** Create a State of Ohio comprehensive PSH policy framework as a key outcome of the Council’s work. These policies should include: (1) a uniform definition of PSH adopted by State of Ohio government agencies; and (2) a new cross-disability cross system PSH approach within state government that should facilitate access to new PSH resources from the federal government and from local housing and services agencies.
- **Recommendation #2:** Through the leadership of the Council, initiate a comprehensive and bold 50/50 PSH Partnership Campaign to implement the long-term plan. TAC projects that as many as 5,000 new PSH opportunities could be created in five years through collaborative PSH partnerships between the State of Ohio and local government agencies.

For over twenty years, State of Ohio agencies and Council members – a key audience for this report – have been recognized as a national leader in the evolving policies and practices related to the PSH approach. However, there is also an important local audience, particularly local housing agencies and County Boards, who control housing and services resources essential to expanding PSH opportunities at scale in Ohio.

The PSH approach is an established paradigm in the provision of affordable housing and community-based supports for the most vulnerable people with significant and long-term disabilities. PSH provides permanent affordable housing with tenancy rights linked with a comprehensive array of voluntary, flexible and individualized community-based services and supports available 24 hours a day/7 days a week if needed. Numerous studies have proven that PSH is a highly cost-effective approach to addressing long-term homelessness and unnecessary institutionalization.

PSH is grounded in two equally important policy goals. One goal is that the housing problems of very low income people with disabilities should be addressed by the nation's affordable housing resources and that these needs should be a high priority. The other is that people with serious and long-term disabilities who are homeless or institutionalized, or at risk of experiencing either condition, can be served successfully and more cost-effectively through a re-alignment of funding now being spent on unnecessary and expensive alternatives. These include shelters, emergency rooms, jails, nursing homes, and other restrictive settings that – according to the 1999 U.S. Supreme Court's *Olmstead* decision – may violate the Americans with Disabilities Act.

Across Ohio there are numerous efforts underway to expand permanent housing linked with community-based supportive services targeted to vulnerable people with significant and long-term disabilities. These include impressive local initiatives to end chronic homelessness, continued development of high quality non-profit owned PSH for people with mental illness who are homeless or at risk of homelessness, and “Money Follows the Person” activities supported with federal grant funds to reduce Ohio's reliance on expensive Medicaid-funded institutional settings. Despite these successful efforts, Ohio has had difficulty reaching consensus on a common definition of PSH and has not formalized a comprehensive PSH policy and long-term plan which unites the various PSH initiatives underway. Several states with more comprehensive policies in place have pioneered successful cross-disability PSH models that are influencing PSH policy in other states and at the national level.

TAC's housing resources analysis demonstrates that critically important rental subsidies essential to address the housing ‘affordability gap’ for the lowest income people with disabilities, as well as substantial capital funds for PSH development, are controlled by local Public Housing Agencies (PHAs) and community development officials. These resources, when aligned systematically with PSH capital resources from Ohio Housing Finance Agency and Ohio Department of Development, are sufficient to produce up to 5,000 new PSH housing opportunities to help end long-term homelessness and unnecessary institutionalization in Ohio. Four new federal housing funding opportunities

can provide the leverage the Council needs to create new PSH partnerships with PHAs and community development officials.

Ohio's Medicaid Plan and Medicaid waivers contain many of the tools that the state needs to provide flexible, individualized community-based mainstream services to a wide variety of PSH tenants. Ohio's Money Follows the Person Initiative (MFP) is intended to re-balance Ohio's Medicaid-funded institutional care system by helping people living unnecessarily in nursing home move into PSH and other housing opportunities in the community. MFP creates the potential to save considerable funds which could over time be re-deployed to meet other needs within the Ohio Medicaid program or long-term care budget. Limitations on Medicaid 'match' during this economic downturn may constrain the number of new Medicaid enrollees – at least in the short-term. In addition, non-elderly adults with substance abuse related disabilities (particularly certain long term homeless people) have difficulty qualifying for Medicaid and SSI. TAC agrees that state 'gap' funding is needed to expand PSH for this sub-population.

TAC's Final Report also includes 13 additional recommendation categories that reflect TAC's observations and suggestions relevant to the Council's charge including state agency housing capital and services policies and resources, new federal funding opportunities for PSH, Ohio Supportive Housing for the Homeless Alliance's PSH Gap Program proposal, the Ohio Benefit Bank, and the Ohio Housing Locator.

Although the current economic circumstances confronting Ohio are daunting, the Council's work coincides with an alignment of opportunities and resources from the federal government that will favor states prepared to capitalize on them. Through the Governor's mandate to create a long-term plan for affordable housing and chronic homelessness, Ohio has the opportunity, vision, and framework to create state-local government partnerships to align the resources needed for significant expansion of PSH, including capital, rental subsidy, and services funding.

The 50/50 concept highlights the shared responsibility of local and state government to address the needs of vulnerable households with disabilities as well as the benefits of a shared goal and mutual commitment to provide the resources needed. The PSH Campaign can be incentivized by new federal housing and MFP Medicaid resources available through the state but will not be successful without specific commitments of local housing and service resources for PSH. As the PSH initiative moves forward, it could be augmented by additional commitments of state funding (i.e., Ohio Housing Trust Fund, a flexible operating and services subsidy, re-allocated Medicaid savings from MFP re-balancing efforts, etc.) as Ohio's economic circumstances improve.

Ohio's Interagency Council on Homelessness and Affordable Housing is well positioned to capitalize on this 'moment in time' when federal housing policies and federal health care reform are also likely to become much more aligned to accomplish important national policy objectives for vulnerable population with disabilities. TAC recommends that the Council leverage this opportunity to send a clear message that the State of Ohio cannot accomplish these important policy and fiscal objectives without the meaningful involvement and commitment of local officials and the resources at their disposal.

Section I – Introduction

Overview

On April 23, 2007, Ohio Governor Ted Strickland signed a groundbreaking Executive Order establishing the Interagency Council on Homelessness and Affordable Housing (the Council). The mission of the Council is “to unite key state agencies to formulate policies and programs that address affordable housing issues and the needs of Ohioans who are homeless or at-risk of becoming homeless.” The Governor charged the Council to make recommendations to assist him in devising and implementing a *long-term plan* to support affordable housing and to end chronic homelessness (emphasis added).

On September 30, 2008, the Council engaged the Technical Assistance Collaborative, Inc. (TAC) to assist the Council in certain core areas of its work on behalf of people with significant and long-term disabilities, including people who are chronically homeless. TAC is a national non-profit group that consults with federal, state and local government agencies and stakeholders on the creation of affordable and permanent supportive housing linked with evidenced-based community services and supports for the most vulnerable people with disabilities.

TAC’s Scope of Work for the Council focused primarily on two related issues:

- (1) Expansion of decent, safe, and affordable rental housing for vulnerable households with disabilities below 30 percent of Area Median Income (AMI) – with a specific focus on the Permanent Supportive Housing (PSH) approach;
- (2) Analysis of Ohio’s current Medicaid plan and related funding for community-based services and supports that can be effectively linked to vulnerable populations with disabilities below 30 percent of AMI who are a high priority for PSH.

Specific tasks included a thorough review and analysis of the affordable housing resources (i.e., capital, rental/operating subsidies) available in Ohio and how they are being utilized to expand permanent affordable housing and PSH. This review focused particularly on identifying ‘gaps’ in federal, state and local housing resources, policies and approaches that may adversely affect extremely low-income vulnerable households with disabilities and identifying potential strategies to address these gaps. TAC’s assessment and strategy development also addressed several important federal policy

and budgetary initiatives that could potentially advance the availability of affordable and permanent supportive housing opportunities across the State of Ohio.

TAC's review of Ohio's current Medicaid plan included primary health as well as mental health and substance abuse services and waivers related to home and community-based services. This analysis specifically focused on the many different service components and related provisions of Medicaid and other key service funding streams and policies that could potentially affect (positively or negatively) the extent to which the most vulnerable people with disabilities can receive the services and supports they need to be successful in PSH.

For over twenty years, the State of Ohio has been recognized as a national leader in the evolving policies and practices related to the PSH approach. From the Robert Wood Johnson Foundation's designation of three Ohio counties (Franklin, Hamilton and Lucas) as PSH Demonstration sites in 1987, through today's accomplishments related to the goal of ending chronic homelessness and unnecessary institutionalization, Ohio has demonstrated the leadership, capacity and political will to undertake 'cutting edge' approaches and strategies that reflect evidenced-based and promising practices in housing and disability policy.

In TAC's initial discussions with state officials, we recognized that the Council's recommendations could have national implications for future PSH policy at the federal, state and local level. Because of the potential significance of the Council's recommendations on a comprehensive state approach to PSH, TAC received approval from the Melville Charitable Trust to contribute \$21,775 in Trust funding to support TAC's consulting work with the Council. The Melville Charitable Trust is a national philanthropic leader in efforts to prevent and end homelessness among vulnerable people with disabilities with the lowest incomes and the founding member of *Funders Together*, a growing philanthropic movement to end homelessness in America.

Audience for This Report

The recommendations included in this report are focused on a broad audience that begins with the Council's membership and stakeholders, including state officials, legislators, consumers, advocates and non-profit groups. Their exemplary work and time commitment on behalf of Ohio's most vulnerable citizens is clearly evident in the Council's actions and deliberations over the past 24 months. There is also an important local audience beyond the Council's current stakeholders – particularly local housing agencies and County Boards – that the recommendations in this report are designed to engage and influence.

It is well understood by housing policy makers that the nation's affordable housing 'system' is not a system at all but rather a complex patchwork of flexible federal programs (federal Housing Choice Vouchers, local HOME funds, etc.) and agencies (Public Housing Agencies, local Community Development officials) with substantial discretion in how scarce government-funded affordable housing resources are directed. In Ohio, County Boards also control substantial local levy funds and are responsible for managing access of various priority populations to local service resources.

As TAC's resource analysis will show, the success of any Ohio-initiated long-term plan to provide 'best practice' permanent housing and supportive service approaches for vulnerable people with disabilities below 30 percent of AMI is contingent upon obtaining the committed support and participation of Ohio's local housing and human services officials. The core policy recommendations developed by TAC in this report are therefore intended to help the Council assertively engage and collaborate with these important stakeholders.

This strategy is not simply rhetorical. Federal goals to end chronic homelessness and reliance on institutional settings coupled with the potential for new housing resources and Medicaid savings on long-term care create the imperative and the policy framework for the Council to lead an ambitious, comprehensive and long-term Ohio PSH Initiative.

The current economic crisis in Ohio also provides the rationale for all Ohioans – including County Boards, local housing agencies, and Ohio citizens – to contribute the resources and public support needed to expand this cost-effective housing and support service approach.

Section II – PSH Policy Discussion

Brief History of Housing and Service Approaches

It is now well-understood that many people with the most severe and complex disabilities can live successfully in the community in their own homes as long as their housing is affordable and appropriate to their needs and they have access to the right services and supports. Over the past 30 years, well intended efforts to provide community-based housing with services, as opposed to institutional care, resulted in the use of an array of congregate residential settings (group homes, Adult Care Homes, shelters, etc.) still used today to satisfy the extraordinary demand for housing and supports for the lowest income people with the most serious and long-term disabilities. It is reasonable to hypothesize that if we started from scratch today using current funding levels to create the same number of permanent housing units linked with services instead of ‘facility beds,’ the result would look very different.

Unfortunately, states do not have that opportunity. The scarcity of affordable housing linked with community-based services – or even single population group housing – means that many people with serious and long-term disabilities in Ohio who could live in the community continue to reside in expensive facility-based care, or in segregated settings that compromise their civil rights, or are homeless on the streets of Ohio’s cities. These ‘alternative settings’ are more costly to Ohio taxpayers and are paid for with state and federal funding streams that rarely leverage federal housing programs or successful service approaches that help people achieve the maximum degree of independence possible.

The Medicaid program, enacted in 1965, is a major source of payment for long-term care services for many non-elderly people with disabilities who live in these facilities. Over 20 years ago, states began offering Medicaid services to people outside institutions. Since that time, various Medicaid optional benefits and waiver programs have been configured to help people receive assistance with daily activities, skill building, personal care services, etc., that would allow them to live in their own home or apartment.

In 1999, the U.S. Supreme Court’s *Olmstead* decision affirmed a state’s responsibility under the Americans with Disabilities Act (ADA) to offer services (Medicaid and other state or locally financed) in the ‘most integrated setting’ appropriate to the person’s needs, prompting states to further expand their Medicaid and state financed community-

based services. A recent study published in *Health Affairs*¹ reports that the percentage of Medicaid spending for community-based long-term care – as opposed to Medicaid-financed institutional care – rose from 19.2 percent of long-term care expenditures to 37.2 percent from 1995 - 2005. This statistic documents the paradigm shift occurring within Medicaid long-term care policy. The Community Choice Act (S. 683 and H.R. 1670) – now being considered by Congress – will further accelerate these trends in long term care policy if enacted.

This evolution in models and policy is driven by many factors, including the need to be more fiscally responsible with taxpayer money. Numerous studies have documented the cost-effectiveness of providing permanent supportive housing for a person who is chronically homeless. Less well publicized studies show significant Medicaid savings from community-based vs. facility-based care. For example, a *Journal of Health and Social Policy* reported study in 2006 found that the average total public expenditure on a recipient of Medicaid Home and Community-Based Waiver services was an estimated \$44,000 less than for a person receiving institutional services.²

Despite all this evidence, recently released data prepared by the federal Centers for Medicare and Medicaid Services (CMS) show a 41 percent increase in nursing home use by younger people with mental illness since 2002 – with over 428,000 people with serious and long-term disabilities under age 65 ‘living’ in nursing home beds.³ While there are many dimensions associated with solving this problem – including growing the capacity of community-based organizations to deliver high quality services in people’s homes – an essential missing ingredient is affordable and accessible housing. While Medicaid can pay for services and supports in a person’s home, it cannot provide a rental subsidy to make housing in the community affordable. Nor is it easy or desirable to divert scarce state or local support services funding to pay for housing. The housing ‘affordability gap’ discussion later in this report illustrates that because most people with disabilities who are receiving Medicaid or state-financed disability services are extremely low income, they cannot afford to obtain any decent housing in the community without an ongoing housing subsidy.

The PSH approach discussed below represents an established paradigm in the provision of affordable housing and community-based supports for the most vulnerable people with significant and long-term disabilities. PSH is grounded in two important and related policy goals. The first is that the housing problems of very low income people

¹ H. Stephen Kaye et al, “Do Noninstitutional Long-Term Care Services Reduce Medicaid Spending?” *Health Affairs* 28, no.1 (2009): 262-272

² M.Kitchener et al, “Institutional and Community-Based Long-Term Care: A Comparative Estimate of Public Costs,” *Journal of Health and Social Policy* 22, no.2(2006): 31-50

³ Information Bulletin #271 www.stevegoldada.com

with disabilities should be addressed by the nation's affordable housing resources and that these needs should be a high priority. The second principle follows the first by reinforcing that people with serious and long-term disabilities who are homeless or institutionalized – or at risk of experiencing either condition – can be served most successfully and most cost-effectively through a re-alignment of services funding now being spent on unnecessary and expensive alternatives.

The Permanent Supportive Housing Approach

The nation's first PSH initiative began in 1987 through a partnership between the Robert Wood Johnson Foundation (RWJF) and the U.S. Department of Housing and Urban Development (HUD). Ohio had three of the nine sites selected for this Demonstration Program on Chronic Mental Illness, which provided 125 HUD Section 8 Certificates (now Housing Choice Vouchers) to each of the counties, along with substantial RWJF funding for mental health system development. This PSH Demonstration program also inaugurated the research proving that the PSH approach is a more cost-effective and successful alternative to expensive institutional settings and homelessness.

Coincidentally, 1987 was also the year that Congress enacted the Stewart B. McKinney Act HUD Homeless Demonstration programs targeted to addressing the nation's growing problem of homelessness among both individuals as well as homeless families. These programs were permanently authorized in the 1990s as the McKinney-Vento Homeless Assistance programs and included both transitional housing as well as PSH – targeted to homeless people with disabilities, including people with mental illness, people with substance abuse, and people with HIV/AIDS. Majority of Ohio's 8,000+ PSH units are funded through HUD's Homeless Assistance programs administered through local Continuums of Care.

Since 1990, Ohio has also developed PSH through the HUD Section 811 Supportive Housing for Persons with Disabilities program (Section 811). Section 811 provides supportive housing opportunities for people with the most serious and long-term disabilities who can also benefit from community-based services and supports to live successfully in the community. Section 811 housing can be targeted to people with mental illness, people with intellectual or other developmental disabilities, and/or people with physical or sensory impairments.

In Ohio and in other states, through these federal initiatives and programs, the PSH approach has emerged over the past twenty two years as an evidenced-based and cost-effective permanent housing model. According to Governor Strickland:

“Because Ohio has not developed a long-term plan for ending homelessness, we have paid the price through higher health care, emergency shelter, and criminal justice costs. We know that supportive housing that is permanent with services to help people become healthy and employable is more cost-effective and humane, and we have examples in Ohio that proves it works. It takes leadership at the top levels of government, however, to coordinate the resources of housing, mental health, employment and other services to create supportive housing that works.”

Today across Ohio there are numerous efforts underway to expand permanent housing linked with community-based supportive services targeted to vulnerable people with significant and long-term disabilities. These include impressive local initiatives to end chronic homelessness, continued development of high quality, non-profit-owned PSH for people with mental illness who are homeless or at risk of homelessness, and ‘Money Follows the Person’ activities supported with federal grant funds to reduce Ohio’s reliance on expensive Medicaid-funded institutional settings. Not all of these Ohio efforts are necessarily referred to or defined as PSH at this time. Nonetheless, all of these efforts fall well within an acceptable definition of the PSH approach and illustrate Ohio’s de-facto adoption of this housing and services paradigm for extremely low income vulnerable people with significant and long-term disabilities.

Over recent years, Ohio has had some difficulty reaching consensus on a common definition of PSH – a policy problem TAC has encountered in several other states. Typically, the problem begins with a debate on the various approaches/models of housing and services (group homes vs. apartments, etc.) and whether or not they ‘fit’ within the PSH paradigm. Another issue is the variety of permanent housing models (single site, scattered site, etc.) and whether they all qualify as PSH. Finally, permanent housing approaches linked with services for certain disability sub-populations, such as three to four person properties for people with intellectual/developmental disabilities may not currently be referred to as PSH but nonetheless may have all the characteristics of the approach.

Despite Ohio’s history on this issue, it is important for the future of housing and services policy in Ohio for state officials to adopt the basic principles which define the PSH approach. Within this PSH framework, there can be an array of models of permanent housing and services that qualify as PSH. It is equally important to determine which models do not qualify as PSH – while at the same time not devaluing the role they may play in providing housing and support services for certain high priority populations.

Defining Principles/Dimensions of Permanent Supportive Housing

Over the past 22 years, several different models of providing PSH have evolved, including: (1) single-site single purpose PSH buildings; (2) scattered site tenant-based model with tenants choosing the PSH unit; (3) low density scattered site project-based models; and (4) integrated models with a portion of the units in a rental property dedicated to PSH. While the housing and service model for PSH can vary significantly within and across communities, PSH as a housing approach incorporates all the following important principles/dimensions:

- PSH is permanent community-based housing targeted to vulnerable very low income households with serious and long-term disabilities;
- PSH tenants have leases or landlord/tenant agreements that provide PSH tenants with all rights under state/local landlord laws. Generally, PSH leases provide for continued occupancy with no limits on length of stay as long as the PSH tenant complies with lease requirements;
- PSH meets federal Housing Quality Standards (HQS) for safety, security and housing/neighborhood conditions;
- PSH complies with federal housing affordability guidelines – meaning that PSH tenants should pay no more than 30-40 percent of their monthly income for housing costs (i.e., rent and tenant-paid utilities);
- PSH tenants are provided access to a comprehensive and flexible array of voluntary services and supports responsive to their needs, accessible where the tenant lives if necessary, and designed to access housing and maintain housing stability;
- PSH services and supports should be individually tailored, flexible and accessible by the tenant 24 hours a day/7 days a week, if necessary;
- PSH services are voluntary and cannot be mandated as a condition of obtaining housing or of ongoing tenancy; and
- The PSH approach requires ongoing collaboration between service providers, property managers, and tenants to preserve tenancy and resolve crisis situations that may arise.

It is important to state again that a housing approach that does not meet the definition of PSH is not necessarily a de-valued approach. There is a need, and an appropriate use, for other housing and services approaches. For example, certain homeless families

might benefit from living in transitional housing with clear time limits and service expectations. Certain ex-offenders re-entering the community may need time-limited but intensive supports to become employed, stably housed and re-integrated in society. Certain shared housing models with peer supports, such as the Oxford House model, have demonstrated successful outcomes for certain populations but do not incorporate all the principles/dimensions of the PSH approach.

What separates the PSH approach from other housing/service models is the fundamental fact that – because of the nature and extent of the disabling condition – the household qualifying for PSH can be expected to continue to need PSH for the long-term. This does not necessarily mean that all PSH tenants remain PSH tenants over their lifetime. Many PSH tenants do move on successfully to other permanent housing – just as very low income people in public housing or the Section 8 Housing Choice Voucher program may move on to non-subsidized housing at some future point.

The Cross-Disability Integrated PSH Model

Adopting a set of principles/dimensions which defines PSH is a critical first step in understanding the value of the emerging cross-disability integrated PSH housing model. As practitioners and policy makers assess the progress made in the PSH approach over the past 20 years, it is increasingly recognized that a PSH opportunity can be created anywhere, provided two essential components are in place: (1) a decent, safe and affordable unit; and (2) structured links to appropriate PSH services to ensure a successful tenancy. And as long as appropriate community-based supportive services are linked to the household in the PSH unit, the unit itself does not need to be designated for a specific PSH sub-population but can be set-aside for any PSH-eligible household. Several states – notably North Carolina and Louisiana – have pioneered the cross-disability PSH model which relies on mainstream affordable housing production programs, such as Low Income Housing Tax Credit (LIHTC) financed housing linked with community-based services (often financed by Medicaid) targeted to high priority populations. This cross-disability approach is ideal to achieve broad state disability policy goals, such as those desired in the Money Follows the Person Initiative.

In North Carolina and Louisiana, the state housing agency mandates that 5-10% of the units in every LIHTC-financed property be set-aside as PSH units. [NOTE: North Carolina began with an optional approach but soon moved to a mandate when virtually all owners were willing to create PSH units.] Since 2002, North Carolina has financed over 1,600 PSH units across the state and Louisiana has created more than 700 integrated PSH units in the past three years. In both states, access to these units is governed by state definitions of PSH priority populations.

The success of the integrated cross-disability model has attracted the attention of several other states⁴ and prompted new and significant legislation for HUD's Section 811 Supportive Housing Program. This legislation formalizes the cross-disability policy, which has been in Section 811 funding notices for the past 10 years, and creates incentives for integrating 811 units within affordable rental housing developments through a new Section 811 Demonstration Program. Strong bi-partisan legislation ensured its unanimous passage by the US House of Representatives in September of 2008 and it is expected to be enacted during 2009.

It is important to note that the cross-disability PSH model will not supplant other PSH models but rather expands the strategies and tools that a state can use to create more PSH units at scale for a variety of PSH households. In Ohio, it could mean a steady supply of 150 - 200 new PSH units created every year through the Ohio Housing Finance Agency (OHFA). As will be discussed in the next section of this report, Ohio also has thousands of Housing Choice Vouchers targeted to people with disabilities that could potentially be directed to integrated PSH models.

In order to better leverage these PSH resources, the State of Ohio will need to: (1) adopt uniform PSH principles/dimensions that can serve as a 'definition' across a variety of models; and (2) identify the target populations that will qualify to live in cross-disability PSH units sponsored or created as a result of state investment.

PSH Target Populations

Although there is extensive material available on the various target populations that can benefit from the PSH approach, it can be summarized generally within two major categories: (1) households with significant and long-term disabilities who are chronically homeless or at risk of becoming chronically homeless; and (2) households with significant and long-term disabilities who are unnecessarily institutionalized or at risk of institutionalization. Both groups include people whose homelessness or institutionalization results in Ohio taxpayers supporting the well-documented high cost of nursing homes, homeless shelters, emergency room care, public detoxification facilities, corrections facilities and other settings that are the default to providing people with more cost-effective PSH.

Not coincidentally, over the past 10 years, national efforts to expand PSH have been driven by two distinct public policy goals, including: (1) ending chronic homelessness; and (2) reducing reliance on expensive institutional settings that may also violate the

⁴ North Carolina housing and human services officials have made presentations on this model to state officials in Louisiana, New Mexico, Illinois, Pennsylvania, and Texas.

Americans with Disabilities Act, as found in the 1999 U.S. Supreme Court's *Olmstead vs. L.C.* decision. It is significant that, until recently, these goals have been perceived as distinct and separate at both the state and local level despite the fact that the target populations for both initiatives are adults with serious and long-term disabilities who can benefit from services and supports in the community in order to obtain and maintain permanent housing.

TAC recommends that a comprehensive framework for a State of Ohio PSH policy should encompass both of the above policy goals, and should define the priority populations eligible for PSH units created as a result of state financing or other state action. The states of North Carolina and Louisiana have developed useful cross-disability policies and PSH preferences, summarized below, which provide a good starting point for these decisions.

PSH Eligible Target Populations

Extremely low income households (30 percent of AMI and below) in which a sole individual or an adult household member has a serious and long-term disability qualifying them for permanent supportive housing assistance in either HUD's McKinney Vento Homeless programs or HUD's Section 811 Supportive Housing for Persons with Disabilities program, including:

- Households with serious mental illness or co-occurring mental illness and substance abuse who are homeless or at-risk of homelessness or institutionalization;
- Homeless households with serious and long-term disability directly related to abuse of alcohol or drugs;
- Households with serious intellectual or developmental disabilities acquired before the age of 22 who are homeless or at-risk of homelessness or institutionalization;
- Households with serious physical, sensory, or cognitive disabilities occurring after the age of 22 who are homeless or at-risk of homelessness or institutionalization;
- Households with serious disabilities caused by chronic illness, including but not limited to HIV/AIDS, who are no longer able to work and who are homeless or at-risk of homelessness or institutionalization;

- People ages 18 to 21 who have serious disabilities who are aging out of Ohio's foster care system and who are homeless or at-risk of homelessness or institutionalization; and
- People with serious and long-term disabilities who are being released from Ohio correctional facilities and who are at-risk of homelessness or institutionalization.

Wet vs. Damp vs. Dry PSH Models

During recent years, PSH stakeholders have come to understand that different PSH service models are effective for different PSH populations at different times and that offering a variety of choices is part of a comprehensive PSH system. This is particularly true with respect to models for people who are chronically homeless who have addictive disorders or co-occurring mental illness and addictive disorders. Successful efforts to reduce chronic homelessness across the country have illuminated the need for an array of models for this population, including 'wet' housing (alcohol is allowed), 'damp housing' (substance use is allowed but not in the premises), and dry housing (tenants are expected to abstain from all substances). These models recognize that different people experience the stages of recovery in different ways, and that progress towards abstinence is rarely a linear process.

The success of any PSH model depends on the ability of the housing and services providers to understand the theory and practice of the service approach and ensure that service and housing delivery strategies are faithful to the model. This is important when implementing 'wet' and 'damp' service approaches, which must take the needs of all tenants and the surrounding neighborhood into consideration. Ohio faces real policy and financing challenges implementing 'wet' and 'damp' PSH housing models, which typically serve chronically homeless people who may not be eligible for Medicaid reimbursable services.

The Re-entry Population and PSH

Ohio is recognized as a leader in addressing the complex problem of prisoner re-entry and is also challenged by the estimated 25,000 prisoners released each year. The Council highlighted this issue in a break-out session in the Fall of 2008 that assessed the strengths and weaknesses of current re-entry policies and approaches. This group acknowledged that, in Ohio, 're-entry means different things to different people,' based on the diversity of the re-entering population, and recommended that the dimensions of re-entry be more clearly defined so that best practice models could be aligned with agency resources, targeted sub-populations and state policy goals.

The PSH approach is one of many strategies being deployed by states to better manage the growing number of people reentering society from jails and prisons. Because the scale of the re-entry issue is so overwhelming, it is important for Ohio be very clear that the PSH approach for the re-entering population should be limited to those individuals with the most serious and long-term disabilities who are the highest priority for PSH and who are most at-risk of homelessness and/or institutionalization. It is also important to acknowledge that certain offenders within this high priority population – including sexual predators and people with convictions for violent criminal offenses – may not be eligible for many federally funded PSH units. Thus, to the extent that the Ohio criminal justice system is able to fund permanent rental subsidies, these resources should be prioritized for these high priority individuals who will be screened out of federally financed PSH units.

Money Follows the Person and PSH

Money Follows the Person (MFP) is a federal initiative to assist states to make widespread changes to their Medicaid funded long-term care support systems with the specific goal of reducing reliance on expensive institutional care by expanding more cost-effective community-based opportunities for elders and people with serious and long-term disabilities. Spurred by the U.S. Supreme Court's *Olmstead* decision, as well as by the clear fiscal benefits derived from more cost-effective community-based models, Ohio's HOME Choice Demonstration Program was created through an MFP grant awarded to the Ohio Department of Job and Family Services (ODJFS). The HOME Choice project design, created in partnership with consumers and stakeholders, is built on existing long-term services and supports through the Home and Community-Based Services (HCBS) waiver with newly created MFP Supplemental and Demonstration Services added to wrap around and fill gaps in the HCBS program.

A primary objective of Ohio's MFP initiative is to 'eliminate barriers in state law, the state Medicaid Plan, the state budget, or otherwise, that prevent or restrict the flexible use of Medicaid funds to enable Medicaid eligible individuals to receive support for appropriate and necessary long-term services in the settings of their choice,' including the safe transition of 2,231 persons currently residing in institutions to community-based settings. While many of the services and supports provided through MFP are limited to MFP participants, Ohio intends to use the opportunities presented to evaluate potential solutions that could then apply to larger system reform.

A Unified Ohio PSH Vision

HOME Choice will generate a demand for new affordable and accessible permanent housing opportunities linked with voluntary and flexible services and supports to meet individualized needs. In other words, Ohio's MFP initiative will generate a demand for new PSH housing opportunities across Ohio. This is an important point because MFP activity in Ohio provides the rationale and imperative for the State of Ohio to unite two important policy initiatives – ending chronic homelessness and ending unnecessary institutionalization – within a single comprehensive PSH policy framework.

Stakeholders invested in either policy goal are wise to understand the long-term implications of a united vision for the future expansion of the PSH approach in Ohio. It is unfortunate that during recent years, policy makers in Washington, D.C., did not appreciate that these two separate federal activities were essentially about the same goals: (1) improving the lives of the nation's most vulnerable people with disabilities through the provision of evidenced-based and promising practices in community-based housing and services, and (2) assuring the most cost-effective use of taxpayer money. And, while people living in institutions or at risk of institutionalization do not meet the HUD definition of homeless – the civil rights implications associated with confining someone unnecessarily in an institutional setting certainly rises to the same level of priority within state policy.

In a time of scarce resources and economic stress, it is not surprising that any single stakeholder group would resist changes in policy if that means a potential dilution of resources for that group's priority. However, the opportunities for an expansion of PSH in Ohio through new federal funds are real, and a unified vision for the future of PSH in Ohio will position the state to best leverage resource opportunities that could be created today in local communities, as well as those that will be available in 2009 and potentially in 2010. A single PSH policy message and strategy originating and driven by state leaders and the Council creates the best possible opportunity to influence important local housing and services stakeholders (PHAs, County Boards, CD officials, etc.). These players are critical to achieving a comprehensive PSH system in Ohio that could lead the nation in the development of this model during the next decade.

Section III – Housing Resource Analysis

The Housing Affordability Gap for PSH

Generally speaking, the people with serious and long-term disabilities discussed in this report are extremely low income people at or below 30 percent of AMI. However, the vast majority of that group targeted for PSH actually have much lower incomes – typically federal SSI that in 2009 is \$674 per month. PSH also assists households who may not qualify for SSI (such as certain homeless people with addictive disorders) and people who are waiting to qualify for SSI.

According to TAC's *Priced Out in 2008* study, SSI payments in Ohio last year were equal to 18.5 percent of AMI – well below 30 percent. [See Appendix A-1 for Priced Out data for all Ohio's housing market areas]. The average SSI recipient can afford to pay approximately \$200 per month towards housing costs, based on the federal 30 percent of income guideline. Obviously, people without SSI may need rents as low as \$0 – at least for a short period of time.

Currently in Ohio the average rent for a modest one bedroom rental unit equal to 85.4 percent of SSI and studio/efficiency units cost 74.4 percent of SSI monthly income. This data from the *Priced Out* study makes it clear that the entire target population eligible for PSH in Ohio has a housing 'affordability gap' that can only be filled by access to a permanent rental subsidy in order to ensure an affordable rent.

In TAC's view, this lack of permanent rent subsidy funding is the single most important barrier to expanding PSH across Ohio. Without it, people are placed unnecessarily in nursing homes, Adult Care homes, other facilities, or become homeless and remain homeless because they simply do not have enough money to pay for any housing option in the community.

This statement is not intended to suggest that community-based services and supports are not vitally important – they are. They are an integral component of the PSH approach and without them, most PSH eligible people would fail to access PSH or be unable to sustain their housing without ongoing supportive services. Nonetheless, experience from across the country over the past 10-15 years suggests that when a strategy to expand the supply of PSH housing opportunities can be initiated through a clearly identified supply of rental subsidies dedicated for this purpose, there is a greater imperative and incentive for the services system to finance and configure the supportive

services component. As the current MFP initiative so clearly demonstrates, even with new funding and services policies, without the rent subsidy, nothing can move forward.

Capital and Subsidy Funds – The Building Blocks of PSH

PSH opportunities can be created through two basic approaches – project-based and tenant-based. Local PSH activities typically involve a mix of these two approaches so that a permanent supply of PSH units can be created in a community along with providing PSH tenants the ability to choose a unit that meets their needs and housing preferences.

- (1) **The project-based approach** – The project-based PSH approach commits the PSH resources to a specific unit of housing for a specified period of time which can range from 1-15 or more years. Single purpose PSH properties are an example of the project-based approach although small set-asides of PSH units (e.g., 10 PSH units in a 100 unit property) can also be created. The project-based approach requires a **project-based rental subsidy** (i.e., project-based Housing Choice Voucher, Shelter Plus Care subsidy, Section 811 Project Rental Assistance Contract) to address the housing affordability gap for PSH target populations. This approach also typically involves a one-time commitment of **capital funding** from a variety of federal, state and local sources to support the cost of new construction or acquisition/rehabilitation of the units.
- (2) **The tenant-based approach** – The tenant based PSH approach is much simpler than the project-based approach in that the prospective PSH tenant receives a **tenant based rental subsidy** (i.e., Housing Choice Voucher, Shelter Plus Care voucher, state-funded voucher, etc.) to use in a rental unit they chose that meets program guidelines.

Below, TAC's analysis of capital and rental subsidy resources in Ohio makes it clear that a greater local commitment of both capital and rental assistance funds is essential for the State of Ohio to produce PSH at the scale needed to address long-term homelessness and unnecessary institutionalization.

Rental Subsidy Funding in Ohio

Currently, the State of Ohio has virtually no control over the availability of the essential rental subsidy funding needed to expand PSH opportunities. These resources⁵ and a brief explanation of their relevance to PSH are highlighted below.

HUD Section 8 Housing Choice Vouchers (HCV): An estimated 91,994 HCV are administered by Ohio Public Housing Agencies (PHAs) and most of these vouchers are in use. However, between 5-10 percent of vouchers ‘turnover’ each year (4,500-9,000) and are re-issued to households on PHA waiting lists. HUD rules facilitate the use of vouchers for project-based and tenant-based approaches to PSH and for selection preferences that can avoid long waiting lists. Under HUD fair housing regulations, PHAs are also required to ‘affirmatively further fair housing opportunities’ for people who are least likely to participate in the voucher program, including vulnerable people with serious and long-term disabilities. This obligation, along with guidance from HUD encouraging PHAs to assist chronically homeless people and state Money Follows the Person grantees, provides the Council with additional leverage to engage and seek specific commitments of vouchers to expand PSH. Several high performing PHAs in Ohio are already engaged in important PSH activity and could assist the Council by providing replicable models and approaches for implementing these PSH strategies.

Housing Choice Vouchers Dedicated to Non-Elderly People with Disabilities:

From 1997-2001, certain Ohio PHAs were awarded 5,839 vouchers (included in the total above) that are set-aside by Congress solely for households with disabilities who qualify for one bedroom housing units (i.e., single people, two person adult households, etc. [See Appendix A-2]). Congressional budget language requires these vouchers to continue to be used for this purpose when they ‘turnover’ and are re-issued. HUD officials admit that they have done a poor job tracking these vouchers and that not all PHAs may be complying with these requirements. In addition, at least \$30 million in new HCV funding for people with disabilities (3,000 – 4,000 vouchers) is included in HUD’s FY 2009 budget. These funds will be made available by HUD during the coming months and may be targeted to MFP-related activities. This ‘pool’ of disability vouchers provides an important opportunity for the Council and state agencies to further engage and collaborate with Ohio PHAs on a comprehensive PSH initiative.

New McKinney-Vento Rental Subsidies: Ohio’s Continuums of Care have done an outstanding job leveraging new McKinney-Vento rental subsidies to expand PSH opportunities. In the 2008 HUD competitive funding round, Ohio Continuums received

⁵ Data on resources was compiled from HUD records available on-line as well as from data compiled by TAC from the Federal Register. TAC did not contact individual HUD grantees to verify the data.

\$9.7 million in new funding for PSH, as well as three new Rapid Re-housing grants totaling \$4.62 million. Strategies for the use of these funds include a mix of approaches that reflect local community circumstances and opportunities. TAC applauds the work of local Continuums and homeless advocates and expects that Ohio PSH expansion goals will continue to benefit from their expertise in this model. However, gaps in housing-related services financing for non-Medicaid eligible homeless people may continue to hamper the development and effective operation of new PSH projects. These gaps could be effectively addressed through a combination of state and local financing as proposed in the Ohio Supportive Housing for the Homeless Alliance's PSH Gap Program.

HOME Tenant-Based Rental Assistance: HUD's HOME Investment Partnerships (HOME) program is administered by ODOD and OHFA, as well as by community development officials in 23 Ohio cities and urban counties (see Appendix A-3 for more information). The HOME statute permits the use of these funds to create two year renewable tenant-based rental assistance programs, which could be targeted to PSH. Local community development officials have traditionally been reluctant to use HOME funds for this purpose, preferring to invest them in one-time expenditures for affordable rental housing development and homeownership opportunities. These funds are ideal to use to 'jump start' a PSH local partnership, which includes an initial commitment of local community development HOME funds for up to two years along with the commitment from a PHA to give priority to these PSH tenants for 'turnover' Housing Choice Vouchers. A HUD Notice (CPD-08-05) highlighting the use of HOME funds for tenant based rental assistance for people with serious and long-term disabilities was issued on May 2, 2008.

HUD Subsidized Units with Rental Subsidies: From HUD records, TAC estimates that there are 130,896 HUD-subsidized housing units in Ohio, including: (1) 51,762 federal public housing units administered by PHAs; and (2) 79,134 privately owned units subsidized through Section 8 project-based contracts between the owner and HUD. This supply of housing is less likely to be available for use as PSH for several reasons:

- These units are in developments typically categorized as either elderly/disabled housing or family housing. Virtually all of the elderly/disabled housing units are studio or one bedroom units and TAC data suggests that the majority of these properties have adopted 'elderly only' tenant selection preferences;
- Public housing demolition/conversion and Section 8 contract owner 'opt-outs' will continue to erode this supply of housing for the foreseeable future. Short waiting lists in some elderly developments – a 'hidden fact' in many subsidized elderly

housing properties, including newer HUD Section 202 projects – could provide high quality housing opportunities for elderly people who are targeted for the MFP initiative. HUD Ohio staff might be useful in assisting with this analysis.

State Funded Rental Subsidies

Like most other states, Ohio does not have a state-funded rental subsidy program. That does not mean that Ohio state funds are not used to assist certain targeted households with rental payments. ODMH's Housing Assistance Program and ODRC's *Returning Home – Ohio*, a permanent supportive housing pilot project are both examples of highly specialized rental assistance approaches funded by the state. Given the current economic climate in Ohio, it is unlikely that state leaders can support an appropriation of state-funded rental assistance for PSH at this time. However this is the ideal time to educate state leaders regarding: (1) the importance of rent subsidy funding as a tool to address the high cost of homelessness and institutionalization; and (2) the control that Ohio PHAs exercise as the primary source of federal rental subsidies. Support from key legislators might assist the Council in a campaign to obtain support and resources from Ohio PHAs for PSH expansion, as well as build support for future state appropriations for this purpose when Ohio's economic outlook improves.

Capital Resources for PSH

Generally speaking, federal capital funding for affordable rental housing is much more broadly targeted than rental subsidy funding. Depending on the program, federal capital funding typically produces affordable rental housing opportunities for households between 40-60 percent of AMI although Ohio has made real efforts to target lower income households. A substantial commitment of capital funding per unit – as well as a permanent rent subsidy – is needed to create a PSH unit.

At the present time, significant additional amounts of capital funding for housing are being provided to states by the federal government as part of the various economic recovery appropriations enacted by Congress. And, while these funds are desperately needed to move stalled affordable housing projects into construction and deal with foreclosed and abandoned properties, Ohio (both the state and many localities) will experience a substantial increase in the amount of capital funding available for affordable housing during the coming two years.

A brief summary of these capital resources is provided below. Specific details on the distribution of these federal capital funding programs across the state of Ohio can be found in Appendix A-3 and A-4.

Federal Low Income Housing Tax Credits (LIHTC): In 2008, OHFA received an estimated \$23 million annual allocation of federal LIHTC which is invested in affordable rental housing developments. The ‘value’ of these credits which are sold to investors has dropped because of the economy. In today’s difficult market, TAC estimates the value of these credits to be \$180 million in equity for affordable housing production. These credits, along with other capital financing, produce approximately 2,000 units of affordable housing annually. In 2008, OHFA funded 38 separate projects.

HUD HOME Investment Partnerships Program (HOME): The HOME program must be used to create affordable housing opportunities including homeownership and rental housing. In 2008, Ohio received approximately \$60 million in HOME funding annually from HUD including \$26 million that comes directly to the state through ODOD and an additional \$34 million awarded directly to 23 Ohio cities and urban counties.

Community Development Block Grant Funds (CDBG): The CDBG program can be used for either affordable housing or other community development activity. In 2008, ODOD received \$47 million in CDBG funding and an additional \$111 million was provided directly to 43 local and county government community development departments. These funds are frequently used for infrastructure improvements (sidewalks, street lighting, other public improvements), as well as housing.

Neighborhood Stabilization Program (NSP): NSP is a new federal housing program created through the Economic Recovery Act of 2008 to help localities acquiring and redevelop foreclosed and abandoned property. The State of Ohio received \$116 million in NSP funding with another \$141 million allocated to 22 Ohio cities and metropolitan counties (see Appendix A-4). An additional \$2 billion in NSP funding will be awarded competitively by HUD in September of 2009. All NSP funding – which is highly categorical in terms of eligible properties – must be spent within three years. ODOD has adopted incentives for PSH development and should encourage localities to replicate this policy.

Ohio Housing Trust Fund: The Ohio Housing Trust Fund (Housing Trust Fund) is an extremely flexible source of funding with dedicated revenue from a real estate recording fee. Managed by ODOD, the Housing Trust Fund supports homeless assistance activities, homeless prevention, homeownership and home repair, as well as special projects. OHFA receives a significant portion of resources (\$20 million) for its Housing Development Assistance Program, which includes the creation of PSH. By law, Housing Trust Fund revenues in excess of \$50 million per year are directed to the state’s general fund. Because of the economic crisis, revenues for 2009 are projected at only \$39 million – well under this \$50 million ‘cap.’ However, from 2004 through

2007, revenues far exceeded this cap – topping out at \$73.05 million in 2005. Advocates are strongly urging the Council to recommend that the state ‘lift the cap’ on the Housing Trust Fund during these difficult economic times so that when revenues once again exceed \$50 million, the funds can be retained and invested in Housing Trust Fund eligible activities.

The recent precipitous decline in Ohio Housing Trust Fund resources underscores the difficulty of funding re-occurring expenditures (e.g., supportive services, operating costs, etc.) as opposed to one-time expenditures (e.g., development capital) with a dedicated revenue source highly sensitive to Ohio’s economic circumstances. The appropriations and legislative history of eligible/mandated activities in the Housing Trust Fund is also complex and challenging in terms of creating a vision and policy goals that could support a significant expansion of PSH.

There are some similarities between the array of eligible Housing Trust Fund activities today and the experience of the federal government beginning in the late 1990s to re-orient the highly flexible HUD McKinney-Vento Homeless Assistance programs back to their intended purpose – to fund permanent supportive housing for homeless people with serious and long-term disabilities. While the Housing Trust Fund was never envisioned solely as a housing program, its use as the ‘bricks and sticks’ component of permanent housing development appears to have been a major goal.

Again, mirroring the history of HUD McKinney-Vento policies and practices, certain Housing Trust Fund-financed activities that have been in place for many years may also no longer reflect the most promising and evidenced based practices now understood to be more cost-effective and successful in preventing and ending homelessness.

New Federal Housing Funding Opportunities

In addition to the \$258 million of NSP funding allocated to Ohio, the Council should focus on three potential sources of new federal housing funding that are well-configured to expand PSH opportunities in Ohio. These include:

National Housing Trust Fund (NHTF): The president’s FY 2010 budget includes a \$1 billion request to capitalize the NHTF. At least 65 percent of total NHTF resources⁶ must be used for rental housing for extremely low income households (30 percent of AMI and below) or households with incomes below the poverty line. Because of this

⁶ 90% of the funding must be spent on rental housing and 75% of that funding must be spent on households with extremely low incomes at or below 30 percent of AMI.

income targeting requirements, NHTF resources are an ideal mechanism to ‘jump start’ a more robust PSH initiative in Ohio.

HUD Section 811 Supportive Housing Demonstration Program: H.R. 1675 – the Frank Melville Supportive Housing Investment Act of 2009 – was re-introduced in Congress on March 23, 2009. This bipartisan legislation to reform and reinvigorate this important federal supportive housing program is expected to be enacted this year, and will inaugurate a new competitive PSH Demonstration program to create small cross-disability set-asides of PSH units in projects fund with other capital resources such as LIHTC, HOME, NSP, etc. The legislation encourages state housing finance agencies (e.g., OHFA) to enter into partnerships with state Medicaid agencies to target PSH units to people who will be receiving supports and services in the community – an ideal match with Ohio’s MFP Initiative.

New Section 8 Disability Vouchers: HUD’s FY 2009 budget includes \$30 million in new Housing Choice Vouchers for people with disabilities, with a specific focus on people who are receiving community-based supportive services. HUD is considering targeting at least some of these vouchers to PHAs willing to work with state MFP initiatives.

Section IV – Analysis of Ohio Medicaid Plan and Unified Long-Term Care Budget Resources

TAC conducted a thorough review of Ohio's Medicaid State Plan and waivers. Interviews were conducted with state administrators responsible for the Medicaid Plan and waivers, and also with other state and local key informants with direct knowledge of the Medicaid program. TAC also reviewed many documents related to the Medicaid Plan, waivers, managed care system, the Money Follows the Person (MFP) initiative, and the Unified Long-Term Care Budget. TAC primarily focused on the portions of the Plan and waivers of greatest importance to disability populations at risk of homelessness or otherwise qualifying for permanent supportive housing. These include people with mental illness, people with intellectual/developmental disabilities (I/DD), people with drug/alcohol addictions, and people with physical disabilities.

Ohio has a comprehensive Medicaid Plan that incorporates virtually all optional services, as well as the basic mandatory services. Ohio's Plan also incorporates service definitions, service access criteria and provider qualifications that reflect nationally recognized best practices. Ohio's constellation of Home and Community-Based Service waivers also provide a preferred practice array of community-based services and supports for people with I/DD or other special types of disabilities. In short, Ohio's Medicaid Plan and waivers contain many of the tools that a state would need to provide flexible, individualized community based mainstream services to the wide variety of tenants intended to reside in PSH units.

The limitation on Medicaid in Ohio is not related to ineffective benefit design, narrow service definitions or restrictive provider requirements. Rather, the limitation is with match. For example, in mental health a substantial portion of state funds for ADAMH Boards, and also local levy funds, are already committed to matching services provided to Medicaid enrollees. Every new Medicaid-eligible enrollee that enters the local mental health system commandeers more state or local levy money as match for whatever Medicaid services they use, and in most areas the ability to match new Medicaid services is now severely restricted. In the Home and Community-Based Services arena, there is a parallel limitation based on the number of slots available under the current waivers. For example, people with I/DD are reported to experience substantial delays accessing Home and Community-Based services in many areas of the state.

Another limitation is that single non-elderly adults with a sole disability of substance abuse are not currently eligible for SSI or Medicaid in Ohio. As a result of the lack of

Medicaid eligibility, people with a substance abuse addiction are continually challenged to achieve success in housing, employment, physical and mental health, and other key indicators. Even with aggressive efforts on the part of eligibility specialists and the Benefit Bank, there will remain a cohort of adults for whom general fund appropriations and federal Substance Abuse Prevention and Treatment (SAPT) block grant funds will be the sole source of funding for community services. This places an additional strain on scarce non-Medicaid resources to support the overall PSH initiative.

These limitations on the ability to serve new enrollees and some adults with substance abuse have a direct impact on the efforts to provide PSH linked with mainstream services for people with disabilities. The limitations have an equally deleterious effect on the long-term sustainability of the MFP initiative. The fact is that to serve new enrollees the state agencies, the Boards and their provider networks will have to find ways to re-deploy current service resources, since it is unlikely that expanded services financing will be forthcoming in the near future. It should be noted that there are concerted efforts through the Benefits Bank and related activities to expand SSI and Medicaid eligibility for people who are homeless or at-risk of homelessness. These efforts are correct and laudable, but they will also increase demand for the very limited match available for Medicaid services, which in turn has the unintended consequence of further limiting the availability of non-Medicaid funding for people or service types ineligible for Medicaid reimbursement.

With regard to the mental health system, stakeholders at the state, Board, and provider levels were unanimous that it would be difficult to absorb new consumers of Medicaid mental health services within their service areas. They also reported that there are virtually no resources for services: (a) for people who do not qualify for Medicaid; and/or (b) services necessary to sustain independent community living that do not qualify for Medicaid reimbursement. Successful PSH service linkage models depend on non-Medicaid service funding, as well as Medicaid, and thus the problems of developing sustainable services and supports for PSH residents is further constrained by the lack of non-Medicaid funding.

Medicaid and MFP

MFP is intended to provide integrated community living for people living in or at risk of placement in more restrictive and more expensive nursing facility settings. This initiative will create a pipeline of people wishing to move out of institutional settings into PSH and other affordable community settings. By re-balancing the institutional care system towards more community-based care, Ohio will create the potential to save considerable funds which can over time be re-deployed to meet other needs within the Ohio Medicaid program or long-term care budget.

The MFP initiative and attendant extra funding for transition to community living is important for two reasons. First, it will help to jump-start the process of assisting people to move from nursing facilities into community settings, primarily by bridging the time gap between when a person is ready to leave a facility and when an affordable unit matched with appropriate community services and supports becomes available.

Second, and more importantly, it will demonstrate the feasibility and cost-effectiveness of integrated community living, as opposed to restrictive institutional care, thereby providing a foundation for transforming MFP from a demonstration project into a mainstream program. During the transition phase, the MFP funds will assist to demonstrate what service modalities are most helpful in assisting people with serious disabilities to live successfully and sustain tenancy in PSH in the community. The experience under MFP can be translated into services delivery policies, practices and protocols that can be implemented by Boards and service providers to both sustain and expand the program.

It seems likely that the applicable Boards and local service providing agencies will need to be involved in this process from the very beginning, since they will have to make commitments to sustain long-term services and supports to assure ongoing community tenure once the transition process is complete. Boards will also have to assure that each person has a lead agency or clinical home responsible for assuring continuity of care, responding to crises, and coordinating the efforts of other community service providers and natural community resources and supports. The importance of MFP resources to support community services should not be underestimated. The ability to deploy these resources will give officials at both the state and Board levels time to find and implement solutions to the long-term funding sustainability puzzle. The elapsed time should also, with any luck, allow the economy and therefore the state/local revenue picture to improve.

It should be noted that Boards and local providers face the same issues related to people who are homeless or at risk of homelessness, many of whom are not connected to mainstream community services prior to moving into PSH. For both the MFP initiative and the efforts to end and prevent long-term homelessness, it will be necessary to find solutions to the current constraints on local systems to integrate new enrollees into their service systems.

The Ohio Unified Long-Term Care Budget

Ohio has recently begun planning for implementation of a Unified Long-Term Care Budget that will allow flexibility across the current silos of long-term care service financing and will provide positive financial tools and incentives for community-based as opposed to facility-based care. This is an extremely creative and timely endeavor, and it appears to be consistent with current directions and priorities in national health care reform. TAC views the MFP initiative as providing a firm foundation for implementing the Unified Long-Term Care Budget. Specifically, the service linkage mechanisms and protocols designed and implemented for MHP should be able to be scaled up to meet service planning and long-term service linkage imperatives for the Unified Long-Term Care Budget. This is why it is important for the MFP service linkage activities to be policy driven and consistent with the future vision of the system across all disabilities as opposed to being ad hoc and driven by the exigencies of each individual moving out of a facility into the community.

The MFP initiative incorporates some transition planning facilitation resources that may not be fully available under Ohio's Unified Long-Term Care Budget (see above). These resources include extra staffing for outreach and transition planning, and funding to facilitate the physical transition from a facility to an independent housing unit. As MFP is implemented, it will be important to document how these resources are used and plan for replication when the Unified Long-Term Care Budget is fully implemented. It may be that Medicaid is not sufficient by itself to cover all of these necessary service costs, and if so it will be necessary to identify additional sources of ongoing financial support for services at the local level. This analysis may also trigger consideration of an 1115 waiver to support system-wide implementation of the successful elements of the MFP initiative.

Section V – Recommendations

A Five Year PSH Plan – Vision and Goals

Although the current economic circumstances confronting Ohio are daunting, the Council's work coincides with an alignment of opportunities and resources from the federal government that will favor states prepared to capitalize on them. Through the Governor's mandate to create a long-term plan for affordable housing and chronic homelessness, Ohio has the opportunity, vision, and, framework to create state-local government partnerships to align the resources needed for significant expansion of PSH, including capital, rental subsidy and services funding.

State and local partnerships structured around housing initiatives are difficult to sustain and the PSH approach may not be well understood in some Ohio communities. Fortunately, Ohio has a long and successful history of 'best practice' PSH activity and stakeholders have laid a strong foundation within a number of Ohio communities. Examples of replicable models abound, including PSH activities in Dayton, Cincinnati, Columbus, and, Cleveland. What has been missing is a collaborative state/local policy framework which commits stakeholders and key funders (state housing and service agencies, as well as County Boards and local housing officials) to a shared vision and goals, as well as shared responsibility.

In Recommendation #1 of this report, TAC urges the Council to adopt a uniform definition of PSH in order to facilitate a cross-disability cross-system PSH approach within state government and in local communities. In Recommendation #2, TAC advises the Council to initiate a comprehensive and bold 50/50 PSH Partnership Campaign as the framework for creating collaborative PSH partnerships between the State of Ohio and local government agencies. As envisioned by the Executive Order, the Campaign would be based on a long-term plan adopted by the Council and endorsed by the Governor. TAC projects that as many as 5,000 new PSH opportunities could be created over the next five years through this approach. These opportunities would be both project-based and tenant-based PSH models and would be targeted to the PSH populations identified in this report.

The 50/50 concept highlights the shared responsibility of local and state governments to address the needs of vulnerable households with disabilities, as well as the benefits of a shared goal and mutual commitment to provide the resources needed. The PSH Campaign can be incentivized by new federal housing and MFP Medicaid resources available through the state but will not be successful without specific commitments of

local housing and service resources for PSH. As the PSH initiative moves forward, it could be augmented by additional commitments of state funding (i.e., Ohio Housing Trust Fund, a flexible operating and services subsidy, etc.) as Ohio's economic circumstances improve.

5,000 PSH Unit Projection

TAC projects that as many as 5,000 new PSH housing opportunities could be created based on the following housing resource strategies:

- New Housing Choice Vouchers for People with Disabilities – 600 PSH units
- Turnover Housing Choice Vouchers for People with Disabilities – 1,400 PSH units
- Section 811 Demonstration Program PRAC units – 1,000 PSH units
- National Affordable Housing Trust Fund – 1,000 PSH units
- McKinney-Vento Homeless Assistance – 1,000 PSH units

[NOTE: The details behind these assumptions is included in Appendix B]

The 2,000 units to be produced through the Section 811 Demonstration program and the National Affordable Housing Trust Fund have not yet been funded by Congress. Nonetheless, it is important for the State of Ohio to 'get out in front' of both these federal opportunities by developing the policies and strategies now that will leverage these funds as soon as they are available. The projections for McKinney-Vento Homeless Assistance units are based on recent McKinney-Vento appropriation levels continuing through 2013. Housing Choice Voucher turnover projections reflect vouchers now funded and administered at PHAs but with more explicit targeting for PSH upon turnover over the next five years.

It is clear that most of the rental subsidies in Ohio are controlled by PHAs and that their participation is critical. There are both 'carrot and stick' approaches that can be pursued to convince PHAs that a reasonable – the key word here is reasonable – percentage of vouchers available be dedicated to PSH. Ohio PHAs must also be urged to apply for new disability vouchers, as they did from 1997-2002. Ohio's aggressive approach during those years successfully leveraged 10 percent of the national supply of new disability vouchers. The new voucher goal assumes that Ohio PHAs would receive 200 new disability vouchers each year for three of the next five years.

TAC projection does not factor in PSH units that may be funded through ODOD and local community development departments managing HOME and NSP funding. With over \$250 million in NSP funding allocated to Ohio, Ohio PSH developers are already aggressively pursuing PSH development opportunities. Within the 50/50 PSH Campaign strategy, it will be very important to emphasize that commitments of project-based Housing Choice Vouchers or McKinney-Vento Homeless Assistance subsidies will be essential for any PSH units financed through the National Housing Trust or NSP.

PSH Services

The creation of 5,000 PSH housing opportunities over a five year period would necessitate aggregation of a wide variety of services and supports to assist people to choose, move into, and, sustain tenancy in the new units. TAC has noted that there are serious limitations on the ability of current service systems to add new consumers, particularly if they are not Medicaid eligible. Even for Medicaid enrollees, limited availability of local match and waiting lists for available waiver slots reduces the ability of Boards and service providers to add new consumers to their rolls.

However, there are a number of solutions that could be implemented over the five years of the plan. For example, some number of the people moving into new PSH units will come with services funds attached. These include people enrolled in MFP and people who come up on the waiting list for one of the Home and Community-Based Waiver slots. Other people might already be receiving services, but need PSH to remain independent in the community. For example, there may be some people with serious mental illness who receive intensive services in the community but who have very unstable housing arrangements and continue to be at risk for hospitalization or homelessness. These individuals could be priority candidates for new PSH units without any increase in local service commitments.

Some solutions call for state government and County Boards to continue to make difficult choices about how they deploy their scarce resources. For example, detailed analysis of current resource deployment patterns may identify opportunities to reduce funding for outmoded service approaches, thereby freeing up funds. Ohio already has experience using data from a variety of sources to identify 'heavy users' of services, and then targeting interventions, such as PSH and community support to substantially reduce service costs for these high risk, high cost individuals. Or, Boards may find they can use a quality management approach to appropriately reduce service levels for some enrollees, so that funds can be made available to enroll new consumers in PSH. In reality, Boards are engaged in this type of triaging of resources all the time. Boards

also have experience finding resources when they really need to, such as when it is desirable to identify service match for Shelter Plus Care vouchers.

Other solutions call for greater transparency and sharing of resources across agency boundaries and funding silos. This type of activity, which is already a priority for Ohio PSH advocates, can address what is known as the ‘wrong pocket’ problem, in which provision of mental health services in PSH saves money for the emergency room, the jail, and the shelter but does not save money for the mental health system. If the system is viewed as a whole rather than as discrete parts, savings associated with diverting people from hospitals, jails, and shelters into PSH can be deployed to meet service needs for individuals in PSH. For example, in one county in Oregon the sheriff’s department pays for people to be served in PSH to reduce the number of arrests/re-arrests for petty street crimes. This reduces sheriff’s department costs for processing arrests, arraignments, and jail time.

The fact is that both the state agencies and, as applicable, the local Boards, will have to make pro-active decisions to designate people meeting the priority target criteria for PSH as first priority for services from local providers and systems of care. In many cases this is already true, in that state and local systems already target resources to people at highest risk of institutionalization and/or homelessness. This type of targeting of resources to priority PSH tenants, and the alignment of best practices services models to meet the needs of PSH tenants, is fully consistent with Ohio’s ongoing efforts to improve the performance of its state and local service systems and to produce positive outcomes for consumers.

Finally, as TAC mentions later in our recommendations, the state may need to have a small pool of non-Medicaid resources that can be attached on a case by case basis to individuals moving towards or residing in PSH. This could alleviate some local Medicaid match issues, and also provide funding for individuals not eligible for Medicaid or key services not included in the Medicaid plan or waivers.

Section VI – TAC Recommendations

TAC's Recommendations to the Council are included within 15 recommendation categories. Recommendations 1-2 are core recommendations that provide a suggested policy and implementation framework for the long-term plan called for in the Governor's Executive Order. Recommendations 3-15 address specific state agency programs and policies or Council initiatives already underway.

Recommendation #1: Create a State of Ohio Comprehensive Permanent Supportive Housing (PSH) policy framework as a key outcome of the Interagency Council on Homelessness and Affordable Housing.

An array of Ohio state agencies, commissions, and boards now have a significant role in developing housing policies and programs, including supportive service programs, to assist the most vulnerable households with disabilities with the lowest incomes (e.g., below 30 percent of AMI). From an analysis of these efforts, TAC has concluded that a more significant expansion of PSH at scale across the state can be achieved by adopting a more uniform State of Ohio PSH definition and policy framework.

TAC recommends that important elements of the policy framework include:

- Adopting common PSH principles and a uniform PSH definition across all state agencies to be consistent with the PSH principles stated in this report;
- Adopting PSH major goals including: (1) ending homelessness and chronic homelessness among people with disabilities; (2) promoting and advancing the civil rights – ADA community integration goals affirmed in the U.S. Supreme Court's *Olmstead* decision and reducing Ohio's reliance on expensive and unnecessary restrictive and segregated settings;
- Defining PSH eligible populations to include: homeless and chronically homeless households⁷ with disabilities; households with serious and long-term disabilities at-risk of homelessness; households with serious and long-term disabilities residing unnecessarily or at-risk of residing unnecessarily in public institutions or publicly-funded, privately-owned 'restrictive settings', such as nursing homes; etc.;

⁷ The term "household" includes a single individual or a household with either the head of the household or spouse is an adult with a serious and long-term disability. This definition includes youth ages 18-21 who have aged out of the state foster care system.

- Using several PSH models: Best-practice PSH approaches include a variety of evidenced-based, flexible models to include tenant-based and project-based initiatives. Successful approaches in other states include the cross-disability model, small set-asides of PSH units in multi-family housing developments produced through LIHTC and bond-financed properties, as well as the single purpose single population PSH model.
- Creating a framework for successful leveraging of the potential federal funding opportunities for PSH highlighted in this report;
- Leveraging new technical assistance tools, including forthcoming federal Substance Abuse Mental Health Services Administration sponsored Permanent Supportive Housing Tool Kit.

Recommendation #2: Through the leadership of the Council, initiate a comprehensive and bold 50/50 PSH Partnership Campaign to implement the long-term plan. TAC projects that as many as 5,000 new PSH opportunities could be created in five years through collaborative PSH partnerships between the State of Ohio and local government agencies.

This recommendation is intended to create new momentum and incentives for local communities to join the work of the Council and to ensure that more substantial amounts of capital, rental subsidy, and services resources can be made available in the future for a more substantial state-wide expansion of PSH. The 50/50 conceptual framework is intended to highlight the shared nature of the goal for Ohio's citizens, through their local communities, to reduce reliance and public funding on expensive and outdated models and practices for vulnerable populations and to participate in the creation of a new Ohio PSH system that is more cost-effective and achieves better outcomes for vulnerable populations with disabilities and Ohio's taxpayers.

As envisioned by the Executive Order, the Campaign would be based on a long-term plan adopted by the Council and endorsed by the Governor to create up to 5,000 new PSH opportunities over the next five years. These opportunities would be both project-based and tenant-based PSH models and would be targeted to the PSH populations identified in this report. The specifics of the plan could include:

- An urgent Council request to Ohio PHAs to: (1) collaborate with the MFP program to apply for new Housing Choice Vouchers; and (2) dedicate all

disability voucher turnover resources to PSH target populations referred by local Continuum of Care and MFP Transition Coordinators;

- Proposed state Consolidated Plan and Qualified Allocation Plan policies to incentivize the creation of PSH through small PSH set-asides in the LIHTC program (anticipating the enactment of the new Section 811 Demonstration program);
- Proposed state policies to dedicate up to 50 percent of National Housing Trust Fund resources to PSH development. These policies could include (1) strong incentives to attract substantial investments of local HOME and NSP funding for National Housing Trust Fund financed projects which are not appropriate for LIHTC financing; and (2) incentives and collaborations to link National Housing Trust Fund capital with McKinney-Vento and project-based Housing Choice Vouchers; and
- State policies for collaborating on joint commitments of NSP funding for PSH projects, including competitive NSP applications due in September of 2009.

Ohio has a strong track record of joint state/local investment in PSH development, particularly for projects assisting chronically homeless people. However, these investments are primarily project driven rather than driven by comprehensive state PSH policy – a circumstance not unique to Ohio. What is unique about Ohio is the opportunity presented by the groundbreaking work of the Council to engage and challenge local government agencies to join the State of Ohio in a multi-year 50/50 PSH Partnership initiative.

Ohio has made significant progress addressing chronic homelessness, including educating the public regarding the cost-effectiveness of the PSH approach for this population. Initiating a 50/50 PSH Partnership campaign targeted to local government leaders provides an opportunity for the Council to build on this success by educating Ohio tax-payers and local housing officials regarding: (1) the high public cost associated with unnecessary nursing home placements and other expensive residential settings where thousands of people with serious and long-term disabilities currently reside; and (2) the critical role that local communities can play in assisting the state to increase the number of people with serious and long-term disabilities who benefit from the PSH model.

These activities could be initiated through the release of the Governor's long-term plan along with one to two Council sponsored activities with invited PHA and local CD

representatives to discuss the National Affordable Housing Trust Fund in FY 2010 and the availability of new disability vouchers. The potential availability of these funds, along with the anticipated re-orientation of HUD's rental housing policies through the leadership of HUD Secretary Shaun Donovan, provides an ideal opportunity for enhancing state/local collaboration on a State of Ohio PSH Initiative.

The Council is well positioned to capitalize on this 'moment in time' when federal housing policies and federal health care reform are also likely to become much more aligned to accomplish important national policy objectives for vulnerable population with disabilities. TAC recommends that the Council leverage this opportunity to send a clear message that the State of Ohio cannot accomplish these important policy and fiscal objectives without the meaningful involvement and commitment of local officials and the resources at their disposal.

An example of this type of state/local collaboration leveraging substantial federal resources is the Ohio Rehabilitation Services Commission (RSC) which assists people with serious and long-term disabilities to obtain employment. The RSC placed over 9,000 individuals in competitive jobs with an average hourly wage of \$12.83 per hour. Approximately 75 percent of people placed in jobs were SSI recipients. The RSC leverages \$4 in federal funding for each local dollar contributed by County Boards and could be an important component of future efforts to help a sub-set of people living in PSH substantially increase their income and move on to other permanent affordable housing options.

Recommendation #3: Further focus OHFA and ODOD policies to develop a sustained pipeline of PSH

OHFA recently released its Annual Plan to guide the development of effective affordable housing policy, including seven important PSH recommendations that are consistent with the policies suggested in this report. TAC applauds OHFA's efforts over the past several years to expand the definition of PSH, to increase the Housing Development Assistance Program (HDAP) Gap Financing funding limit for PSH, and to provide a dedicated pool of Low Income Housing Tax Credits (LIHTC) to finance PSH production.

TAC also commends ODOD for its current effort to direct a portion of NSP funding to create new PSH units. NSP is a challenging and highly categorical program which greatly limits potential sites and does not provide a project-based rental subsidy to close the housing affordability 'gap'.

TAC's analysis of other Ohio Department of Development (ODOD) housing policies and resources – particularly the Ohio Housing Trust Fund – makes it clear that ODOD capital resources could be deployed under certain circumstances to support a more significant expansion of PSH across the state. However, the current fiscal environment presents unique challenges and opportunities for ODOD including: (1) an infusion of \$116 million in highly categorical federal housing capital funding through the Neighborhood Stabilization Program (NSP); and (2) a substantial reduction in Ohio Housing Trust Fund dollars.

OHFA Recommendations

To further OHFA's efforts to encourage the development of PSH throughout Ohio, TAC recommends the following menu of strategies:

- Further the long-term vision of embedding PSH creation within Ohio's affordable housing production pipeline by encouraging a variety of production strategies, including single purpose, single population PSH projects when appropriate, as well as the creation of small set-aside of PSH units within a larger tax credit-finance project (i.e., 10 PSH units in a 100 unit property, etc.).
- Through its planning efforts, modify Ohio's Qualified Allocation Plan and Consolidated Plan to incorporate policies consistent with the proposed Section 811 Demonstration program that incentivize small set-asides of PSH units in LIHTC and HOME financed projects.
- Play a leadership role statewide to engage and provide incentives to local Public Housing Authorities as partners in development of PSH utilizing their Section 8 Project Based Voucher resources.
- Provide incentives within Ohio's LIHTC to systematically link accessible units with some type of rent subsidy in order to ensure that these critically needed units are available to people with serious and long-term disabilities with extremely low incomes (SSI-level rents).
- Encourage the use of a capitalized operating reserve fund supported with a variety of potential sources, such as future resources from the National Housing Trust Fund or Ohio's Housing Trust Fund, to provide a long-term operating subsidy in order to create a number of units affordable to extremely low-income households in need of PSH at greater scale.

ODOD Recommendations

To focus ODOD Housing Policy to further the development of PSH throughout the state, TAC makes the following recommendations:

- Adopt a long-term policy vision and funding strategy for the Ohio Housing Trust Fund that would prioritize and maximize the use of these funds to support evidenced-based and nationally recognized effective practices to prevent and end homelessness and institutionalization, including PSH and rapid re-housing.
- TAC concurs with the recommendation of advocates to ‘lift the cap’ on the Ohio Housing Trust Fund now when revenues are well below the \$50 million cap. Ohio is at an opportune ‘moment in time’ in terms of determining eligible uses of Ohio Housing Trust Fund resources when revenues again exceed the \$50 million cap.
- Consider adopting rigorous policies for the use of new funds in excess of \$50 million including: (1) limiting the use of these funds to one-time, non-re-occurring capital expenditures for a statewide expansion of PSH for all target populations; (2) prioritizing the capitalization of operating reserve accounts for at least 15 years with the specific objective of reducing rents in PSH units to a level affordable (30 percent of income) to households receiving Supplemental Security Income (SSI) or Temporary Assistance to Needy Families (TANF); (3) incentivizing the use of Housing Trust Fund capitalized reserves for the creation of integrated PSH housing in affordable multi-family developments; (4) incentivizing the use of Housing Trust Fund capitalized reserves to support accessible and barrier free PSH units in multi-family developments. TAC estimates that the cost of creating a 15-year reserve for a one bedroom PSH unit in Columbus affordable to a single person household receiving SSI to be approximately \$130,000.

Recommendation #4: Capitalize on New Federal Funding Initiatives

During the next eighteen months, there will be a number of new federal funding initiatives that can serve as a catalyst to spur additional investment in PSH. TAC recommends that the State prepare to take full advantage of these opportunities in order to further the Council's PSH and rapid re-housing objectives. Four specific opportunities include:

- **American Recovery and Reinvestment Act of 2009:** The recently passed stimulus package offers a number of HUD managed housing programs that could be used to further the Council's goals. These programs include: the Homelessness Prevention Rapid Re-housing Program (HPRP), (OH State program to receive \$26 Million), the Tax Credit Assistance Program (OH State Program to receive \$83 million), and the Neighborhood Stabilization Program (an additional \$2 billion to be distributed competitively by HUD). TAC commends the State's recent efforts to convene a small working group of state officials and homeless stakeholders to develop a framework for HPRP funds, balancing the need to use these funds strategically to bolster and improve the homeless prevention network in Ohio with the federal mandate to allocate these funds as quickly as possible. These HPRP funds should facilitate an extension/expansion of the Family Homeless Prevention Pilot, a model replicated in the HPRP design.
- **National Housing Trust Fund:** The President's 2010 budget includes a \$1 billion request to capitalize the National Housing Trust Fund (NHTF). If this funding is appropriated by Congress, Ohio will receive a significant allocation of NHTF resources. One of the core goals of the NHTF is to support the creation of rental housing targeted for extremely low income households with incomes at or below 30 percent of the Area Median Income (AMI). TAC recommends that OHFA and the Council create PSH financing models using the infusion of NHTF resources to close the 'housing affordability gap' and ensuring that PSH tenants pay no more than 30 percent of income for rent. This could be accomplished by increasing the capital contribution in order to underwrite these units at approximately 15 percent AMI or creating a capitalized operating reserve fund, which the project would draw from over time to fill the gap between the tax credit rent and what the resident can afford.
- **Section 811 PSH Demonstration Project:** Section 811 Supportive Housing for Persons with Disabilities legislation (H.R. 1675) – the Frank Melville Supportive Housing Investment Act of 2009 – was re-introduced on March 23, 2009. This important PSH bill received widespread bi-partisan support during the last Congress and is expected to pass this year. The legislation proposes an innovative Section 811 Demonstration program to spur the development of integrated PSH units (e.g., 10 units within a 100 unit property) within new affordable rental housing developments funded with resources such as LIHTC, HOME, NSP, or NHTF, etc. The Demonstration Program will provide a long-term Project Rental Assistance Contract (PRAC) to ensure that these PSH units are affordable to extremely low-income people with serious and long-term disabilities who can benefit from community-based services and supports. State HFAs and

state and local community development agencies will be eligible to apply for 811 Demonstration funds. TAC recommends that Ohio state agencies begin to develop policies within the Qualified Allocation Plan and Consolidated Plan to compete successfully for 811 Demonstration program funding in order to encourage the development of integrated cross-disability PSH units.

- **New Disability Vouchers from HUD:** In the next 2-3 months, HUD is expected to issue a Notice Of Funding Availability to PHAs for 3,000-4,000 new Disability Vouchers. TAC recommends that the Council use the 50/50 PSH Campaign strategy to engage Ohio PHAs to promote applications that would dedicate these vouchers for MFP-related activities. Some percentage of these new vouchers (depending on the PHA) could also be project-based which would facilitate their use in new PSH projects.

Recommendation #5: Focus Proposed State Housing Research and Data Analysis Capability on PSH

TAC supports the creation of the housing research and data analysis capability within OHFA called for in its Annual Plan. If this research capacity is developed, TAC further recommends that OHFA designate permanent supportive housing as a ‘critical’ research area with a focus on defining the need for PSH across the State and assessing the impact of PSH on homelessness, institutional beds, criminal justice system, mainstream service costs, etc.

The Council having access to a housing research capability would be of particular importance in assessing the ongoing implementation, impact, and overall success of the PSH Policy Framework and the 50/50 PSH Partnership Campaign called for in Recommendations #1 and #2. The Council would be able to utilize this research capability and data to assess cost savings across systems of care and engage State agencies and local government entities to build support for the 50/50 PSH Partnership Campaign over the long-term.

Recommendation #6: Ohio Department of Mental Retardation and Developmental Disabilities Housing Policy

The Ohio Department of Mental Retardation and Development Disabilities (ODMRDD) housing program provides a broad portfolio of community-based housing throughout Ohio. Local non-profit housing corporations continue to be the main ‘driver’ of the Department’s housing models and have developed an impressive array of housing opportunities and choices in a number of Ohio communities. TAC reviewed the

ODMRDD's housing program and policies, met with ODMRDD leadership and senior staff, as well as a representative group of stakeholders. Given the significant state capital investment in this portfolio, TAC proposes the following recommendations:

- Combine ODMRDD's three categories of housing funding (i.e., Housing Acquisition, Accessibility Renovations, and Capital Improvements) into one fund allowing local counties discretion to use these resources based upon local needs, requirements, and approved plans. This approach would give counties more flexibility in allocating housing funds but with full accountability for how the resources are used. TAC concurs with the recommendation of the Disability Housing Network (DHN) to move towards an approach that would require non-profits to develop and fund long-term capital improvement budgets rather than rely on state grants which may or may not be available in the future.
- Accept DHN's recommendation to allow the acquisition of small multi-family rental properties of up to four units, as well as the purchase of single family and duplex structures.
- Establish guidelines for ODMRDD-funded housing to ensure that all properties are adequately maintained and meet uniform housing quality standards. TAC recommends that ODMRDD consult with OHFA on the appropriateness of adopting Federal Housing Quality Standards for this purpose.
- Establish policies that reinforce the effective, long-term financial viability, and management of ODMRDD-financed housing following generally accepted principles of housing finance and asset management. New projects should be underwritten to ensure that sufficient tenant income and ongoing rental subsidies are available to produce positive cash flow after allowing for adequate reserves for long-term capital improvements.
- Continue ODMRDD's active support of DHN as a mechanism to build the capacity of local housing corporations as well as transfer replicable 'best practices' including (1) the use of tenant-based rent subsidies linked with fully accessible units with the community; and (2) the use of Section 8 Project-Based Vouchers within a housing corporation's housing stock.

Recommendation #7: Ohio Department of Mental Health Housing Policy

TAC reviewed Ohio Department of Mental Health's (ODMH) programs and housing and service resources through reviews of documents and interviews with ODMH leadership and staff. For over two decades, ODMH has been a state and national leader in encouraging and creating PSH housing opportunities for people with severe and persistent mental illness. ODMH's Housing Assistance Program (HAP) was the first 'bridge subsidy' program in the nation and has been very successful in providing community-based housing for people with mental illness, including leveraging PHA Housing Choice Vouchers. TAC makes the following recommendations in order to further enhance ODMH's community-based housing efforts:

- TAC concurs with ODMH's recent decision to lower the match requirement for ODMH capital from 50 percent to 25 percent, recognizing the challenges of many local Boards that do not have local levy. However, ODMH should continue to encourage local Boards' efforts to maximize the match that they can secure through local HOME, community development funds, NSP funds where appropriate, and funds from the future federal Housing Trust Fund.
- ODMH should emphasize the importance of preserving the funding level for HAP recognizing the extreme shortage of permanent rental subsidies for people with disabilities in Ohio.
- ODMH should continue to support the targeting of PSH activities for people who are homeless, chronically homeless, as well as people at-risk of homelessness who have a severe and persistent mental illness.
- ODMH should review recent *Olmstead*-related court rulings, including the February 19, 2009 ruling in *Disability Advocates, Inc. vs. Davis A. Paterson* in the US District Court, Eastern District of New York, as they work with the Ohio Department of Aging (ODA) and the Ohio Department of Job and Family Services (ODJFS) to transform the state's Residential State Supplement (RSS) Program. [NOTE: The *DIA vs. Patterson Olmstead*-related lawsuit alleges that New York Adult Care Homes financed with state SSI supplement payments similar to RSS payments violate the ADA. The District Court denied NY State's motion for Summary Judgment in a 112 page ruling on mental health housing policy that disability rights attorneys believe is significant.] In its current state, the ODA manages and finances the RSS Program, with payments to eligible consumers made by ODJFS (with money transferred from ODA). ODMH's interest in this issue is that many of those receiving RSS are persons with severe and persistent mental illness.

Recommendation #8: ODMH and ODMRDD Capital Funding Programs

TAC recommends that ODMH and ODMRDD initiate an assessment of the future feasibility of utilizing dedicated ODMH and ODMRDD capital funding for cross-disability PSH housing approaches and models. Through many consultations in Ohio, TAC has a thorough understanding and appreciation for the community-based housing outcomes associated with both ODMH and ODMRDD capital funding streams. We concur with ODMH and ODMRDD staff that these resources continue to be extremely valuable in facilitating the creation of thousands of new units of permanent supportive housing for people with mental illness and people with intellectual and developmental disabilities. We also know first-hand of the outstanding results achieved by the dedicated non-profit housing corporations who use these capital sources in a variety of creative and innovative models, and meet the continuing challenges associated with securing local matching funds and the ongoing operating support to ensure affordability for consumers.

To continue to position the State of Ohio as a leader in housing approaches and policies for people with disabilities, we believe it is important for Ohio to assess the future feasibility of using these funding streams in more innovative ways, including their use in more integrated cross-disability models that could serve both populations or eventually all PSH populations. Because of the limited scope of services, TAC's current work for the Council could not include a thorough assessment of the legal, regulatory, and policy implications associated with using these funding streams to undertake cross-disability PSH activities. However, our limited historical knowledge of these resources suggests that few if any legislative changes would be necessary to eventually create one streamlined capital program from the two separate sources.

TAC recognizes that discussions regarding the merger of these two programs would prompt valid concerns regarding whether one disability sub-population would benefit more than another from a less categorical approach. This issue has been debated extensively in several other states (North Carolina and Louisiana) that have successfully evolved to create both single purpose, as well as cross-disability PSH units. Their experience thus far indicates that the benefits of using cross-disability funding streams for new PSH opportunities outweigh the concern about "which group(s) might benefit disproportionately".

TAC recommends that ODMH and ODMRDD explore the important 'threshold' legal questions regarding the feasibility of merging these two capital programs. These questions will certainly be raised in the future as states and the federal government work to promote the true vision of the ADA and as cross-disability housing approaches become the 'norm' rather than the exception to the norm. In addition, combining these

two capital funding programs into one could potentially have very practical short-term benefits, depending on the opportunities which might be identified by the non-profit housing corporations that use them.

Recommendation #9: The Ohio Medicaid Plan and Waivers

TAC recommends that state officials consider the following strategies with regard to the current Medicaid Plan and Waivers:

- TAC does not believe any Plan amendments or new waivers are essential to foster increased PSH development and service linkage in the community.
- Ohio may decide in the future to develop new service definitions, provider qualifications, a 1915(i) or 1915(j) plan amendment, or perhaps an 1115 waiver⁸ to facilitate implementation of the Unified Long-Term Care Budget. If that occurs, there is an opportunity to open the Medicaid plan to new types of service modalities, such as peer supports and self-directed personal assistance services that could increase the tenure and improve the self-sufficiency outcomes of people living in PSH.
- Ohio should consider a number of strategies for deploying or redeploying current service resources to meet the needs of new Medicaid enrollees and new participants in PSH. One initial step would be to conduct a thorough analysis of Medicaid and MACSIS claims data to identify: (a) high-risk, high-cost enrollees that might benefit from PSH and thereby reduce MA claims in other service types, such as emergency rooms and acute hospital beds; (b) consumers who may be receiving a higher level of care or greater intensity of services than might be necessary; and (c) payments for service modalities that are no longer considered to be best or preferred practices and thus are subject to proactive redeployment efforts.
- Based on the outcomes achieved under MFP during the next 12 months, Ohio may identify a need to establish a central fund of state resources that could be attached directly to priority enrollees in MFP. These state funds could be used to match Medicaid for specific individuals so that local jurisdictions would not have to tap into restricted local funds to meet match requirements. The ongoing support funds could also be used to provide transitional funding or limited funding for non-Medicaid services necessary to

⁸ Another potential purpose of an 1115 waiver could be to extend eligibility to certain non-elderly adults who do not meet the current disability threshold for Medicaid eligibility.

sustain tenancy in PSH. This type of approach has been used in some state waiver programs, and also in some cases to comply with a consent decree.

Recommendation #10: Ohio's Money Follows the Person Initiative

TAC recommends the following strategies to improve and enhance the implementation of Ohio's Home Choice Transition Program:

General MFP Recommendations

TAC supports the Ohio's Department of Job and Family Services' (ODJFS) current MFP housing approach to pursue three distinct efforts – the Local Housing and Services Cooperatives, a Rental Assistance Program, and a Permanent Supportive Housing Pilot (discussed in greater detail below). These three efforts provide ODJFS with an effective mechanism to further develop state inter-agency cooperation and explore and assess strategies to utilize Medicaid-funded services in conjunction with permanent supportive housing.

Inter-agency cooperation will be a critical aspect of transition planning and ongoing service delivery for each person to be served under MFP. Based on the MFP Relocation Workbook, MFP participants will be identifying needs related to family and informal supports; housing; health care; personal care; transportation; employment; and social activities. Also included will be formal services through some combination of Medicaid, ODMH, ODADAS, ODMRDD, etc. It is highly unlikely that participants in MFP will need services from just one agency or funding source. And, each individual's needs will be unique when they begin participation, and will change in unique ways over time as they live in the community. Thus, interagency collaboration and coordination will have to be individualized and flexible over time. TAC recommends that standard interagency agreement protocols be developed that can guide individual service planning and service coordination among participating agencies. As noted throughout this report, the actual work of planning, assuring, and maintaining appropriate individualized service access and delivery is most likely to occur at the Board level. Thus, the roles and responsibilities of the cognizant Boards will have to be clearly detailed in the protocols. These protocols should guide:

- Designation of a lead agency/clinical home for each participant;
- Specification of which types of other community agencies should participate;
- Definition of the roles and responsibilities of each participating agency;

- Description of mutual service planning and service plan updates will be accomplished;
- Description of how communications will be maintained among the parties; and
- Specification of the resources that are to be committed to the participant by each agency included in the agreement.

TAC also recommends that a standard protocol be developed relevant to all participating disability populations to assist transition coordinators to provide detailed information on housing resources and options for MFP participants. This protocol should detail how the Housing Locator and related housing search resources can be used; criteria for the variety of housing resources available; equal housing and reasonable accommodation rights of prospective tenants; and information on other factors, such as proximity of resources and transportation, neighborhood quality, etc. It is important to the success of MFP that participants make informed choices among housing options, rather than being steered to whatever may be readily available at the moment.

MFP Housing Recommendations

TAC has been working closely with ODJFS staff on the development of its MFP housing approach, specifically, the Local Housing and Services Cooperatives, a Rental Assistance Program, and a Permanent Supportive Housing Pilot. To assist in the development and implementation, TAC makes the following recommendations regarding the three MFP housing initiatives:

- Develop clear guidance and a very detailed scope of services for the agencies selected to support regional housing cooperatives in order to better focus their efforts on obtaining new housing resources for MFP participants. Given the compelling need to identify permanent rental subsidy resources for people leaving facility-based care, these agencies should be required to assertively engage local PHAs, particularly those identified as having received disability vouchers from HUD from 1997-2002. Other suggested areas of focus include community development officials controlling HOME funds which can be used for tenant-based rental assistance, HUD assisted housing providers with chronic vacancy issues (which could be identified by willing HUD Field Office staff), and building relationships with County Boards.

- Strategically deploy MFP housing capacity and expertise in targeted areas/regions of the state determined as ‘high need/high demand’ based on an assessment of three factors: (1) the housing preferences expressed by MFP participants; (2) the need for expanded capacity; and (3) strategic opportunities to expand the supply of PSH units.
- Based on the assessment and identification of ‘high need/high demand’ MFP communities, conduct a strategic analysis to determine: (1) high priority areas for targeting valuable MFP rental assistance resources; and (2) local PHAs in these areas that currently administer Section 8 Housing Choice Vouchers set-aside by Congress for non-elderly people with disabilities. TAC will assist JFS with the PHA analysis.
- Strategically engage local PHAs to administer MFP rent subsidies for a limited period for identified consumers for a reasonable administrative fee. In exchange, the PHA would ideally be able to offer some type of systematic transition to a Section 8 Housing Choice Voucher. TAC has committed to work with JFS on the engagement efforts with local PHAs.
- Conduct a more refined financial analysis of the proposed rental assistance program assessing the cost of rent subsidy, the term of the rent subsidy, and the potential number of individuals to be served. ODJFS will be able to continually refine the financial model as partnerships with local PHAs are established. TAC has committed to providing JFS with a financial modeling tool to assist with this analysis.
- Develop guidelines and contract documents for the operation of the rental assistance program. The guidelines will be used by the subsidy administrator (i.e., local PHAs) to ensure that the funds are administered responsibly and JFS’s program goals are met.
- Consider an informal approach (as opposed to a formal Request for Information) to solicit feedback from local PSH stakeholders regarding the potential benefit of the cross-disability PSH Pilot concept. Consider a survey tool (on-line perhaps) to help encourage a greater response rate, as well as facilitate the collection and analysis of data.
- Work with the MFP partner agencies (i.e., ODOA, ODMH, ODMRDD, etc.) to develop a common understanding of a potential cross-disability PSH pilot project, its feasibility (given MFP resources available), and the specific goals which the

pilot seeks to achieve. In addition to the Pilot's goals, interagency discussions should focus on referral mechanisms to the housing types and amount of resources offered by the MFP initiative (i.e., development or operating resources), preferred location(s) of the pilot, linkage with services, and the development of an assessment to measure the pilot's success. This upfront 'buy-in' from all the MFP partners is needed for the success of the pilot itself and its potential for replication on a greater scale.

- Explore a partnership with OHFA as ODJFS's 'housing partner' in the PSH pilot if deemed feasible. OHFA would potentially be able to: offer access to matching capital funds or operating funds; assist in the development and issuance of an RFP; assist with the evaluation of proposal, conduct underwriting of the project; and assist with the assessment of the Pilot.
- If deemed feasible, structure the Pilot RFP in order for it to be seamlessly integrated with OHFA and ODOD funding rounds (i.e., LIHTC) to facilitate and encourage participation from experienced permanent supportive housing developers throughout Ohio.

Recommendation #11: ODADAS Recommendations

TAC reviewed Substance Abuse Treatment resources and issues through reviews of documents and interviews with key informants, including a representative of the Ohio Department of Alcohol and Drug Addictions Services (ODADAS). In general, ODADAS funds and oversees a full range of community-based alcohol and drug prevention and treatment services through the array of 50 County Boards.⁹ ODADAS participates in the federal Access to Recovery initiative, and also is engaged in improving access and engagement in treatment through the Network for Improvement of Addiction Treatment (NIATx). ODADAS actively promotes and supports evidence-based prevention and treatment services through a comprehensive delivery system. ODADAS's primary mission is increasing access to prevention and treatment services. ODADAS Federal Block Grant supports the development of substance-free housing through the Drug Free Living Revolving Loan program (DFLRL). In addition, ODADAS collects and reports enrollee outcomes and system performance through the National Outcomes Measurement System (NOMS). The Ohio Medicaid Plan includes outpatient substance abuse treatment and community support services for people who qualify for Medicaid.

⁹ Four of these are separate drug and alcohol Boards, while the remaining 46 are combined alcohol, drug, and mental health Boards.

ODADAS does not fund any housing programs. The Department's current initiatives include a federally-funded revolving loan fund and a treatment grant program, both of which mandate sober housing. ODADAS does not receive funding for housing services; therefore, initiatives such as Housing First and harm reduction housing programs are not funded.¹⁰

Boards have been in conversations with PSH developers/managers about participating in permanent supportive housing initiatives for people with drug/alcohol addictions who are homeless or chronically homeless. One limitation on this activity has been ODADAS's policy to support only substance-free housing models which are mandated by federal guidelines. Another limitation has been the reported desire of the PSH entities to have ODADAS (through one or more Boards) fund site-based staff for PSH projects. ODADAS prefers to have the tenants served by community providers.

ODADAS standards do not discourage or prevent the delivery of services in a consumer's natural environment. These services could be provided at the site of the PSH project on a mobile and flexible basis depending on the varying needs and choices of the tenants. Some Boards have reported engaging successfully with PSH projects service individuals with substance abuse or co-occurring mental illness and substance abuse. These successful approaches could form a basis for expanding drug and alcohol service linkages to new PSH developments/units in other jurisdictions.

ODADAS participated in the Ohio Department of Aging's Unified Long-Term Care Budget process. Currently, the Unified Long-Term Care Budget process is continuing their Phase 1 work which does not include a focus on alcohol and drug prevention and treatment services. ODJFS analysis indicated that there are no ODADAS priority enrollees identified for participation in the Money Follows the Person (MFP) Initiative as ODADAS does not operate or sponsor an institutional service setting.

From the perspective of the overall drug and alcohol treatment system, ODADAS and the participating county Boards are providing a broad array of best practice drug and alcohol services. Ohio has been a national leader in drug and alcohol services for many years, and continues to have a more comprehensive system than is present in many other states. As with other services (e.g., mental health, developmental disability, independent living centers, etc.) in Ohio, the primary limitation is resources. Drug and alcohol treatment resources are severely underfunded in Ohio, and it is difficult for the local Boards to provide services to new enrollees within existing resources. Nonetheless, ODADAS and the Boards have committed themselves to engaging new

¹⁰ It should be noted that - pursuant to O.R.C. 3793.02, programs established by ODADAS "shall include abstinence-based prevention and treatment programs.

enrollees within brief timeframes, and they continue to improve intake and enrollment practices through the NIATx initiative. ODADAS reports that if tenants (existing or new) are living in PSH they should be able to access drug and alcohol services. This accessibility will be impacted by the level of treatment service needed and payer of the source.

Specific ODADAS Recommendations:

- Review the current policy on abstinence-only housing. There is no question that many people with addictions can only move towards recovery when living in substance free environments. Any comprehensive system of drug and alcohol services must include substance-free housing as a key element of the system. However, it is now recognized in the field that there are some individuals who cannot be engaged in treatment or the recovery process if their only option is substance-free housing. These individuals, many of whom have co-occurring medical and/or mental health service needs, become or remain homeless rather than live in substance-free housing.¹¹ Once homeless, it frequently becomes even more difficult to engage these people in treatment and recovery, with adverse effects for the individuals themselves, as well as increased costs for shelters, jails, and emergency rooms. We recommend that ODADAS, through its' participation in Ohio's Interagency Council on Homelessness and Affordable Housing, continue to promote a recovery-oriented array of housing options that are flexible in meeting a variety of needs of persons disabled by substance abuse and addiction.
- ODADAS currently has a system of care with standards in place that allow for the assessment and treatment of consumers. Local Boards are encouraged to continue working with developers/managers of permanent supportive housing to improve and document the protocols for accessing community-based drug and alcohol treatment from existing community providers for tenants in PSH. The protocols could include: (a) referral criteria; (b) joint service planning approaches; (c) communication protocols; and (d) emergency response/tenancy protection interventions. It is likely these methods and protocols will be incorporated into memoranda of agreement among PSH sponsors/managers and local drug and

¹¹ There are several studies that have assessed the effectiveness of the Housing First permanent supportive housing model including the New York Housing Study conducted by Sam Tsemberis. The study found that "Participants assigned to Housing First obtained housing earlier and remained stably housed at higher rates as compared to participants in services-as-usual." More information on this and other studies is available at <http://www.pathwaystohousing.org/Articles/Research.html>.

alcohol service providers in the same manner as with other types of community mainstream service providers.¹²

- Continue to participate in the implementation of the MFP initiative, to assure that any participants in MFP that need drug or alcohol services to sustain successful independent community living have priority access to these services. In the context of MFP, and later for Unified Long-Term Care budget implementation, it is critical that methods for assuring priority access to and follow-up with drug and alcohol services be incorporated into the overall mainstream service system and service linkage design.
- Engage with County Boards in a process to identify overall housing needs for addiction treatment consumers, document successful approaches for collaborating with other housing developments, and ensure identified consumers are linked housing and mainstream community services. All participating state and local entities can learn from the successful approaches that have been implemented within several of the Board areas. Models of local memoranda of agreement, service access protocols, mutual service planning and coordination approaches, and interagency communications processes should be documented. These can be adapted by local agencies to fit local conditions and priorities. ODADAS has agreed to review these models and share these approaches with the Interagency Council on Homelessness and Affordable Housing as a potential training and technical assistance opportunity.

Recommendation #12: Ohio Supportive Housing for the Homeless Alliance's PSH Gap Program Proposal

TAC has reviewed and supports the highly innovative and cost-effective Ohio Supportive Housing for the Homeless Alliance's PSH Gap Program proposal. The PSH Gap Program is designed to fill the critical gaps in both operating and housing-related support services that developers face in creating high-quality and well run PSH. TAC also understands the challenges associated with funding a new program during the current economic crisis in Ohio. Regardless of any future funding source, it will be critical to assess and ensure that the funding requested truly fills a gap that cannot be funded through existing housing or mainstream supportive services funding streams, such as Medicaid. For example, 'gaps' in operating costs for HUD SHP projects that were not adequately budgeted should not be eligible for gap financing.

¹² It should be recognized that ODADAS does not restrict this from occurring with local Boards who are responsible for the development of Community Services Plan that consider the needs of consumers in their areas.

Recommendation #13: Ohio Benefit Bank Recommendations

Because of its importance to the future of PSH in Ohio, TAC strongly recommends that the Council's achievements include the creation of a single application form for both Medicaid and SSI. And, while a uniform application is an important first step, the ultimate goal should be a single disability adjudication process that facilitates more efficient and streamlined access to these essential benefits for vulnerable people with disabilities.

In its discussions with PSH stakeholders, TAC recognized a high percentage of homeless individuals whose primary diagnosis is severe and persistent substance abuse but may also have other types of disabilities recognized by SSI (e.g., the Dayton CoC reported that approximately 60 percent of its Shelter Plus Care participant's primary disability is substance abuse). Given this observation, TAC recommends that the Benefit Bank consider added focus and outreach to homeless individuals with substance abuse issues to determine if there possibly are other conditions that are eligible under SSI regulations (i.e., a physical disability that prevents the person from returning to work).

TAC also recommends that the Interagency Council consider the following additional enhancements to the Ohio Benefit Bank:

- Expand the ODMH sponsored pilot initiative underway at Ohio's community mental health centers to engage similar 'slam dunk' cases at other sites such as those within the corrections system (Portland, OR has a model);
- Plan for an assessment of outcomes of the work by the new cadre of 10 Homeless SSI Specialists;
- Begin plans for growing the SSI Specialist cadre to twice or three times its number over the next few years (The initial team of 10 is likely to be insufficient to serve the needs of all homeless persons in Ohio statewide.);
- Assess need for creating additional SSI Specialist positions to be sited permanently at specific high volume shelters and homeless outreach sites (Multiple agencies have already made such requests and would likely utilize this capacity to full advantage.);

- Engage the cadre of SSI Specialists in collaborations with permanent supportive housing providers to facilitate housing referrals; and
- Develop a structured referral system for homeless persons with disabilities to facilitate direct passage from initial contact with the Benefit Bank into PSH units whenever possible.

Recommendation #14: Local Plans to End Homelessness

TAC reviewed twenty-one 10 Year Plans to End Homelessness published to date in Ohio as a step in formulating housing and service planning recommendations for the Ohio Interagency Council on Homelessness and Affordable Housing. The 10 Year Plans offered TAC a view inside local level decision making, in communities across Ohio, pertaining to widening the housing pipeline for the state's most vulnerable citizenry. Many of these plans propose the development of PSH, including several establishing numeric production goals. In addition, many local communities are pursuing other evidence-based best practices, such as Rapid Re-Housing and working on a variety of system change efforts, to reorient their homeless system towards permanent housing solutions. Finally, all communities have recognized the critical role of both local and state resources to finance and support the strategies within their 10 Year Plans.

TAC recommends that the Council support these local 10 Year Planning efforts in the following ways:

- Incentivize and synchronize relevant state programs/resources with strategies and specific funding requests emerging from the local level which support the implementation of community 10 Year Plans and system change efforts in the planning process. For example, a community seeking to convert transitional housing stock to permanent housing should be assured that resources previously provided by the state, such as through the Ohio Housing Trust Fund, for these transitional housing properties can be transferrable to the new permanent housing units. Such 'hold harmless policies' will provide additional incentives to communities re-orienting their homeless systems through the 10 Year planning process.
- Provide Council leadership to advance 10 Year Plan goals at the local level, including engagement strategies with local officials to build support and garner the resources needed to implement their 10 Year Plans. Several 10 Year Plans refer to the creation of housing funders' collaboratives or similar mechanisms,

which could dovetail with the 50/50 PSH Partnership approach outlined in Recommendation #2.

Recommendation #15: Ohio Housing Locator

The Ohio Housing Locator is a web-based search engine for linking low-income persons in the state with listings of affordable housing vacancies. In conjunction with work performed for the Ohio Interagency Council on Homelessness and Affordable Housing, TAC reviewed the current status of the Housing Locator focusing its analysis on possible ways to improve and enhance the Housing Locator.

TAC recommends the following menu of potential enhancements to the Ohio Housing Locator:

- Adopt a 5-year goal to achieve full participation (including current listings of vacancies) of all property owners in Ohio funded through state or local HOME, CDBG, NSP, Ohio Housing Trust Fund, or other government capital or rental subsidy resources. Achieve this goal by adopting firm policies and incentives for the future use of state housing funding;
- Add homelessness definition criteria to the Locator to better engage PSH providers;
- Develop function for more detailed information describing accessibility features for each listing;
- Include function that elaborates on the specific subsidy mechanisms and affordability features (e.g., deep subsidy based on 30 percent of tenant income towards rent, etc.)
- Develop a feature that lists detail of proximity to public transportation for each listing as is available on other Locator sites for users without their own car;
- Seek support from the HUD Field Office using the reasonable accommodation provisions of Section 504 to strongly encourage all Section 811 properties to participate in the Locator;
- Engage all CoC Coordinators with the Locator as a means of requiring full participation by McKinney/Vento-funded permanent supportive housing sites;

- Create email lists of active landlords, including those without current listings;
- Use automatic weekly reminder emails to landlords with properties listed;
- Use monthly reminder emails to landlords without current listing;
- Allow property managers to add links to their own websites and pictures of the property listed (Use these new features to attract more private landlords.);
- Publicize details of the Locator's success with consumers as a means of attracting more private landlords; and
- Build in more accommodations to the site itself to increase its utility for people with disabilities who have sensory impairments.

Appendix A: Ohio Housing Resources

A-1: State of Ohio TAC Priced Out Study – 2008

| State | Area | Total SSI | SSI as % of One Person Income | Percent Of SSI To Rent Efficiency | Percent Of SSI To Rent One Bedroom | SSI As An Hourly Wage | Hourly SSI As % Of One Bdrm Housing Wage |
|-------|--|-----------|-------------------------------|-----------------------------------|------------------------------------|-----------------------|--|
| Ohio | Akron, OH MSA | \$637 | 17.69% | 79.12% | 92.46% | \$3.68 | 32.44% |
| Ohio | Brown County, OH HUD Metro FMR Area | \$637 | 20.60% | 68.60% | 71.89% | \$3.68 | 41.72% |
| Ohio | Canton-Massillon, OH MSA | \$637 | 19.90% | 71.27% | 79.12% | \$3.68 | 37.91% |
| Ohio | Cincinnati-Middletown, OH-KY-IN HUD Metro FMR Area | \$637 | 16.50% | 75.03% | 88.85% | \$3.68 | 33.76% |
| Ohio | Cleveland-Elyria-Mentor, OH MSA | \$637 | 17.57% | 77.86% | 90.42% | \$3.68 | 33.17% |
| Ohio | Columbus, OH HUD Metro FMR Area | \$637 | 16.72% | 78.96% | 91.83% | \$3.68 | 32.66% |
| Ohio | Dayton, OH HUD Metro FMR Area | \$637 | 18.15% | 76.60% | 87.59% | \$3.68 | 34.24% |
| Ohio | Huntington-Ashland, WV-KY-OH MSA | \$637 | 23.23% | 64.36% | 76.13% | \$3.68 | 39.40% |
| Ohio | Lima, OH MSA | \$637 | 19.20% | 74.41% | 75.35% | \$3.68 | 39.81% |
| Ohio | Mansfield, OH MSA | \$637 | 20.71% | 61.22% | 74.72% | \$3.68 | 40.14% |
| Ohio | Parkersburg-Marietta-Vienna, WV-OH MSA | \$637 | 21.77% | 66.24% | 70.80% | \$3.68 | 42.37% |
| Ohio | Preble County, | \$637 | 19.54% | 80.37% | 82.88% | \$3.68 | 36.19% |

| State | Area | Total SSI | SSI as % of One Person Income | Percent Of SSI To Rent Efficiency | Percent Of SSI To Rent One Bedroom | SSI As An Hourly Wage | Hourly SSI As % Of One Bdrm Housing Wage |
|-------|---|-----------|-------------------------------|-----------------------------------|------------------------------------|-----------------------|--|
| | OH HUD Metro FMR Area | | | | | | |
| Ohio | Sandusky, OH MSA | \$637 | 17.53% | 67.18% | 80.84% | \$3.68 | 37.10% |
| Ohio | Springfield, OH MSA | \$637 | 18.15% | 74.88% | 83.35% | \$3.68 | 35.98% |
| Ohio | Toledo, OH MSA | \$637 | 18.15% | 74.72% | 83.20% | \$3.68 | 36.05% |
| Ohio | Union County, OH HUD Metro FMR Area | \$637 | 15.92% | 97.64% | 97.95% | \$3.68 | 30.62% |
| Ohio | Weirton-Steubenville, WV-OH MSA | \$637 | 21.05% | 59.96% | 73.46% | \$3.68 | 40.83% |
| Ohio | Wheeling, WV-OH MSA | \$637 | 22.68% | 58.86% | 70.95% | \$3.68 | 42.27% |
| Ohio | Youngstown-Warren-Boardman, OH HUD Metro FMR Area | \$637 | 20.94% | 67.97% | 76.29% | \$3.68 | 39.32% |
| Ohio | Statewide Non-MSA | \$637 | 21.16% | 69.38% | 77.70% | \$3.68 | 38.60% |
| Ohio | Statewide | \$637 | 18.50% | 74.41% | 85.40% | \$3.68 | 34.93% |

A-2: State of Ohio Disability Vouchers

| Public Housing Authority | City | Vouchers for people with disabilities |
|--|----------------|--|
| Ashtabula Metropolitan Housing Authority | Ashtabula | 60 |
| Athens Metropolitan Housing Authority | Athens | 23 |
| Belmont Metropolitan Housing Authority | Martins Ferry | 6 |
| Bowling Green Metropolitan Housing Authority | Bowling Green | 20 |
| Brown Metro Housing Authority | Georgetown | 7 |
| Butler Metropolitan Housing Authority | Hamilton | 100 |
| Cambridge Metropolitan Housing Authority | Cambridge | 8 |
| Chillicothe Metropolitan Housing Authority | Chillicothe | 50 |
| City of Marietta | Marietta | 15 |
| City of Middletown Housing Authority | Middletown | 514 |
| Clermont Metropolitan Housing Authority | Batavia | 84 |
| Clinton Metropolitan Housing Authority | Wilmington | 4 |
| Columbiana Metropolitan Housing Authority | East Liverpool | 81 |
| Columbus Metropolitan Housing Authority | Columbus | 1030 |
| Cuyahoga Metropolitan Housing Authority | Cleveland | 683 |
| Dayton Metropolitan Housing Authority | Dayton | 222 |
| Delaware Metropolitan Housing Authority | Delaware | 103 |
| Emerald Development & Economic Network (EDEN), Inc. | Cleveland | 50 |
| Fairfield Metropolitan Housing Authority | Lancaster | 35 |
| Fayette Metropolitan Housing Authority | Washington | 75 |

| Public Housing Authority | City | Vouchers for people with disabilities |
|---|--------------|--|
| Greene Met Housing Authority | Xenia | 12 |
| Hamilton County | Cincinnati | 0 |
| Hancock Metropolitan Housing Authority | Findlay | 683 |
| Highland Housing Authority | Highland | 50 |
| Ironton Metropolitan Housing Authority | Ironton | 4 |
| Jackson County Housing Authority | Wellston | 104 |
| Jefferson Metropolitan Housing Authority | Steubenville | 223 |
| Knox Metropolitan Housing Authority | Mount Vernon | 4 |
| Lake Metropolitan Housing Authority | Painesville | 16 |
| Licking Metropolitan Housing Authority | Newark | 240 |
| Lorain Metropolitan Housing Authority | Lorain | 75 |
| Lucas Metropolitan Housing Authority | Toledo | 221 |
| Marion Metropolitan Housing Authority | Mansfield | 163 |
| Medina Metropolitan Housing Authority | Medina | 17 |
| Meigs Metropolitan Housing Authority | Middleport | 6 |
| Monroe Metro Housing Authority | Cambridge | 5 |
| Morrow Metropolitan Housing Authority | Marion | 32 |
| New Avenues for Independence* | Cleveland | 75 |
| Pickaway Metropolitan Housing Authority | Circleville | 41 |
| Pike Metropolitan Housing Authority | Piketon | 17 |
| Portage Metropolitan Housing Authority | Ravenna | 90 |
| Seneca Metropolitan Housing Authority | Mansfield | 20 |

| Public Housing Authority | City | Vouchers for people with disabilities |
|---|------------------|--|
| Springfield Metropolitan Housing Authority | Springfield | 250 |
| Stark Metropolitan Housing Authority | Canton | 100 |
| Tuscarawas Metropolitan Housing Authority | New Philadelphia | 30 |
| Vinton Metropolitan Housing Authority | McArthur | 0 |
| Warren Metropolitan Housing Authority | Lebanon | 75 |
| Wayne Metropolitan Housing Authority | Wooster | 8 |
| Williams Metropolitan Housing Authority | Napoleon | 0 |
| Youngstown Metropolitan Housing Authority | Youngstown | 38 |
| Zanesville Metropolitan Housing Authority | Zanesville | 70 |
| | | |
| | Total | 5839 |

**A-3: State of Ohio Community Development Block Grant
Program/Home Investment Partnerships Program**

| STA | NAME | CDBG FY2008 | HOME FY2008 |
|-----|----------------------|-------------|-------------|
| OH | AKRON | 6,719,041 | 1,756,577 |
| OH | ALLIANCE | 680,239 | 0 |
| OH | BARBERTON | 737,744 | 0 |
| OH | BOWLING GREEN | 300,202 | 0 |
| OH | CANTON | 2,849,827 | 670,779 |
| OH | CINCINNATI | 12,855,724 | 3,806,660 |
| OH | CLEVELAND | 23,601,124 | 6,081,589 |
| OH | CLEVELAND HEIGHTS | 1,723,214 | 0 |
| OH | COLUMBUS | 6,362,991 | 4,704,687 |
| OH | CUYAHOGA FALLS | 697,405 | 0 |
| OH | DAYTON | 6,249,477 | 1,747,128 |
| OH | EAST CLEVELAND | 1,104,770 | 442,118 |
| OH | ELYRIA | 662,312 | 0 |
| OH | EUCLID | 1,035,443 | 0 |
| OH | FAIRBORN | 259,462 | 0 |
| OH | HAMILTON CITY | 1,458,717 | 421,744 |
| OH | KENT | 298,370 | 0 |
| OH | KETTERING | 541,058 | 0 |
| OH | LAKEWOOD | 2,172,899 | 0 |
| OH | LANCASTER | 554,557 | 0 |
| OH | LIMA | 1,218,387 | 374,754 |
| OH | LORAIN | 1,209,273 | 466,719 |
| OH | MANSFIELD | 960,826 | 353,871 |
| OH | MARIETTA | 434,150 | 0 |
| OH | MASSILLON | 718,625 | 0 |
| OH | MENTOR | 176,210 | 0 |
| OH | MIDDLETOWN | 670,051 | 0 |
| OH | NEWARK | 834,069 | 0 |
| OH | PARMA | 972,981 | 0 |
| OH | SANDUSKY | 804,479 | 0 |
| OH | SPRINGFIELD | 1,964,456 | 536,827 |
| OH | STEUBENVILLE | 735,446 | 0 |
| OH | TOLEDO | 7,886,761 | 2,427,457 |
| OH | WARREN | 1,303,067 | 751,468 |
| OH | YOUNGSTOWN | 3,877,371 | 774,948 |
| OH | BUTLER COUNTY | 1,145,694 | 765,090 |
| OH | CUYAHOGA | 3,737,697 | 2,722,828 |

| STA | NAME | CDBG FY2008 | HOME FY2008 |
|-----|--------------------|--------------------|-------------------|
| | COUNTY | | |
| OH | FRANKLIN COUNTY | 1,798,440 | 869,750 |
| OH | HAMILTON COUNTY | 3,362,796 | 1,357,119 |
| OH | LAKE COUNTY | 1,384,689 | 480,809 |
| OH | MONTGOMERY COUNTY | 1,828,720 | 1,011,707 |
| OH | STARK COUNTY | 1,419,192 | 848,085 |
| OH | SUMMIT COUNTY | 1,013,484 | 424,199 |
| OH | OHIO STATE PROGRAM | 47,760,768 | 26,687,192 |
| | | | |
| | Totals | 158,082,208 | 60,484,105 |

A-4: State of Ohio Neighborhood Stabilization Program

| State | Community | NSP Allocation |
|--------------|--------------------|-----------------------|
| OH | AKRON | \$8,583,492 |
| OH | BUTLER COUNTY | \$4,213,742 |
| OH | CANTON | \$3,678,562 |
| OH | CINCINNATI | \$8,361,592 |
| OH | CLEVELAND | \$16,143,120 |
| OH | COLUMBUS | \$22,845,495 |
| OH | CUYAHOGA COUNTY | \$11,212,447 |
| OH | DAYTON | \$5,582,902 |
| OH | ELYRIA | \$2,468,215 |
| OH | EUCLID | \$2,580,464 |
| OH | FRANKLIN COUNTY | \$5,439,664 |
| OH | HAMILTON CITY | \$2,385,315 |
| OH | HAMILTON COUNTY | \$7,970,490 |
| OH | LAKE COUNTY | \$3,402,859 |
| OH | LORAIN | \$3,031,480 |
| OH | MIDDLETOWN | \$2,144,379 |
| OH | MONTGOMERY COUNTY | \$5,988,000 |
| OH | SPRINGFIELD | \$2,270,009 |
| OH | STARK COUNTY | \$4,181,673 |
| OH | SUMMIT COUNTY | \$3,767,144 |
| OH | TOLEDO | \$12,270,706 |
| OH | YOUNGSTOWN | \$2,708,206 |
| OH | OHIO STATE PROGRAM | \$116,859,223 |
| | Total NSP | \$258,089,178 |

Appendix B: Assumptions Used to Project 5,000 PSH Unit Goal Over 5 Years

600 New Housing Choice Vouchers (HCV) Targeted to People with Disabilities

The 600 unit assumption is based on Ohio PHAs receiving at least 200 new HCV per year for three of the next five years and targeting them to the Money Follows the Person initiative (MFP). The FY 2009 HUD appropriation includes \$30 million to fund 3,000-4,000 HCV nationally, and appropriation language ensures they will be targeted to non-elderly people with disabilities who can benefit from services in the community – an ideal match for MFP. Similar voucher set-asides were provided in FY 2008 and it is reasonable to anticipate that Congress will continue to prioritize this bi-partisan federal policy in subsequent fiscal years. Nonetheless, TAC's conservative assumption presumes only 3 of 5 fiscal years will include new HCV and for the first of these fiscal years (FY 2009), the funding is already appropriated. The projected 200 voucher goal is only 5-6 percent of the total vouchers available, also an extremely conservative assumption.

1,400 Turnover Housing Choice Vouchers for People with Disabilities

The 1,400 unit 5 year projection targets the 5,839 existing HCV for people with disabilities currently administered by 51 Ohio PHAs. HUD appropriation language requires that these vouchers remain available to non-elderly people with disabilities (single individuals and 2 person adult disability households) upon turnover. However, because of poor HUD tracking and guidance, many PHAs may be unaware of this obligation. TAC recommends that the Council formally engage these PHAs with the goal of ensuring that: (1) these vouchers are carefully tracked; and (2) upon turnover they are set-aside for PSH participants. Assuming all these vouchers are leased (an extremely conservative assumption) and assuming a 5 percent turnover factor (also conservative), TAC estimates that over 1,400 turnover vouchers could be provided to PSH participants. Calculation: $5,839 \times .05 \times 5 = 1,459$ vouchers.

1,000 PSH Units From the Proposed Section 811 Demonstration Program

This legislation is predicted to be enacted in 2009 and authorizes a Section 811 Demonstration program projected to fund 3,000-5,000 new PSH units. National disability advocates are working to ensure that HUD's FY 2010 budget includes funds for the first year of the Demonstration. States with current LIHTC and HOME policies in place through the QAP and Consolidated Plan (Recommendation #3 – OHFA) will have

a significant advantage in the Demonstration program competition. Should TAC's recommendations be adopted, it is reasonable to assume that the State of Ohio would be able to successfully compete for at least 200 new 811 units per year through an OHFA application to HUD. The Demonstration will be authorized through five years of HUD appropriations.

1,000 PSH Units from the National Housing Trust Fund

HUD has proposed a \$1 billion appropriation for the first year of funding for the NHTF and TAC's projections assume \$1 billion per year from FY 2010-FY 2014. Based on the \$60 million in HOME formula funding to Ohio, TAC projects that the State of Ohio would receive approximately \$30 million per year in NHTF resources. TAC has recommended that 50 percent of these funds be used to expand PSH. Assuming a per unit investment of \$75,000, TAC projects that an estimated 200 PSH units could be created from the NHTF each year for a total of 1,000 units over a 5 year period.

1,000 PSH Units from McKinney Vento Homeless Assistance

This projection assumes that Ohio will continue to receive at least 200 new PSH subsidies each year through the McKinney Vento annual competition.

Appendix C: Summary of TAC's Interview Activities

Interview List

| Name | Agencies |
|--|--|
| Federal, State and Local Agencies | |
| Blaine Brockman Sean Thomas | Ohio Housing Finance Agency |
| Bill Graves Michael Hiler Doug Harsany Scott Gary Robert Johnson Peggy Janotka Lauren Spero | Ohio Department of Development |
| Maureen Cochran Erika Robbins T. Brock Robertson | Ohio Department of Job and Family Services |
| Director John Martin Kevin Aldridge Patrick Lanihan | Ohio Department of Mental Retardation and Developmental Disabilities |
| Director Sandra Stevenson Jeanette Welsh Angie Bergefurd Terry Jones | Ohio Department of Mental Health |
| Janet Hofmann Roland Hornbostel | Ohio Department of Aging |
| Shari Aldridge | Ohio Department of Alcohol and Drug Addiction |
| Kathleen Johnson Michael Hanes | Ohio Rehabilitation Services Commission |
| Sara Andrews | Ohio Department of Rehabilitation and Correction |
| Michael LaRiccia Shawn Sweet Tom Marshall Doug Shelby | US Department of Housing and Urban Development |
| Dennis Guest | Columbus Metropolitan Housing Authority |
| Joyce Probst MacAlpine | Montgomery County, Office of Family and Children First |
| Ruth Anne Gillett | Cuyahoga County, Office of Health and Human Services |
| Robert Morgan | Delaware County Board of Developmental Disabilities |

| | |
|--|---|
| Deb Guilford | Northwest Ohio Waiver Administration Council |
| Non-Profit Organization | |
| Kathryn Kazol | Emerald Development and Economic Network, Inc. |
| Kate Monter-Durbin Kevin Brown | Cleveland Housing Network, Inc. |
| Barbara Poppe | Community Shelter Board |
| Sally Luken | Corporation for Supportive Housing - Ohio |
| Jenny Eppich Mark McDermott | Enterprise Community Partners, Inc. |
| Patrick Rafter | Creative Housing, Inc. |
| Steve McPeak | North Shore Housing Corp. |
| Eric Morse | Mental Health Services, Inc. |
| Michelle Budzick | The Partnership Center, Limited. |
| Susan Weaver Anthony Penn Samantha Shuler | Community Housing Network, Inc. |
| Alan Cochrun Greg Kramer Daryl Price | Access Center for Independent Living, Inc. |
| State Wide Non-Profit Organizations | |
| Mary Butler | Ohio Olmstead Task Force |
| Bill Faith Douglas Argue Raven Bias | Coalition on Homelessness and Housing in Ohio |
| Stacy Frohnapfel-Hasson | Ohio Association of Behavioral Health Authorities |
| Hal Keller Ryan Landi | Ohio Capital Corporation for Housing |
| Steve Farrell | Ohio Disability Housing Network |
| Leslie Strnisha | Sisters of Charity Foundation of Cleveland |
| Jason Elchert | Ohio Association of Second Harvest Food Banks |
| Dustin Speakman | Ohio Association of Second Harvest Food Banks |
| Other | |
| Shannon Teague Rick Tully | Ohio Benefit Bank |
| Terry Russell | Consultant |

Appendix D: Ohio Benefit Bank Analysis

Purpose

In conjunction with work performed for the Ohio Interagency Council on Homelessness and Affordable Housing (Council), TAC conducted an assessment of the Ohio Benefit Bank. Specifically, TAC investigated its potential coordination with TAC's recommendations to the Interagency Council for facilitating production of supportive housing in Ohio for highly vulnerable populations. TAC also focused attention on providing recommendations to support the future development and improvement of the Benefit Bank.

One fundamental element to TAC's investigation is the potential for a Medicaid linked supportive housing pipeline in the state. A related question is how much help is available in Ohio for people who are homeless, and otherwise highly vulnerable, to access Medicaid itself? This question is of significance for TAC given that Medicaid is needed by formerly homeless tenants to ultimately stabilize their lives in the model of supportive housing that TAC will recommend. Without Medicaid access, highly vulnerable groups would miss out on such housing opportunities. To answer this question, TAC interviewed several key stakeholders in Ohio about the Benefit Bank, which is a software tool used increasingly widely in Ohio, to better Medicaid accessibility for vulnerable populations.

Overview

The Ohio Benefit Bank (OBB) is a web-based "anti-poverty tool" to connect low and moderate-income Ohioans with access to work supports, such as income tax credits and public benefits. The software is developed by Solutions for Progress Inc., and is utilized in several other states. However, each state crafts its own model of the application. The Benefit Bank in Ohio functions as a benefits eligibility screener, application filer, and IRS-certified tax preparation software. It has been operating in the state for approximately two years. It evolved from a tool that initially generated printable benefit applications that were then mailed to one that now e-files most applications directly.

Current Benefits Available

Benefit Bank links applicants with public benefits and income tax credits. The current list of programs applied for through Ohio Benefit Bank does not include SSI/SSDI. The available programs are:

- Medicaid
- Food Stamps
- TANF
- Subsidized Child Care
- Home Energy Assistance
- Children’s Health Insurance
- Free Income Tax Preparation
- Access to Earned Income Tax Credits

Access Points for Benefit Bank

The Benefit Bank has multiple access points designed to make it available at many potential interfaces of public services and highly vulnerable populations. Through a statewide advertising campaign to attract groups and volunteers to make Benefit Bank available at their sites, Ohio has disseminated the program to 700 locations across the state to date. These include:

- Community organizations
- Faith based organizations
- Food pantries
- Health providers
- Housing programs

Assistance Options

In addition to an array of access points, the Benefit Bank in Ohio has several options for access assistance. A person in need can use the Benefit Bank with the help of a professional caseworker or with assistance from a community volunteer trained in its use. Soon, there will be a self-service option available. There are also three application designs in Ohio each with increasing levels of complication. This variation allows the program to be used by multiple helpers with varying levels of training in the software.

Pilot Initiative for Seriously Mentally Ill

Ohio’s Department of Mental Health (ODMH) is currently implementing a pilot program at three local mental health agencies to better patients’ access to SSI/SSDI. It is targeting “slam dunk” cases many of which are highly vulnerable and/or homeless persons. It is assumed that those who succeed with SSI will also readily obtain Medicaid. This pilot uses a specialized system of documentation for SSI/SSDI applications intended to speed up the application process. To date, the project is reflecting strong outcomes and will be expanded to all community-based mental health

centers in July, 2009. This pilot project is developing and refining systems of information gathering and transmittal that are to be translated to a new Benefit Bank SSI initiative intended for widespread use in Ohio (see below).

Introduction of SSI to Benefit Bank

Ohio is currently embarking on an ambitious project to add electronic SSI/SSDI assistance to the Benefit Bank. When complete, it will be the first state to offer this option. The project's costs are covered, in part by TSIG dollars. The project's software design will use mechanisms such as drop down menus and check boxes for efficiently capturing information that would otherwise be documented in more lengthy and cumbersome narrative formats. The project is expected to start in July, 2009 with pilot ending in June of 2010.

Homeless Specialists for SSI Access

Ohio has a third initiative in the planning phases, facilitated by COHHIO, to train and field ten SSI Homeless Specialists across the state. Most beneficiaries of this initiative will likely also be qualified for Medicaid via this engagement. The Specialists will provide individualized assistance to homeless persons in both applications and recertification of benefits. The model is for comprehensive and sustained help to individuals who lack the skills and the wherewithal to complete the applications independently.

TAC Analysis of Effort

- Ohio's homeless have unique challenges in access to benefits given the state's two separate applications and adjudications for Medicaid and SSI.
- The current division between Medicaid and SSI is not likely to change in the near future. Therefore, current planning must tolerate the system as is for the time being. A coordinated application form is currently being discussed.
- Given above, Ohio's homeless have greater need for assistance with SSI and Medicaid applications redeterminations than counterparts in other states.
- The state MH division and homeless service arena are actively planning to meet the needs of Ohio's homeless for benefit support through several pilot initiatives.

- Incorporating the principles of the SOAR national model, Ohio developed its own model creating a cadre of statewide SSI specialists for homeless persons.
- The cadre of specialists is considered more permanent than SOAR training.
- Ohio has several initiatives to better connect highly vulnerable and homeless persons in Ohio with Medicaid and SSI/SSDI.
- Together, Ohio's three new initiatives seem to position the state well to engage highly vulnerable groups with benefits and assure recertification.
- The new Ohio initiatives are widespread across the state.

TAC Recommendations

TAC wishes to offer recommendations to the Council for next steps for the advancement of the Benefit Bank. If so, such recommendations should be to increase Benefit Bank's coordination with the permanent supportive housing development strategies to be proposed by TAC. TAC's support for the program's growth may fortify the current direction of the Benefit Bank and encourage continued public investment in its capacity to increase its interface with highly vulnerable populations with disabilities.

- Expand the ODMH sponsored pilot initiative underway at Ohio's community mental health centers to engage similar "slam dunk" cases at other sites, such as those within the corrections system (Portland, OR has a model);
- Plan for an assessment of outcomes of the work by the new cadre of 10 Homeless SSI Specialist;
- Begin plans for growing the 10 SSI Specialist cadre to twice or three times its number over the next few years (The initial team of 10 is likely to be insufficient to serve the needs of all homeless persons in Ohio statewide);
- Assess need for creating additional SSI Specialist positions to be sited permanently at specific high volume shelters and homeless outreach sites (Multiple agencies have already made such requests and would likely utilize this capacity to full advantage);
- Engage the cadre of SSI Specialists in collaborations with permanent supportive housing providers to facilitate housing referrals; and

- Develop a structured referral system for homeless persons with disabilities to facilitate direct passage from initial contact with the Benefit Bank into PSH units whenever possible.

Appendix E: Ohio 10 Year Plans to End Homelessness Analysis

Purpose

TAC reviewed 10 Year Plans to End Homelessness published to date in Ohio as a step in formulating housing and service planning recommendations for the Ohio Interagency Council on Homelessness and Affordable Housing. The 10 Year Plans offered TAC a view inside local level decision making, in communities across Ohio, pertaining to widening the housing pipeline for the state's most vulnerable citizenry.

Overview

To date, twenty one (21) Homeless Continuums of Care in Ohio have published 10 Year Plans to End Homelessness. Some of these Plans include specific goals and financing strategies related to expanding supportive housing opportunities for homeless people. This summary highlights those specifics in the Plans that are relevant to TAC's analysis including:

- Homeless Subpopulations prioritized in Ohio Plans
- Financing strategies for new permanent supportive housing in Ohio Plans
- Financing strategies for new affordable housing in Ohio Plans
- Strategies for increasing access to existing affordable housing

Prioritized Subpopulations

Most Ohio 10 Year Plans identify two to three homeless subpopulations as prioritized beneficiaries of new housing. Across the plans, no individual subgroup is identified with significantly more frequency than others. In fact, virtually all homeless subpopulations are identified as in need of prioritization in at least one Plan in Ohio. This analysis informs TAC of the breadth of commitment to create housing opportunity for a wide array of vulnerable subgroups across Ohio. Groups identified include people who are:

- chronically homeless
- seriously mentally ill and/or substance abusers
- leaving correctional institutions
- developmentally disabled
- single adults over 25 years
- single men
- young mothers

- “AOD consumers”
- men aged 18 to 24 years
- youth under age 18 years
- “especially vulnerable” persons
- disaster victims
- youth aging out of foster care.

Permanent Supportive Housing Goals

Numeric goals for the numbers of units of new permanent supportive housing needed and intended are found in about half of Ohio 10 Year Plans. Some communities, such as Dayton/Montgomery and Columbus/Franklin, outline ambitious goals for several hundred new units. Some smaller communities offer the same level of specificity, such as Pickaway’s intention of 10 new units. A few Plans supply breakdowns for those goals into numbers of units for specific subpopulations. Most commonly, this division is between individuals and families with the larger fraction dedicated to individuals. In addition, some Plans provide detail pertaining to the model of permanent supportive housing intended. In Knox, for example, there is reference to “low demand” permanent supportive housing and, in Hocking, “immediate housing” (presumably via rapid exit from shelter) is described as among the most needed new inventory. This analysis informs TAC of the high level of readiness and seriousness of most communities in Ohio to launch new permanent supportive housing projects. It is also clear that there are high levels of ambition and specificity to the intentions that many communities have.

Financing Sources for New PSH

Most Ohio 10 Year Plans detail possible finance options for expanding their local continuum of Permanent Supportive Housing. Funders identified in the Plans include all applicable HUD programs, multiple state agencies that have jurisdiction over people who are homeless, and an array of local private resources. This analysis informs TAC that all existing national, state, and local financing options for permanent supportive housing have been considered by at least some Ohio Plans. The only options missing from those listed in the Plans are new opportunities that will come about through pending Section 811 legislation and the HUD’s forthcoming Neighborhood Stabilization program, Designated Vouchers program, and Certain Developments Voucher program. The Ohio Plans list includes the following:

| | |
|--------------|------------------------------------|
| 1. 317 Board | 23. HDAP |
| 2. KCDJFS | 24. OH Department of Mental Health |
| 3. CHIP | 25. HUD CDBG |

| | |
|--|--|
| 4. Local Affordable Housing Trust Fund | 26. OH Department of Rehab and Corrections |
| 5. City partnerships | 27. HUD CDBG |
| 6. Local Housing Authorities | 28. OH Housing Finance Agency |
| 7. CMHRB | 29. HUD Emergency Shelter Grants |
| 8. Low Income Housing Tax Credits | 30. OH Housing Trust Fund |
| 9. CMHRB | 31. HUD Section 202 |
| 10. McKinney Vento SHP | 32. Private Foundation |
| 11. CMHRB Levy Funds | 33. HUD Section 8 – project |
| 12. Medicaid | 34. Reuse of existing DHMA sites |
| 13. DHHS | 35. HUD Section 8 – tenant based |
| 14. Met Housing | 36. State Mental Health |
| 15. DMHA | 37. HUD Section 8 Mainstream Vouchers |
| 16. MGC | 38. SPVMH |
| 17. Drug and Alcohol Board | 39. HUD Section 811 |
| 18. MGC | 40. SSI/ SSDI |
| 19. Federal Home Loan Bank | 41. HUD Shelter + Care |
| 20. MRDD | 42. United Way |
| 21. Habitat for Humanity | 43. In-kind property donation – University |
| 22. OH Department of Development | |

Financing Sources Identified for New Affordable Housing

Some Ohio 10 Year Plans detail possible finance options and strategies for expanding their local continuum of affordable housing to meet the needs of people who are homeless. In addition to those funding options listed for permanent supportive housing (see above), additional options are offered for affordable housing. These are listed below. This analysis informs TAC that Ohio communities believe there are local resources available to enhance their development opportunities. It is not clear from the Plans, however, whether a deliberate strategy to expand affordable housing for persons with incomes below 30 % of AMI is considered part of this intention.

| |
|-------------------------------------|
| 1. Inclusionary Land Use |
| 2. Inclusionary Zoning |
| 3. Habitat for Humanity |
| 4. Rural Action Housing Development |

| |
|---|
| 5. HMHA Financing |
| 6. Community Housing and Improvement Strategy |
| 7. KMHAUSRDA |
| 8. Know-Ho-Co |
| 9. CMHRB-HAP |
| 10.OH Capital Corporation for Housing |
| 11.LCCH |
| 12.Senior affordable housing partners |
| 13.State officials |
| 14.Local county and city officials |
| 15.Local Sherriff's Office |

Initiatives to Increase Access to Existing Resources

Several of the Ohio Plans outline goals to increase access, by people who are homeless, to existing affordable housing. The Plans issued by Madison and Washington Counties describe strategies toward this end. Specifically, existing Section 8 and public housing are seen as arenas where changes in policy and practice might have better access. This analysis informs TAC that a few Public Housing Authorities (PHA) in Ohio are investigating and/or implementing best practices to increase access by people who are homeless and other vulnerable groups with access barriers. The strategies offered in the Plans include:

| |
|--|
| 1. Review local guidelines for eligibility to affordable housing against federal guidelines |
| 2. Compare local guidelines with required federal guidelines for eligibility. |
| 3. Explore possibility of tracking use of Section 8 and Shelter Plus Care |
| 4. Have Public Housing Authority (PHA) accept pre-applications for housing from incarcerated persons |
| 5. Review existing policies for Section 8 housing priority |

Other Planning Mechanisms

In addition to plans for new housing and bettering access to existing housing, a few Ohio Plans propose yet additional mechanisms for connecting homeless people with housing. This analysis informs TAC that some Ohio communities are analyzing the housing problem faced by people who are homeless from every angle and proposing solutions that go beyond bricks and mortar and housing subsidies.

| |
|--|
| 1. Campaign to address substandard housing in effort to preserve affordable housing stock |
| 2. Outreach to private landlords with low cost units as potential housers of homeless people |
| 3. Strategize to expand use of Housing Locator System to the benefit of homeless people |
| 4. Establish local “funders groups” to investigate new financing options and strategize together |

TAC’s Analysis

TAC’s review of Ohio 10 Year Plans provides useful information for the formulation of recommendations to the Ohio Interagency Council on Homelessness and Affordable Housing. The Plans give an overview of the housing goals set in each community, the vulnerable subpopulations prioritized, the housing models sought, and the breadth of knowledge held in each community for how to implement those goals.

Taken together, the Ohio Plans inform TAC of the following:

- Ohio communities see housing as a primary solution to homelessness.
- Multiple subpopulations are considered of high priority for PSH in Ohio.
- Ohio communities are well versed in the value of permanent supportive housing.
- Specific numeric goals and housing PSH subtypes are being pursued across Ohio.
- Prioritizing specific homeless subpopulations for housing is widespread in Ohio.
- Local level capacity to explore and exhaust financing options varies across Ohio.
- More creative financing options and strategies are sought in many communities.

- There are unique local resources available to fill gap financing.
- Multiple state agencies are being approached to play a role a financing housing.
- Bettering access to PHA operated housing is pursued in a few communities.
- Ohio communities see potential for the Housing Locator System to expand.
- There is a call for local level organizing to hasten the pace of PSH development.
- Remodeled substandard housing is considered a potential low cost resource.

TAC Recommendations

TAC recommends that the Council support these local 10 Year Planning efforts in the following ways:

- Incentivize and synchronize relevant state programs/resources with strategies and specific funding requests emerging from the local level which support the implementation of community 10 Year Plans and system change efforts in the planning process. For example, a community seeking to convert transitional housing stock to permanent housing should be assured that resources previously provided by the state, such as through the Ohio Housing Trust Fund, for these transitional housing properties can be transferrable to the new permanent housing units. Such 'hold harmless policies' will provide additional incentives to communities re-orienting their homeless systems through the 10 Year planning process.
- Provide Council leadership to advance 10 Year Plan goals at the local level, including engagement strategies with local officials to build support and garner the resources needed to implement their 10 Year Plans. Several 10 Year Plans refer to the creation of housing funders' collaboratives or similar mechanisms, which could dovetail with the 50/50 PSH Partnership approach outlined in Recommendation #2.

Summary: Ohio 10 Year Plans to End Homelessness:

Proposed Strategies to Expand Supply of Affordable Housing and Permanent Supportive Housing for Persons who are Homeless

| Ohio County | Financing Strategies to Create New PSH for People who are Homeless | Financing Strategies to Create New Affordable Housing for People who are Homeless | # New Units of Affordable Housing Specified | # New Units of PSH Specified | Special Homeless Populations Identified for New Housing Initiatives | Special Initiatives to Increase Access by People who are Homeless to Existing Affordable Housing Options |
|------------------------|---|--|--|--|---|--|
| Allen | Mental Health.; MRDD; Met Housing | Not specified | Not specified | Not specified | Persons w/ SMI & SA; Persons w/ DD | |
| Athens | Donation of land from Ohio University; Explore City partnerships – donated property available for rehab; | Increase S+C vouchers; | Not specified | Not specified | E-offenders; Create transitional housing next door to emergency shelter; | Landlord outreach for low cost units; Addressing substandard housing problem |
| Columbus/Franklin | SSI; Medicaid; Columbus LHA; Public Housing; Project-based Section 8; Section vouchers; HOME; CDBG; Local Affordable Housing Trust Fund; OH Department of Development/ Housing Finance Agency; HOME; O LIHTC; OH Housing Trust Fund; United Way; Columbus Foundation; Columbus Med Foundation; Harry Moore Foundation; Corporations | Columbus LHA; Public Housing; Project-based Section 8; Section vouchers; HOME; CDBG; Local Affordable Housing Trust Fund; OH Department of Development/ Housing Finance Agency; HOME; O LIHTC; OH Housing Trust Fund; United Way; Columbus Foundation; Columbus Med Foundation; Harry Moore Foundation; Corporations | Increase supply | 800 Perm SH for CH men; 200 units Perm SH for CH women; 50 units Perm SH for CH families | CH men; CH women; CH families | Improve access to Columbus Metropolitan Housing Authority Programs – public housing, Section certificates and vouchers |
| Dayton/Montgomery | Reuse of 3 DMHA sites as PSH: Helena Hi-Rise, Parkside Homes, and Dunbar or Hilltop Homes. Partners are DMHA, City, and Count; United Way; Establish a Funders Collaborative | Low Income Housing Tax Credits; Inclusionary Land Use/Zoning Requirements | 1,800 new units; replace the 1,500 units of subsidized housing slated for demolition | 520 Perm SH; 230 Temp SH; Temporary Rental Assistance; | Young adults; Single Adults 25+; Chronically Homeless; Families | Implement a web based Housing Locator System; |
| Delaware | S+C; 2 new unidentified financing resources | Not specified | | 1 project for a priority population; 10 units for homeless families with a disability | An unidentified priority population; homeless families with a disability | Not specified |
| Fairfield | McKinney Vento, Sect. 202; LIHTC, OH Housing Trust Fund; OH Office of Housing & Community; OH Housing Finance Agency | Not specified | 11 unit project for homeless families | 169 units of trans or perm SH needed; | Elderly; SMI; Physically Disabled; Youth Aging out of Foster Care; Persons with SA issues | Not specified |
| Fayette | VA; HUD; Section 202; HDAP; Fed Home Loan Bank; Department of Development | Not specified | New SRO project | Perm SH to be explored | Not specified | Not specified |
| alliance/Jackson/Meigs | Not specified | Not specified | Not specified | 20 trans SH; 25 perm SH; 32 capacity added | Single men; families | Not specified |

| | | | | | | |
|----------|--|---|---|---|--|---|
| Hocking | S+C; Section 8; Section 202; Medicaid; 317 Board | Habitat for Humanity; Rural Action Housing Development; HMHA financing; CDBG; Community Housing and Improvement Strategy (CHIS) | Not specified | Immediate Housing | Young mothers; single men; men in recovery from SA; MR/DDD populations | Not specified |
| Knox | McKinney Vento; MGC; CMHRB; KCDJFS; SSA; Public Housing; Project-based Section 8; Tenant based Section 8; CHIP; Mainstream Vouchers; Section 811; USRDA; LIHTC; CDBG; ODMH Capital Funds; CMHRB Levy Funds; Private Funds; Fannie Mae & Freddie Mac; Fed Home Loan Bank; | KMHA; Public Housing; Project-based Section 8; LIHTC; USRDA; Habitat for Humanity; Know-Ho-Co; CMHRB-HAP funding; Private Funds; OHF; OH Capital Corporation for Housing | 8 homeownership units (% for homeless) | 30 low demand perm SH; | SMI; SA; AOD consumers; domestic violence; 25% for disabled Trans SH - Single parents with children; 18-24 year old men; SMI,; SA | Housing locator system and listserve; Local Housing Authority accepts pre-applications for Section 8 from incarcerated persons |
| Licking | OH Department of Rehab and Corrections; CMHRB; The Woodlands; MGC; Social Security Admin; LCJFS; HUD; OH Dept of MH; Federal Home Loan Bank; | ODOD; HUD; HHS; City of Newark; Licking County; LMHA; Habitat for Humanity; LCCH; LITC; CMHRB; OH Dept of Dev, OH Depart of MH | Not specified | Not specified | Persons leaving corrections; SMI; SA; MR?DD; domestic violence; youth aging out of foster care; chronically homeless | Not specified |
| Madison | Not specified | Use local, state, and federal funding to increase the supply of affordable housing targeted to low-income households (<50% AMI); Habitat for Humanity; Seek Senior affordable housing partners for the county using State and Federal funds. | Not specified | Evaluate the need and opportunity to provide PSH. | Not specified | Review Federal guidelines vs. local guidelines for eligibility; Explore possibility for tracking use of Section 8 and Shelter Plus Care vouchers; Request new Section 8 vouchers based upon waiting list; |
| Marion | Identify one strategy to advocate for the development of affordable housing in the community planning process; Identify one strategy to inform state legislators about local need for affordable housing | County and city officials; partnerships to identify opportunities; Work with Envisioning Housing Committee; state officials | Not specified | Not specified | Not specified | Not specified |
| Mahoning | DHHS; Drug and Alcohol Board; Mental Health Board; ESG, Home, CDBG; city and county money | Not specified | Not specified | Not specified | Homeless youth | Not specified |
| Morgan | | identify target populations for permanent housing that alleviate homelessness; identify developers ;identify sites or locations | Not specified | Not specified | Youth under 18; DV; disaster victims | Not specified |
| Perry | Engage the Metropolitan Housing Authority in planning process. Establish a strategy and planning committee | | Increase the number of Permanent subsidized housing units by 25%. | | | Establish a strategy and planning committee |

| | | | | | | |
|------------|---|--|---|--|--|--|
| Pickaway | | New S+C; Establish a strategy and planning committee; Veterans' Administration | | 10 beds | Chronically homeless | Establish a strategy and planning committee |
| Ross | USDA Self Help Housing Grant; Low Income Housing Tax Credits; Work with SPVMH to locate new funding streams | Veterans Administration Per Diem; Adult Parole Authority Per Diem; | Unspecified number of PSH to be linked with shelter | Not specified | Not specified | Not specified |
| Union | Not specified | Not specified | Not specified | Transitional SH | Vulnerable populations that do not have access to affordable, decent range of housing and who may be homeless or vulnerable. | By working in collaboration with 55 the current policy structures and businesses (builders, policy makers and community leaders) |
| Trumbull | Not specified | Not specified | Not specified | 174 unit PSH gap for individuals; 75 unit PSH gap for families. No goals specified | Not specified | Not specified |
| Washington | Washington County, the City of Belpre and the City of Marietta through each Community Housing Investment Strategies will identify activities to assist low income homebuyers to purchase a house -Washington County communities will assist housing developers in locating sites for additional affordable housing | Washington County Sherriff's Office | Not specified | Not specified | Single parents; Ex-offenders | Washington Morgan Community Action in cooperation with the City of Marietta, as a Public Housing Agency will review its policies concerning Section 8 housing to ascertain that homeless families are always given a high priority for housing |

Appendix F: Ohio Housing Locator Analysis

Purpose

In conjunction with work performed for the Ohio Interagency Council on Homelessness and Affordable Housing, TAC explored the Ohio Housing Locator, which is a web-based search engine for linking low-income persons in the state with listings of affordable housing vacancies. The Locator also serves the purpose of assisting persons with physical disabilities to identify accessible housing suitable to their needs. TAC investigated the potential to coordinate the Locator and its future directions with TAC's recommendations to the Interagency Council for facilitating production of supportive housing in Ohio for highly vulnerable populations.

Overview

The Ohio Housing Locator was developed in 2007. Since then, state agents have continually adjusted its functions in response to feedback from consumers using the service and property owners listing their vacancies. Its specifics were planned after a review of a comparative analysis completed by the University of Florida of the 16 statewide housing locators available in other states. Rather than subscribe to a private service as some states do, Ohio elected to create their own Locator in-house with features comparable to the more sophisticated sites available nationally. For Ohio, this choice has allowed state officials to tailor the Locator closely to their preferences and maintain a relatively low annual cost of operation. The cost is shared across three state departments and is considered an effective use of funds by all contributors.

Specifics of Ohio's Housing Locator

- Ohio's Locator is one of the minority of state Locator sites that provides real time vacancy listings.
- Relative to the Locators available nationally, Ohio's is among a subgroup of more advanced systems that lists details about each vacancy.
- Ohio's Locator allows for advanced searches, which include identifying accessible housing.
- The listing inventory of Ohio's Locator includes both publicly funded housing and private market listings. Many others include only publicly funded housing.

- As is the case in many states, Ohio's Locators relies on voluntary self-registration by property owners.

Success of the Locator

Ohio's Locator shows evidence of success in its second year of operation.

- Current data indicates high rates of utilization and new users.
- As with other states, current outreach methods to consumers are considered effective.
- Service providers across the state refer clients to the Locator in high numbers and commend it as a valuable resource.
- Half of all searches on the Locator came from referring sites with links to the Locator signaling effective collaboration with these other sites.
- The most frequent redirector to the Ohio Locator is HUD's website signaling that many levels of research by users.
- A significant fraction of hits on the Locator are from users in other states signaling its utility for users beyond state borders.

Obstacles Faced by the Ohio Locator

The greatest challenge faced by the Locator is trying to increase participation by landlords and expand the inventory of listings. Currently, the Locator's listings are far from complete. Other states have faced similar difficulties and, in some cases, shifted away from Ohio's structure of voluntary participation by landlords to one of producing a more simplistic but complete "static" affordable housing inventory. To create such an inventory, the cooperation of landlords is not required as public financing agencies can supply all the needed details. In Ohio, this alternative has been considered and deemed less desirable than the incomplete "active list." Going forward, there is a strong commitment to expanding the existing inventory listings to be more complete. Issues contributing to the Locator's inventory problems are:

- OHFA continues to work to educate Low Income Housing Tax Credit property owners regarding the merits of the Locator.

- Public Housing Authorities in Ohio have been at times reluctant and inconsistent participants.
- The homeless CoC arena is not very well connected with the Housing Locator.
- The Locator has faced competition from a national subscriber services for affordable housing listings called *Socialserve.com*.
- Permanent Supportive Housing providers are reluctant to participate in the Locator.
- Permanent Supportive Housing providers perceive that the Locator is unlikely to connect them with individuals who meet HUD defined homeless criteria.
- Ohio lacks the legal mandate, as is the case in Massachusetts that all owners of publicly financed housing participate in it.
- There is no incentive or pressure from authorities within the state government, as is the case in some other states, for all affordable housing programs to use the Locator.

Outreach

To date, many strategies have been tried to increase landlord participation in the Locator including:

- Outreach and publicity materials were created with the use of \$25,000 grant per year for 5 years from the Ohio Developmental Disabilities Council.
- Staff time has been made available to carry out outreach activity.
- OHFA recently put participation in the Locator into the state's QAP checklist for re-certifications to be completed by housing agencies. Outreach to Public Housing Authorities has been carried out.
- The Locator sponsors have made numerous presentations at compliance workshops for property owners who receive Low Income Tax Credit financing.

TAC Recommendations

TAC recommends the following menu of potential enhancements to the Ohio Housing Locator:

- Adopt a 5-year goal to achieve full participation (including current listings of vacancies) of all property owners in Ohio funded through state or local HOME, CDBG, NSP, Ohio Housing Trust Fund, or other government capital or rental subsidy resources. Achieve this goal by adopting firm policies and incentives for the future use of state housing funding;
- Add homelessness definition criteria to the Locator to better engage PSH providers;
- Develop function for more detailed information describing accessibility features for each listing;
- Include function that elaborates on the specific subsidy mechanisms and affordability features (e.g., deep subsidy based on 30 percent of tenant income towards rent, etc.);
- Develop a feature that lists detail of proximity to public transportation for each listing as is available on other Locator sites for users without their own car;
- Seek support from the HUD Field Office using the reasonable accommodation provisions of Section 504 to strongly encourage all Section 811 properties to participate in the Locator;
- Engage all CoC Coordinators with the Locator as a means of requiring full participation by McKinney/Vento-funded permanent supportive housing sites;
- Create email lists of active landlords, including those without current listings;
- Use automatic weekly reminder emails to landlords with properties listed;
- Use monthly reminder emails to landlords without current listing;
- Allow property managers to add links to their own websites and pictures of the property listed (Use these new features to attract more private landlords.);

- Publicize details of the Locator's success with consumers as a means of attracting more private landlords; and
- Build in more accommodations to the site itself to increase its utility for people with disabilities who have sensory impairments.

Appendix G: Ohio's HOME Choice Transition Program – Money Follows the Person Initiative Analysis

Purpose

In conjunction with work performed for the Ohio Interagency Council on Homelessness and Affordable Housing, TAC assessed the Ohio's Money Follows the Person Initiative (MFP Initiative) commonly referred to as HOME Choice Transition Program. TAC's analysis focused on the Ohio's Department of Job and Family Services' (ODJFS) MFP housing strategy to identify affordable housing options which will be made available to MFP participants as they make the transition from institutions to a community-setting.

Specifics of Ohio's MFP Initiative

On January 11, 2007, the State of Ohio received approval for the Money Follows the Person demonstration project. The State of Ohio could receive up to \$100 million in federal matching funds over a five-year period. The HOME Choice Transition Program will use these resources to assist 2,231 elderly people and persons with disabilities from institutions to relocate to appropriate community-settings. The MFP demonstration grant period is from January 1, 2007 through September 30, 2011.

The HOME Choice Transition Program has two "core" goals – helping Ohioans leaving institutional settings through the HOME Choice Transition Program *and* balancing Ohio's system of long-term services and supports. The Center for Medicare and Medicaid Services (CMS) defines "balance" as a shift from institutional expenditures to community expenditures. In developing its Operational Protocol, Ohio's Planning and Advisory Group (PAG) chose to define "balance" as "choice" rather defining "balance" in terms of a shift in expenditures.

This view is consistent with the U.S. Supreme Court's *Olmstead* decision which affirmed a state's responsibility under the Americans with Disabilities Act (ADA) to offer services (Medicaid and other state or locally financed) in the 'most integrated setting' appropriate to the person's needs, prompting states to further expand their Medicaid and state financed community-based services. Further echoing the theme of "choice", the PAG developed the following vision statement to guide its Operational Protocol: "Ohioans who need long-term services and supports, get services and supports they need in a timely manner in settings they want from whom they want, and if needs change, services and supports change accordingly."

From January of 2007 to February of 2008, the PAG organized itself into a number of workgroups and met to develop the components of the Operational Protocol. The Operational Protocol key components include: 18 balancing strategies with specified benchmarks to measure progress; a variety of strategies to “test new policies” through the demonstration period; an “opportunity to partner” with a variety of stakeholders to include Centers for Independent Living, the County Boards of MR/DD and ADMH, and local mental health providers in order to identify successes and gaps within Ohio’s long-term service delivery system; and housing recommendations to both expand access to affordable housing for MFP participants and assess barriers that people with disabilities face in accessing affordable housing.

CMS approved Ohio’s Operation Protocol on June 30, 2008. As a result, ODJFS and its broad group of stakeholders moved into the implementation phase to identify and transition MFP participants from institutions to community-settings. ODJFS was also authorized to begin to claim the “enhanced match rate”¹³ for home and community-based (HCB) services for the demonstration project.

Success of the MFP Initiative to Date

Since the implementation of the MFP Initiative in early 2007, the HOME Choice Transition Program has had a number of successes. These are:

- Established a broad-based stakeholder group called the Planning and Advisory Group to develop the different components of the Operational Protocol;
- Maintained a broad level of participation on the Planning and Advisory Group’s workgroups throughout the planning process with each workgroup meeting an average of 10 times over a 13 month timeframe;
- Developed a close collaborative interagency partnership between the interested state agencies to include – Ohio Department of Job and Family Services (ODJFS), Ohio Department of Mental Health (ODMH), Ohio Department of Mental Retardation and Developmental Disabilities (ODMRDD), and Ohio Department of Aging (ODOA);
- Developed and received CMS approval of the HOME Choice’s Operational Protocol which will guide the implementation effort to transition 2,231 elderly people and persons with disabilities from institutions to community-based settings; and

¹³ According to the HOME Choice Transition Program’s Facts and FAQs about HOME Choice’s Operational Protocol, “the enhanced Federal Medical Assistance Percentage (FMAP) rate is approximately 20% in addition to the approximate 60% regular FMAP to equal approximately 80%.”

- Developed a three-part housing strategy to assist these 2,231 MFP participants in identifying appropriate, affordable housing options over the demonstration project period.

TAC Recommendations

TAC recommends the following strategies to improve and enhance the implementation of Ohio's Home Choice Program:

General MFP Recommendations

TAC supports the Ohio's Department of Job and Family Services' (ODJFS) current MFP housing approach to pursue three distinct efforts – the Local Housing and Services Cooperatives, a Rental Assistance Program, and a Permanent Supportive Housing Pilot (discussed in greater detail below). These three efforts provide ODJFS with an effective mechanism to further develop state inter-agency cooperation and explore and assess strategies to utilize Medicaid-funded services in conjunction with permanent supportive housing.

Inter-agency cooperation will be a critical aspect of transition planning and ongoing service delivery for each person to be served under MFP. Based on the MFP Relocation Workbook, MFP participants will be identifying needs related to family and informal supports; housing; health care; personal care; transportation; employment; and social activities. Also included will be formal services through some combination of Medicaid, ODMH, ODADAS, OMRDD, etc. It is highly unlikely that participants in MFP will need services from just one agency or funding source. And, each individual's needs will be unique when they begin participation, and will change in unique ways over time as they live in the community. Thus, interagency collaboration and coordination will have to be individualized and flexible over time. TAC recommends that standard interagency agreement protocols be developed that can guide individual service planning and service coordination among participating agencies. As noted throughout this report, the actual work of planning, assuring, and maintaining appropriate individualized service access and delivery is most likely to occur at the Board level. Thus, the roles and responsibilities of the cognizant Boards will have to be clearly detailed in the protocols. These protocols should guide:

- Designation of a lead agency/clinical home for each participant;
- Specification of which types of other community agencies should participate;
- Definition of the roles and responsibilities of each participating agency;

- Description of mutual service planning and service plan updates will be accomplished;
- Description of how communications will be maintained among the parties; and
- Specification of the resources that are to be committed to the participant by each agency included in the agreement.

TAC also recommends that a standard protocol be developed relevant to all participating disability populations to assist transition coordinators to provide detailed information on housing resources and options for MFP participants. This protocol should detail how the Housing Locator and related housing search resources can be used; criteria for the variety of housing resources available; equal housing and reasonable accommodation rights of prospective tenants; and information on other factors, such as proximity of resources and transportation, neighborhood quality, etc. It is important to the success of MFP that participants make informed choices among housing options, rather than being steered to whatever may be readily available at the moment.

MFP Housing Recommendations

TAC has been working closely with ODJFS staff on the development of its MFP housing approach, specifically, the Local Housing and Services Cooperatives, a Rental Assistance Program, and a Permanent Supportive Housing Pilot. To assist in the development and implementation, TAC makes the following recommendations regarding the three MFP housing initiatives:

- Develop clear guidance and a very detailed scope of services for the agencies selected to support regional housing cooperatives in order to better focus their efforts on obtaining new housing resources for MFP participants. Given the compelling need to identify permanent rental subsidy resources for people leaving facility-based care, these agencies should be required to assertively engage local PHAs, particularly those identified as having received disability vouchers from HUD from 1997-2002. Other suggested areas of focus include community development officials controlling HOME funds which can be used for tenant-based rental assistance, HUD assisted housing providers with chronic vacancy issues (which could be identified by willing HUD Field Office staff), and building relationships with County Boards.

- Strategically deploy MFP housing capacity and expertise in targeted areas/regions of the state determined as ‘high need/high demand’ based on an assessment of three factors: (1) the housing preferences expressed by MFP participants; (2) the need for expanded capacity; and (3) strategic opportunities to expand the supply of PSH units.
- Based on the assessment and identification of ‘high need/high demand’ MFP communities, conduct a strategic analysis to determine: (1) high priority areas for targeting valuable MFP rental assistance resources; and (2) local PHAs in these areas that currently administer Section 8 Housing Choice Vouchers set-aside by Congress for non-elderly people with disabilities. TAC will assist JFS with the PHA analysis.
- Strategically engage local PHAs to administer MFP rent subsidies for a limited period for identified consumers for a reasonable administrative fee. In exchange, the PHA would ideally be able to offer some type of systematic transition to a Section 8 Housing Choice Voucher. TAC has committed to work with JFS on the engagement efforts with local PHAs.
- Conduct a more refined financial analysis of the proposed rental assistance program assessing the cost of rent subsidy, the term of the rent subsidy, and the potential number of individuals to be served. ODJFS will be able to continually refine the financial model as partnerships with local PHAs are established. TAC has committed to providing JFS with a financial modeling tool to assist with this analysis.
- Develop guidelines and contract documents for the operation of the rental assistance program. The guidelines will be used by the subsidy administrator (i.e., local PHAs) to ensure that the funds are administered responsibly and JFS’s program goals are met.
- Consider an informal approach (as opposed to a formal Request for Information) to solicit feedback from local PSH stakeholders regarding the potential benefit of the cross-disability PSH Pilot concept. Consider a survey tool (on-line perhaps) to help encourage a greater response rate, as well as facilitate the collection and analysis of data.
- Work with the MFP partner agencies (i.e., ODOA, ODMH, ODMRDD, etc.) to develop a common understanding of a potential cross-disability PSH pilot project, its feasibility (given MFP resources available), and the specific goals which the

pilot seeks to achieve. In addition to the Pilot's goals, interagency discussions should focus on referral mechanisms to the housing types and amount of resources offered by the MFP initiative (i.e., development or operating resources), preferred location(s) of the pilot, linkage with services, and the development of an assessment to measure the pilot's success. This upfront 'buy-in' from all the MFP partners is needed for the success of the pilot itself and its potential for replication on a greater scale.

- Explore a partnership with OHFA as ODJFS's 'housing partner' in the PSH pilot if deemed feasible. OHFA would potentially be able to: offer access to matching capital funds or operating funds; assist in the development and issuance of an RFP; assist with the evaluation of proposal, conduct underwriting of the project; and assist with the assessment of the Pilot.
- If deemed feasible, structure the Pilot RFP in order for it to be seamlessly integrated with OHFA and ODOD funding rounds (i.e., LIHTC) to facilitate and encourage participation from experienced permanent supportive housing developers throughout Ohio.

Appendix H: Ohio Public Housing Agencies (PHA) Best Practices

In its stakeholder interviews and analysis performed for the Ohio Interagency Council on Homelessness and Affordable Housing (Council), TAC identified several Public Housing Agencies (PHA) that have worked closely with local stakeholders to support the development of permanent supportive housing or expand access to the Section 8 Housing Choice Vouchers for people with disabilities. The Council may be able to highlight these successes as part of the Council's engagement strategy with PHAs and local governments across Ohio.

Below is a discussion of these PHA's "Best Practice" efforts:

Cuyahoga Metropolitan Housing Authority

The Cuyahoga Metropolitan Housing Authority (CMHA) in partnership with area disability advocates and provider agencies has supported the development of the Gateway Advisory Board (GAB) as a mechanism to manage a "set-aside" of Section 8 vouchers insuring fair access to a broad-based group of disability advocates and service providers. CMHA has made up to 1,308 Section 8 Housing Choice Vouchers available for tenant-based rental assistance through referrals from the Gateway Advisory Board/. Formally recognized by CMHA, the GAB meets periodically to manage these resources and facilitate access to these vouchers.

GAB is comprised of a variety disability advocates and service providers that act as the referring agency for a specific disability sub-population. There are five special needs systems that qualify to refer through the GAB. They are: mental health, physical disabilities, mental retardation/developmental disabilities, homeless and HIV/AIDS. The GAB members include: the AIDS Task Force of Greater Cleveland, Cleveland Housing Network, Cuyahoga County Board of Mental Retardation and Developmental Disabilities, Department of Children and Family Services, Domestic Violence Center, Family Transitional Housing, Lakewood Christian Service Center, New Life Community, Projecto Luz, Services for Independent Living, Inc., VA Domiciliary, West Side Catholic, and Y-Haven. In addition, Emerald Development Corporation (EDEN), a local non-profit housing organization, serves as the administrative liaison between the GAB and CMHA in the referral process. EDEN also provides specialized technical assistance to these agencies to develop a better understanding of the Section 8 Housing Choice Voucher program and the GAB's process for accepting referrals.

CMHA has also begun to work closely with the HOME Choices Transition Program considering an additional “set-aside” of Section 8 vouchers specifically for MFP participants. If these vouchers are approved by CMHA, the Gateway Committee will likely be responsible for managing access of these vouchers to MFP participants.

Columbus Metropolitan Housing Authority

In many communities across the country, PHAs in collaboration with local non-profit developers has used Section 8 Project-Based Vouchers (PBV) to provide the needed operating subsidies needed to create permanent supportive housing. HUD released final PBV regulations in 2005 that provided greater flexibility to PHAs to use these vouchers in conjunction with permanent supportive housing. The Housing and Economic Recovery Act of 2008 also brought positive changes to the regulations providing added flexibility to PHA in managing a PBV portfolio. Despite these improvements to the Section 8 PBV Program, many PHAs have been reluctant to implement a PBV Program¹⁴ as part of their Section 8 Housing Choice Voucher Program for a variety of reasons. HUD’s new leadership team will likely improve PHA’s operating environment allowing them greater flexibility and additional resources to more effectively manage their program including the Section 8 HCV program. These positive changes will create an opportunity for the Council to engage PHAs on dedicating resources, including the use of Section 8 PBV to create additional permanent supportive housing.

The Columbus Metropolitan Housing Authority has strongly supported the Community Shelter Board-led *Rebuilding Lives* Plan to create permanent supportive housing in the greater Columbus area. As part of its support, CMHA has project-based approximately 1,200 vouchers most of which provide the necessary operating support for permanent supportive housing. CMHA expects to continue to project base additional units with the goal of managing 2,400 PBV units over the next two years. CMHA is widely considered a national leader in the used of PBV with permanent supportive housing. CMHA has continued to work closely with local developers including Community Housing Network and National Church Residences to effectively utilize Section 8 PBVs in large, single-purpose permanent supportive housing projects using low-income housing tax credits. CMHA may be able to play a leadership role providing peer-support and expertise to other Ohio PHAs that express interest in using PBV in conjunction with permanent supportive housing. This specialized expertise may prove important to assist fellow PHAs in overcoming common operational challenges (i.e., design of the procurement process and design of the waiting list structure).

¹⁴ The Section 8 PBV Program is an optional program under Section 8 regulations.

Dayton Metropolitan Housing Authority

The Dayton Metropolitan Housing Authority (DMHA) has successfully converted an underutilized public housing building to permanent supportive housing serving homeless men and women who are eligible for public housing. DMHA, working with Montgomery County officials, identified an underutilized public housing building (formerly the Helena Hi-Rise), conducted needed rehabilitation, targeted access to these units for homeless individuals and provided on-site supportive services. The River Commons Project has proven to be very successful with 98% of the 69 homeless residents have retained their housing for more than seven months and half of the residents are employed. Montgomery County officials and the Homeless Solutions Policy Board (i.e., Montgomery County's 10 Year Plan policy and planning entity) also provided essential support to make River Commons a success including organizing a campaign to furnish the project's apartments with furniture and household items. The River Commons Project represents a successful model for other PHAs that are considering redevelopment strategies for underutilized buildings within their public housing portfolio.