

COUNTY OF MILWAUKEE
Department of Health and Human Services
INTER-OFFICE COMMUNICATION

DATE: April 29, 2013

TO: Supervisor Patricia Jursik, Chairperson, Economic & Community Development Committee

FROM: Hector Colon, Director, Department of Health and Human Services
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SUBJECT: An Informational Report from the Director, Department of Health and Human Services, presenting an update on permanent supportive housing in Milwaukee County

Issue

The Milwaukee County Housing Division was created in the 2008 budget with the charge of consolidating the County's housing resources to focus on improving housing conditions for individuals suffering from mental illness. Since that time, a major focus of the Division has been the creation of permanent supportive housing units. Permanent supportive housing is a cost-effective program that combines affordable housing with supportive services that help people live more stable, productive lives. Prior to the creation of the Division, Milwaukee County did not have any permanent supportive housing units with on-site services. Today, there are over 450 units, which have secured a total investment of \$92 million.

These newly constructed units compliment the Housing Division's Shelter Plus Care tenant-based program. The Division receives \$2.8 million from the U.S. Department of Housing and Urban Development (HUD) to provide rental assistance for those who meet the federal definition of homelessness and are disabled. Individuals must receive permanent case management services to be eligible. There are over 400 consumers participating in this program and a majority are receiving services through the Behavioral Health Division. It is the largest scattered-site rental assistance program designed for disabled individuals in the State of Wisconsin.

Discussion

Through the Housing Division, Milwaukee County has played a significant role in the development of supportive housing in a variety of ways:

Gap Financing for Construction

A majority of permanent supportive housing in Milwaukee County has been funded through the Wisconsin Housing and Economic Development Authority's (WHEDA) Low

Income Housing Tax Credit Program. This program provides a significant portion of construction financing for affordable housing projects. Due to the need for affordable rent amounts, there is typically a financial gap that developers need to fill to have a successful project. In an effort to assist with this issue, Milwaukee County established the Milwaukee County Special Needs Housing Trust Fund to assist developers in meeting financing gaps. Since its inception, the Special Needs Housing Trust Fund has contributed over \$3 million towards the construction of permanent supportive housing. The City of Milwaukee also created a Housing Trust Fund and they have funded many of the permanent supportive housing developments located in the City of Milwaukee. Smaller gap financing tools like these trust funds are a very important part of the financing package and they often can leverage other, much larger sources of funds.

The Housing Division also has used HOME funds for gap financing. This was done for the first time to assist in the construction of Bradley Crossing in Brown Deer. The Division gave Movin' Out \$500,000 who partnered with Jewish Family Services and General Capital to create 60 units of affordable housing, 30 of which are for people with disabilities.

Rental Subsidy

In order for permanent supportive housing to be successful, the rents need to be affordable. Many individuals who need supportive housing have very low income. To make rents affordable, individuals need access to rental assistance. The Housing Division has provided two types of federal rental assistance: project based housing choice vouchers (Section 8) and Shelter Plus Care. The goal of the assistance is to ensure that individuals do not pay more than 30% of their income towards rent, many of whom receive Supplemental Security Income (SSI).

Supportive Services

Milwaukee County provides service funding for most of the permanent supportive housing in Milwaukee in the form of tax levy. In the 2013 Housing Division budget, \$682,000 is allocated for on-site services for these developments. This is necessary as there are typically funding streams that assist with housing development and rent assistance, but not for supportive services. Permanent Supportive Housing is considered a best practice model because of the services that are attached. These services lead to better outcomes for individuals maintaining their housing unit and dramatically reduce the need for other costly public services such as hospitalizations, incarcerations, emergency room visits and other crisis services.

Permanent supportive housing services are comprehensive and assist individuals with maintaining their individual housing unit and coordinate services with case management. Professional staff will work with the individual's case manager, Certified Peer Support Specialists and the resident to offer recovery-oriented services. Individual

one-on-one activities with residents often include ongoing support, assistance in establishing personal goals, feedback on recovery, development of independent living skills, including cleaning, meal planning and preparation, laundry, budgeting, shopping and bill paying. Certified Peer Support Specialists are a very important part of the service model for permanent supportive housing.

City of Milwaukee Partnership

Throughout the process of developing supportive housing in Milwaukee County, a meaningful partnership between Milwaukee County and the City of Milwaukee has formed. In October 2007, at the request of Mayor Tom Barrett and then County Executive Scott Walker, the Milwaukee County Board and the Milwaukee Common Council both enacted legislation creating a City/County Commission on Supportive Housing. Its mission is to serve as a community infrastructure with the institutional commitment and the financial resources necessary for providing safe, affordable and accessible housing options with supportive services for persons with mental illness or other special needs. The commission establishes goals and benchmarks to address housing needs for persons with mental illness and other special needs in the community, and monitors progress and holds the community accountable for meeting those goals. The Commission remains active and tracks the progress and challenges of supportive housing.

To make supportive housing projects more feasible, the City of Milwaukee has also made zoning changes such as adjusting density and parking requirements, that in the past made these types of developments much more difficult.

Future of Supportive Housing

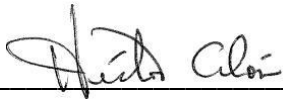
The Housing Division continues to see a significant need for more supportive housing units and increasing the supply of permanent supportive housing is a goal of the Mental Health Redesign Taskforce. Every development that the Division has partnered on has a waiting list. The success of consumers in this model continues to lead to additional referrals and also assists with BHD's goal of consumers moving into a least restrictive setting.

Developers continue to seek funding for projects to meet this demand. Several new projects are seeking Low Income Housing Tax Credits this spring with the hopes of building additional units. The challenge that Milwaukee County faces is the lack of rental assistance to meet the demand for supportive housing. The Housing Division has been successful in allocating project based rental assistance vouchers towards these developments, but HUD places a cap on the number of vouchers that can be project based. Estimates are that the County can project-base approximately 100 vouchers before the cap is reached. Without additional HUD funds or a new local source of funds, the future growth of supportive housing will be limited.

The Division has made efforts to expand supportive housing into all areas of Milwaukee County. This past year, the first two supportive housing developments opened outside the City of Milwaukee, Highland Commons in West Allis and Bradley Crossing in Brown Deer. The Housing Division will continue to reach out to other municipalities in hopes of expanding this model to other jurisdictions.

Recommendation

This is an informational report. No action is necessary.



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