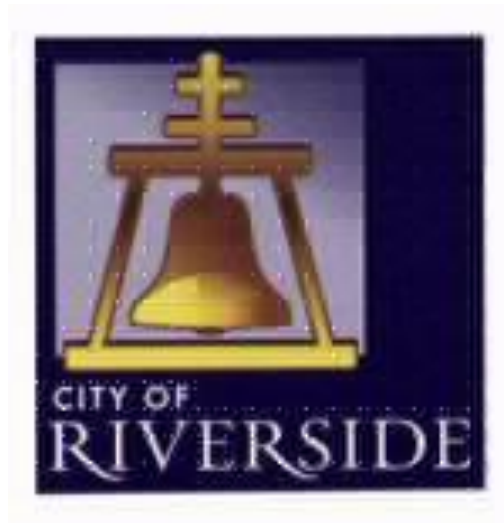


# Housing First Strategy



## A Road Map to Create, Implement, and Operate a Housing First Approach in the City of Riverside

City Council Meeting: Tuesday, March 13, 2018

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## Executive Summary

The City of Riverside (City), like other Southern California cities, is impacted by homelessness, especially those who are living unsheltered. The 2017 Point-In-Time (PIT) Count shows that unsheltered homelessness increased in the City by 50 percent since 2016.<sup>1</sup> Although the number of unsheltered households increased in 2017, the City and the entire County, including a wide array of nonprofit partners, have achieved notable results in addressing homelessness over the last few years as compared to other areas in Southern California. With the exception of 2017, the region has seen decreasing Point-In-Time counts and it was the only Continuum of Care (CoC) in California to reach “Functional Zero”<sup>2</sup> on Veteran homelessness in California and only one of two CoCs to accomplish this feat on the West Coast.<sup>3</sup>

To further reduce homelessness and its impact on the community, the City is actively pursuing the creation of nearly 400 units of housing to meet the needs of the current unsheltered count of 389 persons highlighted in the 2017 Point-In-Time count.<sup>4</sup> To achieve this goal, the City has committed to Housing First as a best practice approach to address homelessness, and specifically to using the supportive housing intervention that is characterized as deeply affordable housing paired with wrap-around supportive services targeted at hard-to-serve homeless households with a disability. Supportive housing has proven effective in ensuring housing stability of formerly homeless households and limiting returns to homelessness. Additionally, many studies have demonstrated the cost effectiveness of providing housing and services that lead to decreased utilization of high-cost public systems, including emergency services, health care, and criminal justice. (See Appendix A: Housing First Strategy Frequently Asked Questions).

The City also needs to align its potential housing operations with existing and forthcoming laws and funding requirements, such as those outlined in the State housing package signed into law in September 2017 and No Place Like Home (NPLH). This alignment is extremely important if the City plans to take advantage and utilize state funds. In addition, the City needs to identify existing parcels of land that are most viable for development, given funding criteria and geography.

To help guide the City of Riverside, and specifically the Office of Homeless Solutions, as they pursue the creation of housing to address homelessness over the next few years, LeSar Development Consultants (LDC) created the following strategy, which provides recommendations for codifying best practices related to the development and operation of supportive housing in policy. The strategy also provides direction on specific parcels types to consider for development, and funding sources available to subsidize development costs. Specifically, this strategy:

1. Acts as the approved City plan to meet the requirements for forthcoming funding from the California Department of Housing and Community Development (HCD) for Senate Bill (SB) 2:

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<sup>1</sup> County of Riverside. (May 2017). [2017 Point-In-Time Homeless Count Report](#).

<sup>2</sup> Community Solutions Functional Zero Definition: At any point in time, the number of Veterans experiencing sheltered and unsheltered homelessness will be no greater than the average monthly housing placement rate for Veterans experiencing homelessness in that community.

<sup>3</sup> Portland, Oregon is the other CoC who reached Functional Zero on Veteran Homelessness on the West Coast

<sup>4</sup> County of Riverside. (May 2017). [2017 Point-in-Time-Homeless Count Report](#).

Building Homes and Jobs Act and ensures compliance with the core components of Housing First outlined in SB 1380.

2. Provides policy guidance for operationalizing and evaluating the model in the City (Table 1).
3. Establishes policy guidance for the development and financing of supportive housing across all wards within the City (Table 2).
4. Recommends a range of specific sites for supportive housing development within the City (Table 3).

The City of Riverside’s Office of Homeless Solutions will be responsible for overseeing the strategy and working with various City departments and community partners on its implementation. The following tables include detailed policy recommendations/guidance for the above-mentioned purposes of the overall strategy.

**Table 1: Policy Recommendations for Operationalizing Supportive Housing in the City**

<b>Policy Recommendations for Operationalizing Supportive Housing in the City</b>	
<b>Housing First - Supportive Housing Model</b>	
1.	All supportive housing programs will operate using a Housing First orientation and provide person-centered flexible and voluntary services.
2.	All supportive housing programs will follow and be aligned with federal guidelines on the use of Housing First as referenced in the HUD <sup>5</sup> Housing First Assessment Tool and the USICH <sup>6</sup> Housing First Checklist.
3.	All supportive housing programs will follow and be aligned with state guidelines on Housing First, including the core components outlined in SB 1380.
4.	In addition to Housing First, all supportive housing programs will utilize national evidenced-based practices, including: <ol style="list-style-type: none"> <li>a. Harm Reduction,</li> <li>b. Trauma-Informed Care,</li> <li>c. Motivational Interviewing.</li> </ol>
5.	Supportive housing wrap-around supportive services will include the following: <ol style="list-style-type: none"> <li>a. Case Management, housing transition services, and housing-based tenancy supports, including initial and comprehensive assessment, development of a housing or case plan with identified client goals that is regularly reviewed and updated, landlord mediation, and tenant education.</li> <li>b. Mental health services and treatment.</li> <li>c. Substance use disorder services and treatment.</li> <li>d. Connection and linkage to primary care via a community-based clinic.</li> <li>e. Employment readiness, job counseling, and makes linkages to education programs</li> <li>f. Help clients learn to live in housing, maintain their housing in a safe manner, and get along with neighbors and landlord.</li> <li>g. Support with accessing mainstream benefits, including SSI/SSDI if permanently disabled, health insurance, and other entitlement programs. If pursuing SSI/SSDI, use the Substance</li> </ol>

<sup>5</sup> United States Department of Housing and Urban Development

<sup>6</sup> United States Interagency Council on Homelessness

<b>Policy Recommendations for Operationalizing Supportive Housing in the City</b>	
	<p>Abuse Mental Health Services Administration (SAMHSA) supported SSI/SSDI Outreach Access and Recovery (SOAR) model to assist disabled households with quickly receiving disability income.</p> <ul style="list-style-type: none"> <li>h. Life skills supports and education including housekeeping, budgeting, grocery shopping, and the use of public transportation.</li> <li>i. Assist with creating positive social support systems in the community.</li> <li>j. Assist with ensuring the client’s apartment is a home, which could include help with acquiring furniture or other household goods as needed.</li> </ul>
6.	Case Management, Housing Transition, and Housing Tenancy Supports align with Centers for Medicare and Medicaid Services (CMS) guidance regarding coverage of housing-related activities and services for individuals and disabilities so the City can position itself to take advantage of potential Medicare/Medicaid funding for services in supportive housing.
7.	All supportive housing will follow and align with regional guidance, including all standards for supportive housing described in the Continuum of Care (CoC) Written Standards.
8.	All supportive housing developments will support the successful integration of the tenant in the community, which may include the creation of mixed developments of supportive housing and affordable units.
9.	The City fully supports the implementation of Housing First and is committed to the development of supportive housing in the City. However, while this strategy is being executed, the City is not abandoning temporary approaches such as interim shelter that can act as a bridge providing a safe place for households to stay while a permanent unit is being identified. All temporary programs such as shelter will operate using a Housing First approach featuring low-barrier entry criteria and programming and emphasizing rapid housing placement.
10.	The City will explore and implement a “Moving On” strategy in current and future supportive housing projects for households who have achieved stability in housing and no longer need intense services but who may still need an affordable unit. By moving successful households on from supportive housing, it allows currently homeless households to access the needed critical intervention.
<b>Supportive Housing Target Populations and Entry</b>	
1.	All supportive housing programs will be in compliance with CoC Coordinated Entry System (CES) Policies and Procedures, including use of Homeless Management Information System (HMIS), and accepting referrals from CES.
2.	Prioritization of prospective tenants will follow CoC Priority Guidelines as outlined in the approved CoC Written Standards.
3.	The City adopts the supportive housing eligibility criteria as outlined in the CoC Written Standards and, in addition, preference for units will be given to households who have a documented history of homelessness within the City limits.
<b>Supportive Housing Performance Benchmarks</b>	
1.	The City adopts the supportive housing Performance Benchmarks as outlined in the approved CoC Written Standards. <sup>7</sup>
2.	The City will also align supportive housing activities consistent with HUD’s System Performance Measures, especially decreasing the length of time persons remain homeless, increasing permanent

<sup>7</sup> County of Riverside Continuum of Care. (2017). [County of Riverside Continuum of Care Written Standards Approved August 2017.](#)

<b>Policy Recommendations for Operationalizing Supportive Housing in the City</b>
placements, and decreasing returns to homelessness. <sup>8</sup>
3. The City will seek to create additional measures for supportive housing that will evaluate a household’s social and community connections and satisfaction with programming and the housing unit.
4. The City will seek to create and adopt additional measures for supportive housing developments that could evaluate the impact to the community, neighborhoods, and public services.
5. The City in partnership with the CoC will seek to develop public HMIS data dashboards that can track performance of not only supportive housing, but the region’s efforts to address homelessness as a whole.

**Table 2: Policy Recommendations for the Development and Financing of Supportive Housing**

<b>Policy Recommendations for the Development and Financing of Supportive Housing</b>
1. Working with City of Riverside leadership and community stakeholders, assess the list of available sites and determine the final list for development as supportive housing and mixed-income communities.
2. Establish general criteria for development, including approximate number of units, levels of services programming, and required programming space, as well as required parking spaces.
3. Explore the creation of inclusionary zoning to support supportive housing development within new market-rate development projects.
4. Set aside 15 percent of all affordable housing developed for supportive housing units.
5. Explore reimbursing all fees from various City departments that collect fees related to building supportive housing.
6. Prioritize the use of Community Development Block Grant (CDBG) funds for the development of supportive housing.
7. Set aside a portion of Measure Z funding to establish a housing innovation fund that supports collaborative partnerships to finance supportive housing development. Consider increasing the percentage of Measure Z funding allocated to the development of affordable housing, and make all Measure Z funding allocated to affordable housing permanent for the duration of the measure.
8. With available local resources, issue a Notice of Funding Availability (NOFA) to provide pre-development funding for community- and faith-based organizations, as well as hospitals and educational institutions, interested in developing their available surplus property.
9. Prioritize available local funding from all sources, including Measure Z and the Community Revitalization and Investment Authority (CRIA) currently in development, to be deployed at each development site.
10. Monitor sources of capital funding for the development of supportive housing, including those offered through the Affordable Housing and Sustainable Communities program (currently open), Veterans Housing and Homeless Prevention program (November 2017), and the National Housing Trust Fund (late 2017). Consider how to leverage these funds and upcoming funds available through the Affordable Homes and Jobs Act and the Veterans and Affordable Housing Bond Act of 2018 for supportive housing development.
11. Proactively pursue Building Homes and Jobs Act funding to update planning documents and zoning ordinances to prioritize supportive housing and expand development within City limits.

<sup>8</sup> HUD Exchange. (2017). [System Performance Measures](#).



<b>Policy Recommendations for the Development and Financing of Supportive Housing</b>	
12.	Issue an RFP for land, funding, or a combination thereof for partners that can meet the City of Riverside’s criteria for housing and services programming in order to maximize scarce resources.
13.	Expand the pool of development partners to include additional firms that are active in special needs housing in California, as noted in Appendix N.
14.	Negotiate development and disposition agreements with selected developers and services partners.
15.	Explore partnerships with the health care sector, including Medi-Cal Managed Care Plans to fund the supportive services that are delivered in housing. Specifically, explore the use of services funding through the forthcoming state Health Homes Program (HHP) that is scheduled to be implemented in Riverside County on January 1, 2019.
16.	Seek partnerships with County agencies, including the Housing Authority, Mental Health, Economic Development, Public Health, and Workforce Development Centers, to focus funding and amplify supportive housing as a housing priority.

**Table 3: Recommendations for Creating and Developing Supportive Housing**

<b>Creating and Developing Supportive Housing</b>	
1.	Prioritize for pre-development evaluation each of the City-owned sites based on size and suitability for development, which includes proximity to food, bus transit, and a hospital. A list of these sites is provided in Appendix O.
2.	Building on the Mayor’s current efforts to develop property owned by faith- and community-based organizations, continue to identify and prioritize those properties owned by mission-based organizations for potential development.
3.	Explore additional sites that are not currently City-owned to identify a minimum of three sites per ward to be developed as supportive housing.
4.	Create incentives for community-based landlords to rent units to homeless households.

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## Purpose of Strategy

The City of Riverside (City), like other Southern California cities, is impacted by homelessness, especially those who are living unsheltered. The 2017 Point-In-Time (PIT) Count shows that unsheltered homelessness increased in the City by 50 percent since 2016.<sup>9</sup> Although the number of unsheltered households increased in 2017, the City and the entire County, including a wide array of nonprofit partners, have achieved notable results in addressing homelessness over the last few years as compared to other areas in Southern California. The region has seen Point-In-Time counts decreasing with the exception of 2017, and was the only Continuum of Care (CoC) in California to reach “Functional Zero”<sup>10</sup> on Veteran homelessness in California and only one of two CoCs to accomplish this feat on the West Coast.<sup>11</sup>

Although reaching “Functional Zero,” on Veteran homelessness was an extraordinary accomplishment, the fact remains that unsheltered homelessness has increased and is currently quite visible in the City, especially with concentrated encampments along the Santa Ana riverbed. Evidence of more persons experiencing homelessness is alarming, but the costs associated with managing homelessness should also be of concern to the City. Conservative estimates show that, within fiscal year 2016/2017, the City spent over \$1.4 million in police calls and fire department costs associated with responding to homelessness.<sup>12</sup> This figure represents only a fraction of the total taxpayer costs that are spent on homelessness, and does not include a multitude of other public expenses, such as ambulance trips, jail time, and emergency room admissions and hospitalizations.

Given the significant success in combination with several recent setbacks, the City understands it must continue the push to create permanent housing solutions to address the issue. In October 2016, the Riverside City Council convened a workshop with a variety of stakeholders to discuss the issue of homelessness within the City and to brainstorm strategies.<sup>13</sup> From this workshop, Housing First, and specifically the supportive housing intervention was brought forward as a key strategy to implement. In January 2017, the City’s Community and Economic Development Department made a recommendation to the Mayor and the City Council to “Authorize staff to seek and identify viable sites for the development or implementation of the proposed Housing First model.”<sup>14</sup>

The City is committed to the Housing First approach as the vehicle in which the City addresses homelessness. To this end, the City is seeking public input on where to develop multiple supportive housing projects as part of its commitment to Housing First. The supportive housing model is nationally recognized as a sound policy decision, and was recently highlighted by the Commission on Evidenced-Based Policymaking in its September 2017 report to Congress and the President of the

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<sup>9</sup> County of Riverside (May 2017). [2017 Point-In-Time Homeless Count Report](#).

<sup>10</sup> Community Solutions Functional Zero Definition: At any point in time, the number of Veterans experiencing sheltered and unsheltered homelessness will be no greater than the average monthly housing placement rate for Veterans experiencing homelessness in that community.

<sup>11</sup> Portland, Oregon is the other CoC who reached Functional Zero on Veteran Homelessness on the West Coast

<sup>12</sup> McLaughlin, J.f (September 2017). Memo to Emilio Ramirez, Deputy Director, Community and Economic Development Department, RE: Public Safety Response Cost Data.

<sup>13</sup> City of Riverside City Manager’s Office. (October 2016). Memo to Mayor and City Council – Subject: Homelessness in Riverside.

<sup>14</sup> City of Riverside Community and Economic Development Department. (January 2017). Memo to Mayor and City Council – Subject: Homeless Services.

United States.<sup>15</sup> Currently, the City operates two supportive housing projects—one in Arlington and another in Eastside—that are functionally integrated into the City’s housing stock. However, these two projects have a total of 16 beds, and extremely low turnover in these units has resulted in few new households having access to supportive housing.<sup>16</sup> Regionally, in 2016 only 5 percent of the 1,538 vouchers are attached to dedicated supportive housing units. The remaining 95 percent of households are competing in a tight rental market for housing. Because of these issues, the City recognizes the need to increase the development of dedicated supportive housing units across the City to end homelessness.

Although federal resources have been declining, the State of California has stepped up and passed legislation that has the potential to create a significant amount of new supportive housing developments statewide. These include the No Place Like Home (NPLH) initiative and the recent package of housing legislation signed into law by Gov. Brown in September 2017. It is critical that the City of Riverside position itself to take full advantage of forthcoming state dollars for supportive housing. The purpose of this strategy is to provide a “road map” for the City to implement its vision of creating additional supportive housing units throughout the City to meet the long-term needs of individuals and families experiencing homelessness, including those living unsheltered and those considered chronically homeless. Specifically, the strategy:

1. Acts as the approved City plan to meet the requirements for forthcoming funding from the California Department of Housing and Community Development.
2. Provides policy guidance for operationalizing and evaluating the supportive housing model in the City.
3. Establishes policy guidance for the development and financing of supportive housing buildings across all Wards within the City.
4. Recommends specific sites for supportive housing development within the City.

The City’s Office of Homeless Solutions will be responsible for overseeing the strategy and working with various City departments and community partners on its implementation.

Last, this strategy focuses on the development and operations of supportive housing for households experiencing homelessness. Concurrently, the City and the surrounding region should proactively pursue the rapid development of new affordable housing units for lower income households. The Housing Element adopted in October 2017 shows that the City needs an additional 8,568 units of housing, including 4,767 units affordable to very low- and low-income households, for the period 2014-2021.<sup>17</sup> The City understands that access to safe, clean and affordable housing is a key social determinant of health and an instrumental platform for building thriving communities and ensuring the success of its residents in education, employment, and health.

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<sup>15</sup> Commission on Evidenced-Based Policymaking (2017) *The Promise of Evidenced-Based Policymaking*

<sup>16</sup> Most recent data from one project demonstrated no move-outs over a 12 month period and average lengths of stay in the units of over 5 years

<sup>17</sup> City of Riverside. (October 2017). [City of Riverside 2014-2021 Housing Element](#).

## Operationalizing the Housing First Philosophy: Background and Progress

This section provides background on the Housing First philosophy—or approach—and how to operationalize that philosophy through the Coordinated Entry System (CES) and the supportive housing model of service delivery. These sections also highlight data on the City’s progress to date and current status in implementing the Housing First approach.

### Housing First

Significant shifts across the country in how to address homelessness have occurred over the years. Traditionally, communities focused on treating the supposed underlying conditions of homelessness and getting people ready for housing, an approach typified by models such as Transitional Housing. Today, communities across the country, including the City of Riverside, are adopting the Housing First approach, which is characterized as providing immediate access to permanent housing without preconditions and then supporting the individual or family by maintaining housing. Years of research have demonstrated that the Housing First approach is significantly more successful in reducing and preventing returns to homelessness, more cost-effective than previous traditional models, and more humane and compassionate, thereby allowing an individual or family to use its permanent home as a platform for stability and success. Key Housing First interventions include supportive housing, as well as Rapid Re-Housing (RRH), which provides time-limited rental assistance paired with housing-based case management targeted toward lower acuity households.

The United States Interagency Council on Homelessness (USICH) supports and recommends the Housing First approach as the most effective response to homelessness. In *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness* (Opening Doors), the first comprehensive federal strategy to prevent and end homelessness, the USICH described the Housing First approach with the following core principles:

1. Homelessness is a housing crisis to be addressed through the provision of safe and affordable housing.
2. All people experiencing homelessness, regardless of their housing history and duration of homelessness, can achieve housing stability in permanent housing.
3. Everyone is “housing ready,” meaning that sobriety, compliance in treatment, or even a clean criminal history is not necessary to succeed in housing.
4. Many people experience improvements in overall quality of life and in the areas of health, mental health, substance use, and employment as a result of achieving housing.
5. People experiencing homelessness have the right to self-determination and should be treated with dignity and respect.
6. The exact configuration of housing and services depends upon the needs and preferences of the population.<sup>18</sup>

Housing First is now being required by the Federal Government and State of California. At the Federal level, the U.S. Department of Housing and Urban Development (HUD) requires homeless

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<sup>18</sup> United States Interagency Council on Homelessness (2010) *Opening Doors: Federal Strategic Plan to End Homelessness* – As amended in 2015

programs funded through the Continuum of Care Notice of Funding Availability yearly competition to use Housing First. To assist communities and programs with shifting to a Housing First approach, HUD recently created a Housing First Assessment Tool.<sup>19</sup> (See Appendix B for further info on Housing First at the Federal level.)

At the state level, in 2016 the Governor of California signed SB 1380 into law that requires all state programs that provide housing or housing-related services to households experiencing homelessness to adopt specified Housing First guidelines. (See Appendix C for SB 1380 Housing First Guidelines.)

### **Housing First: Progress to Date in the City of Riverside**

The following describes progress to date and the current status of implementation of the Housing First approach within the City of Riverside:

- The City of Riverside and the Riverside CoC embraced the Housing First approach as part of past initiatives, including the Mayors Challenge, to end Veteran and Chronic homelessness and was the only CoC in California to reach “Functional Zero”<sup>20</sup> with Veteran homelessness.
- The City of Riverside has explored the Housing First model, committed to it, and within the last year has been actively educating an array of community stakeholders on the benefits of the approach.
- The Riverside CoC has significantly shifted its homeless housing resources over the past several years to Housing First Interventions such as supportive housing and RRH. Specifically, the number of total supportive housing beds significantly increased from a total of 364 in 2010 to 1,538 in 2016. In contrast, the number of Transitional Housing beds has decreased as a result of HUD moving away from funding the Transitional Housing model and shifting funds to more effective Housing First models, including supportive housing and RRH. (See Appendix D for trends of Riverside CoC Housing Inventory Count.)
- In September 2017, the Riverside CoC adopted a set of Written Standards, a HUD requirement, which provides guidance to all CoC and Emergency Solutions Grant (ESG) recipients on program eligibility, the provision of services, project performance targets, and consistent monitoring.<sup>21</sup> The CoC standards require all programs, regardless of type, to use a Housing First approach.

### **Coordinated Entry System: Background**

In addition to using the Housing First best practice approach, communities also need to ensure that households experiencing homelessness are efficiently connected to housing and long-term supportive services that best meets their needs. To accomplish this, communities are creating systems that allow all homeless households access to receive an assessment that identifies their housing needs. Based on that assessment, households are then prioritized for specific housing and services interventions to meet those needs and referred to the most appropriate resource. (See

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<sup>19</sup> HUD Exchange. (September 2017). [Housing First Assessment Tool](#).

<sup>20</sup> Community Solutions Functional Zero Definition: At any point in time, the number of Veterans experiencing sheltered and unsheltered homelessness will be no greater than the average monthly housing placement rate for Veterans experiencing homelessness in that community.

<sup>21</sup> County of Riverside Continuum of Care (2017). Written Standards.

Appendix E for a diagram, depicting how the various components of the Coordinated Entry System work together to prevent and end homelessness.)

Traditionally, housing and services were based on a first-come, first-served model and people received what was available. However, with CES, resources are prioritized for those who need them the most and different housing and service interventions are provided based on each household's needs. Communities across the country, including the Riverside CoC, have been developing and implementing CES for the last several years. Many communities began this process as part of such national initiatives as the 100,000 Homes Campaign or subsequent efforts to end Veteran and Chronic Homelessness, specifically, 25 Cities, the Mayors Challenge, and Built for Zero. Although HUD mandated communities to create a CES with the enactment of the HEARTH Act in 2009, HUD has only recently published requirements.

In January 2017, HUD issued a notice establishing additional requirements for the coordinated entry process, which the CoC must write into their policies and procedures. These requirements include having a coordinated entry process that covers the geographic area, uses standardized access points and assessment approaches, standardizes prioritization in the referral process, lowers barriers to participation, and links street outreach and Emergency Solution Grant (ESG) homeless prevention services to coordinated entry.<sup>22</sup> Additional policy considerations emphasize incorporating a person-centered approach throughout the process, employing cultural and linguistic competencies, facilitating the standardization of assessment processes, using HMIS in the coordinated entry process, and incorporating mainstream service providers into relevant activities to facilitate referrals. CES acts as the tool for how households will be assessed and prioritized for supportive housing and other interventions.

### **Coordinated Entry System: Progress to Date in City of Riverside**

The progress to date and current status of the implementation of CES within the City of Riverside is summarized below.

- The City of Riverside began creating and implementing CES in 2015 through participation in the Mayors Challenge and the Built for Zero Campaign with Community Solutions. For the first several years, the City was responsible for CES oversight and coordination.
- The City of Riverside originally used the Performance Management and Communications Platform (PMCP) as the data platform for CES and has since transitioned to Homelink. The CoC is in the process of moving CES into the HMIS.
- Oversight and coordination of CES has recently shifted from the City of Riverside to the County of Riverside's Behavioral Health Department. The CoC receives \$500,000 per year from HUD for CES activities, and funding is administered by County Behavioral Health.<sup>23</sup>

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<sup>22</sup> United States Department of Housing and Urban Development. (January 2017). Notice: CPD-17-01 Subject: Notice Establishing Additional Requirements for a Continuum of Care Centralized or Coordinated Assessment System

<sup>23</sup> 2016 HUD CoC Award – County of Riverside CES Project



- Although the County is now the lead entity for CES, the City of Riverside is still very active in planning and policy decisions and currently a City staff serves as the chair of the CoC CES Oversight Committee.
- The CoC Oversight Committee is finalizing the CES Plan that is due to HUD by January 2018.

### Supportive Housing Model: Background

For decades, supportive housing programs have been providing housing with wrap-around supportive services to homeless and chronically homeless households with disabilities. Although programs have been providing services to tenants since the mid-to-late 1980s, most credit Pathways to Housing and its founder Dr. Sam Tsemberis for having originated the supportive housing model, using the Housing First approach, in New York City in the early 1990s. Pathways to Housing revolutionized the model and brought it into the mainstream as an effective intervention to address homelessness specifically for those who are most hard to reach and suffer from mental illness and/or substance abuse disorders. Pathways to Housing is guided by the vision that housing is a basic human right and its operating model states:

*“We start by housing people directly from the streets, without precondition. Then we address their underlying issues around mental health, addiction, medical care, income, and education to help integrate and welcome them back into our community.”<sup>24</sup>*

Although supportive housing is targeted to the homeless individuals and families with the most complex needs, supportive housing as a model is fairly simple in concept:

**Permanent:** Tenants may live in their homes as long as they meet the basic obligations of tenancy, such as paying rent;

**Supportive:** Tenants have access to person-centered and flexible support services that they need and want to retain housing; and

**Housing:** Tenants have a private and secure place to make their home, just like other members of the community, with the same rights and responsibilities.<sup>25</sup>

A key component of the model is the provision of supportive services. In supportive housing, all services need to be engagement-based and voluntary in nature. Services should be tailored to each person’s unique needs and thus considered “client-centered.” Supportive housing services need to use the following best practices:

- **Motivational Interviewing:** A counseling technique used to support a client with behavior change by exploring their own ambivalence and creating their own goals.
- **Trauma-Informed Care:** An approach to service delivery that recognizes the majority of individuals who are experiencing homelessness have also experienced trauma. The approach understands trauma’s impact on a person’s life and seeks to not re-traumatize the person.

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<sup>24</sup> Pathways Housing First. (ND). [Website](#).

<sup>25</sup> Substance Abuse and Mental Health Services Administration. Permanent Supportive Housing: Building Your Program. HHS Pub. No. SMA-10-4509, Rockville, MD: Center for Mental Health Services, Substance Abuse and Mental Health Services Administration, U.S. Department of Health and Human Services, 2010



- **Harm Reduction:** A public health framework that seeks to reduce the impact that negative behaviors may have on a person’s health and well-being, if the person is not willing at the time to completely stop the behavior. Although Harm Reduction can be applied to an array of behaviors it is most commonly associated with drug and alcohol use.

Specific services delivered in supportive housing include:

- Case Management and Housing-Based Tenancy Supports, including initial and comprehensive assessment and the development of a housing or case plan with identified client goals that is regularly reviewed and updated.
- Mental health services and treatment.
- Substance use disorder services and treatment.
- Connection and linkage to primary care via a community-based clinic.
- Employment readiness, job counseling, and makes linkages to education programs.
- Help clients learn to live in housing, maintain their housing in a safe manner, and get along with neighbors and landlord.
- Support with accessing mainstream benefits, including SSI/SSDI if permanently disabled, health insurance, and other entitlement programs.
- Life skills supports and education, including housekeeping, budgeting, grocery shopping, and the use of public transportation.
- Assist with creating positive social support systems in the community.
- Assist with ensuring the client’s apartment is a home which could include help with acquiring furniture or other household goods as needed.

With regard to Case Management, an array of services and models can be used. In recent years, with the passage of the Affordable Care Act (ACA) and the notion that “Housing is Healthcare,” there has been a push to use Medicaid funding to pay for housing-related services for individuals with disabilities. A June 2015 bulletin from the Centers for Medicare and Medicaid Services (CMS) outlines the type of housing-related activities that could be covered.<sup>26</sup> It is important for homeless services programs, especially supportive housing models, to align their case management or housing-based supportive services with the activities outlined by CMS to potentially use health insurance to fund services in housing. (See Appendix F for housing activities that can be covered by Medicare/Medicaid.)

The effectiveness of supportive housing has been widely studied both in academic literature, as well as in evaluation reports/case studies. Findings have demonstrated it is a highly effective and proven intervention for ending homelessness among those with disabilities who have lengthy and repeated episodes of homelessness. (See Appendix G for a literature review on the effectiveness of supportive housing). Studies have highlighted its effectiveness on tenant outcomes, such as increased housing stability, improved physical and behavioral health, increased connections to social support systems,

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<sup>26</sup> Centers for Medicare and Medicaid Services. (June 2015). Coverage of Housing-Related Activities and Services for Individuals with Disabilities.

and decreased utilization of high-cost crisis systems, including hospitals and jails. (See Appendix H for background on federal homeless metrics including supportive housing.)

Last, it is important to note that supportive housing is just one intervention within an overall functioning homeless crisis response system. An efficient homeless system should include the use of engagement and crisis interventions such as street outreach and emergency shelter/bridge housing that is housing focused. A system should also include lighter touch/lower cost permanent housing interventions, such as Rapid Re-Housing, targeted at mid-level acuity households. For households with the most severe service needs and duration of homelessness, supportive housing then would be the appropriate intervention. So although this strategy is focused on supportive housing development, it is important to consider where and how supportive housing fits into the larger homeless assistance system.

### **Supportive Housing: Progress to Date in City of Riverside**

The following highlights the progress to date and current status of the implementation of supportive housing within the City of Riverside.

- As noted above, the Riverside CoC has significantly increased its supply of supportive housing over the last several years.
- According to the 2016 Housing Inventory Count to HUD, the Riverside CoC has a total of 1,538 year-round supportive housing beds with 57 percent for single adults and 43 percent for families.
- Of the 1,538 total supportive housing beds, 88 percent are dedicated to chronically homeless households which demonstrates the CoC's commitment to ensuring supportive housing is available for those who most need it. The Riverside CoC Written Standards note eligible clients for supportive housing include those that are considered "chronically homeless" using HUD's definition. For supportive housing dedicated for the chronically homeless, those households have priority unless there are currently no chronically homeless households experiencing homelessness in the CoC, in which case a non-chronic household may enter. For supportive housing that is not dedicated to the chronically homeless, programs are highly encouraged to prioritize for chronic status.
- Although a significant percentage of supportive housing beds are dedicated to chronically homeless households, the majority of supportive housing beds (61%) are only for eligible Veteran households via the HUD Veteran Affairs Supportive Housing (VASH) program, the Veterans Administration-funded program that provides supportive housing to eligible Veterans experiencing homelessness. This leaves less than half the supportive housing beds in the region for non-Veteran households, which have greater need than Veteran households according to 2017 PIT data.
- Of the total beds, only 5 percent are in project-based developments, with the remaining 95 percent of beds using a tenant-based voucher model, which results in programs needing to find eligible units within the existing rental market.
- The City of Riverside only administers 19 supportive housing beds, and eligible households can currently come from any area of the County.
- The City recently launched a navigator program to engage landlords and coordinate with the Continuum of Care and Coordinated Entry System to assist homeless households with finding

appropriate housing. The City has developed agreements with the County and two providers to pair vouchers with services in scattered sites within the City of Riverside.

- The Riverside CoC Written Standards include regionally adopted operating standards for supportive housing. (See Appendix I for the Riverside CoC Permanent Supportive Housing operating standards.)
- The Riverside CoC Written Standards include regionally adopted performance benchmarks for each homeless assistance project type, including supportive housing. (See Appendix J for the Riverside CoC Permanent Supportive Housing Performance Benchmarks.)

### Policy Recommendations for Operationalizing Supportive Housing

The following table provides policy recommendations/statements that should guide the City as they move forward in operationalizing new supportive housing developments. Recommendations include three categories: Housing First and Supportive Housing Model, Target Populations and Entry, and Performance Benchmarks. Many of the recommendations/policy statements are derived from existing or forthcoming federal, state, and county requirements.

<b>Policy Recommendations for Operationalizing Permanent Supportive Housing in the City</b>	
<b>Housing First - Supportive Housing Model</b>	
1.	All supportive housing programs will operate using a Housing First orientation and provide person-centered flexible and voluntary services.
2.	All supportive housing programs will follow and be aligned with federal guidelines on the use of Housing First as referenced in the HUD Housing First Assessment Tool and the USICH Housing First Checklist.
3.	All supportive housing programs will follow and be aligned with state guidelines on Housing First, including the core components outlined in SB 1380.
4.	In addition to Housing First, all supportive housing programs will utilize national evidenced-based practices, including: <ol style="list-style-type: none"> <li>Harm Reduction,</li> <li>Trauma-Informed Care, and</li> <li>Motivational Interviewing,</li> </ol>
5.	Supportive housing wrap-around supportive services will include: <ol style="list-style-type: none"> <li>Case Management, housing transition services, and housing-based tenancy supports including initial and comprehensive assessment, development of a housing or case plan with identified client goals that is regularly reviewed and updated, landlord mediation, and tenant education.</li> <li>Mental health services and treatment.</li> <li>Substance use disorder services and treatment.</li> <li>Connection and linkage to primary care via a community-based clinic</li> <li>Employment readiness, job counseling, and makes linkages to education programs.</li> <li>Help clients learn to live in housing, maintain their housing in a safe manner, and get along with neighbors and landlord.</li> <li>Support with accessing mainstream benefits, including SSI/SSDI if permanently disabled, health insurance, and other entitlement programs. If pursuing SSI/SSDI, use the Substance Abuse Mental Health Services Administration (SAMHSA) supported SSI/SSDI Outreach Access and Recovery (SOAR) model to assist disabled households receive disability income quickly.</li> <li>Life skills supports and education, including housekeeping, budgeting, grocery shopping,</li> </ol>

<b>Policy Recommendations for Operationalizing Permanent Supportive Housing in the City</b>	
	<p>and the use of public transportation.</p> <ul style="list-style-type: none"> <li>i. Assist with creating positive social support systems in the community.</li> <li>j. Assist with ensuring their apartment is a home which could include help with acquiring furniture or other household goods as needed.</li> </ul>
6.	Case Management, Housing Transition, and Housing Tenancy Supports align with Centers for Medicare and Medicaid Services (CMS) guidance regarding coverage of housing-related activities and services for individuals and disabilities so the City can position itself to take advantage of potential Medicare/Medicaid funding for services in supportive housing.
7.	All supportive housing will follow and align with regional guidance including all standards for supportive housing included in the CoC Written Standards.
8.	All supportive housing developments will support the successful integration of the tenant in the community, which may include the creation of mixed developments of supportive housing and affordable units.
9.	The City fully supports the implementation of Housing First and is committing to the development of supportive housing in the City. However, while this strategy is being executed, the City is not abandoning temporary approaches such as interim shelter that can act as a bridge providing a safe place for households to stay while a permanent unit is being identified. All temporary programs such as shelter will operate using a Housing First approach featuring low-barrier entry criteria and programming and emphasizing rapid housing placement.
10.	The City will explore and implement a “Moving On” strategy in current and future supportive housing projects for households who have achieved stability in housing and no longer need intense services but who may still need an affordable unit. By moving successful households on from supportive housing, it allows currently homeless households to access the needed critical intervention.
<b>Supportive Housing Target Populations and Entry</b>	
1.	All supportive housing programs will be in compliance with CoC Coordinated Entry System (CES) Policies and Procedures, including use of HMIS, and accepting referrals from CES.
2.	Prioritization of prospective tenants will follow CoC Priority Guidelines as outlined in the approved CoC Written Standards.
3.	The City adopts the supportive housing eligibility criteria as outlined in the CoC Written Standards, and in addition preference for units will be given to households who have a documented history of homelessness within the City limits.
<b>Supportive Housing Performance Benchmarks</b>	
1.	The City adopts the Supportive Housing Performance Benchmarks as outlined in the approved CoC Written Standards. <sup>27</sup>
2.	The City will also align supportive housing activities consistent with HUD’s System Performance Measures, especially decreasing the length of time persons remain homeless, increasing permanent placements, and decreasing returns to homelessness. <sup>28</sup>
3.	The City will seek to create additional measures for supportive housing that will evaluate a household’s social and community connections and satisfaction with programming and the housing unit.
4.	The City will seek to create and adopt additional measures for supportive housing developments

<sup>27</sup> County of Riverside Continuum of Care. (2017). [County of Riverside Continuum of Care Written Standards Approved August 2017](#).

<sup>28</sup> HUD Exchange. (2017). [System Performance Measures](#).

**Policy Recommendations for Operationalizing Permanent Supportive Housing in the City**

that could evaluate the impact to the community, neighborhoods, and public services.

5. The City in partnership with the CoC will seek to develop public HMIS data dashboards that can track performance of not only supportive housing, but the region’s efforts to address homelessness as a whole.

## Funding Strategies for the Development and Operation of Supportive Housing

This section provides background on the current funding environment for addressing homelessness, an overview of current and potential funding sources, and recommended strategies for funding supportive housing development and operations.

### Funding Environment

In recent years, the federal shift toward the Housing First model has resulted in a corresponding realignment of funding priorities. While both the recent FY 2018 House and Senate budgets prioritized rental assistance for vulnerable households, a recent estimate by the Center on Budget and Policy Priorities indicates that these funds will be insufficient to fully fund housing vouchers at current levels.<sup>29</sup> Specifically, the proposed House budget essentially freezes spending at 2017 levels, whereas the Senate bill raises funding level by \$1.9 billion to a total of \$45.5 billion. Both the House and Senate budget were significantly higher than the Administration's original FY 2018 budget, which proposed eliminating funding for the Community Development Block Grant program (CDBG) and HOME Investment Partnerships program (HOME), as well as the Housing Trust Fund and the HUD VASH voucher program.

In contrast, the California legislature has recognized the severity of the housing crisis statewide, and recently passed a package of 15 housing bills to promote the development of affordable housing, streamline approval processes for housing development, and enforce compliance with Housing Element laws in an effort to ensure adequate housing to meet the needs of residents at all income levels. Several of these laws, including the Building Homes and Jobs Act (SB-2) and the Veterans and Affordable Housing Bond Act of 2018 (SB-3), will provide new sources of funding to increase the production of affordable housing, with a focus on a broad variety of tenant types, including homeless individuals.

The City of Riverside also has taken proactive measures to prioritize funding to address homelessness by dedicating a percentage of funds generated through the Measure Z Transaction and Use tax to fund homelessness. The City is also exploring the feasibility of forming a Community Revitalization and Investment Authority (CRIA) to offset lost funding, which occurred following the 2012 dissolution of local redevelopment agencies. Similar to a redevelopment agency, the CRIA would be a separate public agency authorized to adopt a community revitalization and investment plan and to receive and spend property tax increment revenues to provide funding for infrastructure and affordable housing, among other uses.<sup>30</sup> The CRIA would require that 25 percent of the housing developed be set aside for supportive housing.

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<sup>29</sup> National Council of State Housing Agencies. (2017). [House Passes FY 2018 Omnibus Spending Bill](#).

<sup>30</sup> City of Riverside Community and Economic Development Department. (2017). [Community Revitalization and Investment Authorities](#).

## Overview of Current and Potential Funding

The following tables provides an overview of potential sources of funding for supportive housing development at the federal, state, and local levels.

### Federal Funding Sources

Source	Description
<p><b>Low-Income Housing Tax Credits (LIHTC)</b></p>	<p>Since its passage as part of the 1986 tax reform act, the Low-Income Housing Tax Credit program has become the leading source of subsidy financing for affordable housing production in the United States, and has created an estimated 3 million units of housing for low income people, or an average of 110,000 units each year. The tax credits are apportioned to states based upon population, and each state’s allocating agency awards the tax credits on a competitive basis to affordable housing developers, generally based upon the depth of affordability, location near transportation and services, and other factors. In California, allocations are made by region to ensure relatively even distribution of credits to the major metropolitan areas of the State, with a set aside for rural projects.</p> <p>States also allocate a certain level of “non-competitive” tax credits to developers, known as “4% tax credits,” that are intended to be financed by a combination of 4% tax credits and tax-exempt housing bonds. These 4% tax credits provide a lower level of subsidy than the competitive “9% tax credits” and can be deployed to projects designed for higher incomes or for mixed-income projects, or can be leveraged with higher levels of state and local subsidies.</p> <p>To qualify for LIHTC funding, projects are required to set aside 20% of the units for households at or below 50% of the area median income (AMI) or 40% of the units must occupied by households with incomes at or below 60% of the AMI.</p> <p>In 2017, the California Tax Credit Allocation Committee (TCAC) awarded nearly \$95 million in 9% federal tax credits and \$73.5 million in state credits to 82 projects, which will result in the development of 4,513 units of low-income housing. TCAC also awarded \$4.4 million in federal credits and \$13.8 million in state credits to five projects to fund the development of 386 units of low-income housing under the federal 4% plus state credit program. In addition, \$225 million was awarded to 182 projects to fund 19,418 units of housing for projects using 4% federal credits tax-exempt bond financing.<sup>31</sup></p> <p>LIHTC 9% credits are highly competitive, whereas the 4% tax</p>

<sup>31</sup> California Tax Credit Allocation Committee. (2017). [Fast Facts 2016 Totals](#).



Source	Description
	<p>credits are allocated to all qualifying projects that apply for tax credits. In 2017, the Inland Empire region received 8.3% of tax credits allocated statewide.<sup>32</sup> Under this allocation method, the City of Riverside competes with San Bernardino and other cities within the region for credits.</p> <p>Both the Senate and House versions of the federal tax reform legislation currently in conference retain the housing credit, but only the Senate bill retains multifamily housing bonds. The House version repeals private activity bonds, which includes the multifamily bonds that currently account for over 50% of all Housing credit production. Both versions of the bill lower the corporate tax rate, which are anticipated to result in a 15% reduction in housing credit prices.<sup>33</sup> If both the elimination of private activity bonds and lower corporate tax rates go into effect, the future supply of affordable rental housing would be reduced by an estimated 1 million units nationwide.<sup>34</sup></p>
<p><b>HOME Investment Partnerships Program (HOME)<sup>35</sup></b></p>	<p>The HOME Investment Partnerships Program is the largest federal block grant designed to support state and local governments in the creation of affordable housing for low-income households. Funds can be used to build, buy, or rehabilitate affordable housing or to provide direct rental assistance to low-income households.</p> <p>The City of Riverside has participated in the HOME program since 1992, and has received total allocations of \$32.6 million in that time. These funds have been used to produce 826 units, 55% of which were rental units, 35% of which were homeowner property rehabilitations, and 10% of which supported home purchases. In 2017, the City of Riverside received \$875,863 in HOME funding with approximately \$600,000 available for supportive housing projects.</p>
<p><b>Community Development Block Grant Funding (CDBG)<sup>36</sup></b></p>	<p>The City of Riverside receives annual CDBG funding on a formula basis to revitalize neighborhoods, expand economic development opportunities primarily for low- and moderate-income individuals, and improve community infrastructure and services. Funding can be used for a wide range of activities, including the acquisition of property, rehabilitation of residential</p>

<sup>32</sup> California Tax Credit Allocation Committee. (2017). CTCAC Allocation Process for Set Asides and Geographic Regions.

<sup>33</sup> ACTION Campaign. (2017). How the House3 and Senate Versions of the Tax Cuts and Jobs Act Affect Affordable Housing Development Using the Low-Income Housing Tax Credit.

<sup>34</sup> Novogradac & Company. (2017). Tax Reform Bill Would Eliminate Future Supply of Nearly 1 Million Affordable Rental Housing Units.

<sup>35</sup> Appendix M shows City of Riverside HUD funding over the last 5 years.

<sup>36</sup> Ibid.



Source	Description
	<p>structures, and construction of public facilities and community improvements to benefit the health and welfare of the community.</p> <p>According to the most recent HUD data, the City received approximately \$3 million in CDBG funds in 2015, of which \$25,000 was used to assist 15 households with single-unit residential rehabilitation and \$65,000 was used for homeless facilities. Nearly \$1.6 million of these funds were used for other public facilities and improvements such as street improvements, neighborhood facilities, parks and recreational facilities, and sidewalks. Other funds were used for public services (\$439,955), general administration and planning (\$599,000), and repayment of Section 108 loan principal (\$200,000).<sup>37</sup> In 2017, the City of Riverside received a little over \$3 million in CDBG funds.</p> <p>The White House proposed FY 2019 budget, released in February 2018, proposed eliminating CDBG funding.</p>
<p><b>Housing Opportunities for Persons with AIDS (HOPWA)<sup>38</sup></b></p>	<p>Developed to address the needs of low-income persons living with HIV/AIDS and their families, HOPWA provides funding for a wide range of housing and support services, including the acquisition, rehabilitation, and construction of housing units, as well as to cover the cost of facility operations, rental assistance, and short-term payments to prevent homelessness. An estimated 90% of funding is awarded to eligible cities and states based on a funding formula. The remaining 10% is released as competitive funds, which are directed toward permanent supportive housing programs seeking funding renewals.</p> <p>The City currently splits HOPWA funding with the City of San Bernardino. As of June 2016, the City of Riverside had \$5.1 million in undispersed HOPWA funding.<sup>39</sup></p>
<p><b>Project-Based Vouchers (Section 8 and VASH)</b></p>	<p>Both the Section 8 and VASH Housing Choice Voucher programs, which are administered by public housing agencies, are able to attach funding to specific housing units when the owner or developer agrees to rehabilitate, construct or set aside a portion of units for existing development. The Section 8 program can attach up to 20% of its vouchers to specific projects. The HUD-VASH program can opt to make 100% of their vouchers project-based as long as their overall voucher allocation includes no more than 20% of project-based vouchers. HUD-VASH also requires housing agencies to seek HUD and VA approval to use project-</p>

<sup>37</sup> U.S Department of Housing and Urban Development Office of Community Planning and Development. (2017). Use of CDBG Funds by Riverside, California 07-01-2015 to 06-30-2016.

<sup>38</sup> Appendix M shows City of Riverside HUD funding over the last 5 years.

<sup>39</sup> HOPWA Performance Profile. (2016).

Source	Description
	based vouchers. The City of Riverside is partnering with the Housing Authority of the County of Riverside to develop a Memorandum of Understanding that would allocate 389 Project-Based Vouchers to supportive housing projects within City limits.
<b>National Housing Trust Fund</b>	Administered by the State Department of Housing and Community Development (HCD), this fund provides for the construction, rehabilitation, and preservation of rental homes and for homeownership for extremely low- and very low-income families, including homeless families. Applications are invited through the issuance of NOFAs, and will be paired with another State program. HCD anticipates releasing a NOFA for \$33 million in funding in late 2017. <sup>40</sup>

**State Funding Sources**

Source	Description
<b>Veterans Housing and Homelessness Prevention (VHHP) Program</b>	<p>HCD administers the VHHP program in conjunction with the California Housing Finance Agency (CalHFA) and the California Department of Veterans Affairs (CalVet). These developments provide apartments for Veterans, including homeless Veterans.</p> <p>As of June 2017, approximately \$241.7 million of \$570 million in total funding has been awarded.<sup>41</sup> The next NOFA is expected to be released in November 2017.</p>
<b>Affordable Housing and Sustainable Communities (AHSC)</b>	Administered by the Strategic Growth Council and implemented by HCD, the AHSC Program funds land use, housing, transportation, and land preservation projects to support infill and compact development with the goal of reducing greenhouse gas ("GHG") emissions. Eligible applicant entities include a locality, public housing authority, redevelopment successor agency, transit agency, Joint Powers Authority, and facilities district, among others. Projects must benefit disadvantaged communities by increasing the accessibility of affordable housing, employment centers, and key destinations via low-carbon transportation, such as mass transit, bicycling, or walking. The maximum AHSC Program loan, grant award, or combination thereof is \$20 million with a minimum award of at least \$1 million in Transit-Oriented Development (TOD) Project Areas and \$500,000 in Integrated Connectivity Project (ICP) Areas and Rural Integration Project Areas (RIPA). A single developer may receive no more than \$40 million per NOFA

<sup>40</sup> Department of Housing and Community Development. (2017). Communication with L. Bates

<sup>41</sup> California Department of Housing and Community Development. (June 2017). [Round 3 VHHP Programs Awards as of June 2017.](#)

Source	Description
	<p>funding cycle.</p> <p>An estimated \$255 million is available in the Round 3 NOFA, which was released October 2, 2017. In 2016, the City and County submitted a joint application for these funds.</p>
<b>No Place Like Home</b>	<p>Signed into law by Governor Brown in August 2016, the landmark No Place Like Home Initiative (AB 1618) dedicates \$2 billion in bond proceeds to invest in the development of supportive housing for people with mental health challenges who are homeless. The bonds will be repaid by funding from the 2004 Mental Health Services Act (MHSA). Eligible populations include adults with serious mental illness, children with severe emotional disorders, and individuals who need or are at risk of requiring acute psychiatric inpatient care, residential treatment, or outpatient crisis intervention. The required Notice of Validation Action was filed in September 2017, which will be followed by the release of a NOFA in Summer 2018.</p> <p>The program will be offered on a competitive basis with a projected two to four rounds of funding totaling \$1.8 billion. The first round is expected to include \$242.6 million with \$21 million set aside for small counties (8% of each competitive round). In addition, the program includes \$200 million for states to contract directly with counties, as well as \$6.2 million for technical assistance funding. Both 9% and 4% tax credits will be allowed with NPLH funds, but higher loan limits will be required for projects with 4% tax credit funding.</p> <p>The City is partnering with the County of Riverside Mental Health Department to develop an MOU to prioritize funding for supportive housing.</p>
<b>Building Homes and Jobs Act</b>	<p>The Building Homes and Jobs Act (SB 2) creates a permanent revenue source for affordable housing, and is expected to generate approximately \$250 million annually through recording fees charged on real estate transactions, such as mortgage refinance documents, notices of foreclosure sales, and quitclaim deeds, among others.</p> <p>In 2018, half the funds will be allocated to local governments to update planning documents and zoning ordinances to streamline housing production, and half will be made available to fund programs for individuals experiencing or at risk of homelessness. Beginning in 2019, 70% of the funds will be allocated to local governments, and 30% of the funds will be appropriated for mixed-income multifamily residential housing, state incentive programs, and efforts to address affordable homeownership and rental housing opportunities for</p>

Source	Description
	<p>agricultural workers and their families.</p> <p>To be eligible for funding, which is expected to be available in the second half of 2018, local governments will need to submit a plan indicating how funds will be used to meet the unmet share of housing needs, have a compliant Housing Element and submit a current annual report, track the use of allocated funds, and prioritize funds to increase the housing supply for households at or below 60% of the area median income. (Additional information is available in Appendix K.)</p>
<p><b>The Veterans and Affordable Housing Bond Act of 2018</b></p>	<p>This law authorizes a November 2018 ballot measure seeking voter approval for \$4 billion in bond funding. The bond would provide \$3 billion in funding for the Local Housing Trust Fund to cover the cost of existing housing programs, and provide for infill infrastructure financing and affordable housing matching grant programs. The remaining \$1 billion would extend the Cal-Vet Farm and Home Loan Program, which provides veterans with assistance to purchase homes, farms, and mobile homes. (Additional information is available in Appendix L.)</p>
<p><b>Health Homes Program</b></p>	<p>Under the Affordable Care Act (ACA) Section 2703, states are allowed to create health homes programs to fund supportive services that coordinate health and community-based support to Medicaid beneficiaries with certain chronic conditions.<sup>42</sup> The state of California has opted in and the California Department of Health Care Services (DHCS) created a Health Homes Program that will provide funding for care management and coordination, health promotion services, and referrals to community and social support services to those with chronic conditions, including chronic homelessness. The state is phasing in the implementation of the program with many Northern California counties set to start on July 1, 2018, while the County of Riverside is in the group 2 schedule set to start on January 1, 2019.</p>

**Local Funding Sources**

Source	Description
<p><b>Measure Z</b></p>	<p>Measure Z establishes a one-cent Transaction and Use Tax with revenues going directly to the City of Riverside to cover the costs of critical unfunded City programs and services, such as public safety, prevention of homelessness, road maintenance and tree trimming, recreation and parks, and more. The fund is projected to generate \$48-50 million annually, with \$500,000 allocated to the Housing First plan each year for the next four years. Funds will be allocated to two to three potential Housing First sites in</p>

<sup>42</sup> California Department of Health Care Services. (2018). [Health Home for Patients with Complex Needs](#).

Source	Description
	each ward for City Council consideration based on the recommendations in this report.
<b>Supplemental Educational Revenue Augmentation Fund (SERAF)</b>	The Housing Authority of the City of Riverside is the Successor Housing Agency pursuant to actions taken on January 10, 2012. The City of Riverside has \$3,000,000 of dedicated SERAF funding.
<b>Neighborhood and Infill Finance and Transit Improvements Act</b>	<p>Following the dissolution of redevelopment agencies, the State adopted several economic development tools that employ more restrictive tax increment funding mechanisms than the one utilized under redevelopment.</p> <p>AB 1568, the Neighborhood Infill Finance and Transit Improvements Act, allows a local jurisdiction to direct a portion of its local sales and use taxes and transaction and use taxes to an Enhanced Infrastructure Financing District if the area is an infill site and specific affordable housing requirements are met.<sup>43</sup> Under SB 628, which was signed into law in 2014, cities and counties can establish Enhanced Infrastructure Financing Districts (EIFDs) to allocate existing and projected tax revenue to fund infrastructure development and community revitalization. EIFDs can adopt an infrastructure financing plan by an act of the city or county legislative body, issue bonds based on tax increment financing with a vote of 55 percent of the electorate, and establish a bond period of up to 45 years.</p>
<b>Community Revitalization and Investment Authorities (CRIA)</b>	Community Revitalization and Investment Authorities (CRIA), which as enacted by AB 2 and went into effect in January 2016, authorizes cities and counties to establish redevelopment agencies to revitalize disadvantaged communities using tax-increment financing. CRIs must adopt a Revitalization and Investment Plan with the support of greater than 50% of property owners and residents following three public hearings. CRIs are required to allocate 25% of property tax increment revenues to housing that remains affordable for 55 years for rental units and 45 years for owner-occupied units. AB 2492 cleans up the CRIA law by allowing local governments an option to choose between Census blocks and tracts and countywide or citywide annual median income, and also changes other conditions related to unemployment rates and crime rates. <sup>44</sup> The City of Riverside is currently evaluating the feasibility of establishing a CRIA, and recently issued an RFP to develop a community engagement plan to build support for the concept.
<b>Affordable Housing Authorities (AB 1598)</b>	AB 1598 authorizes a city, county, or city and county to adopt a resolution creating an affordable housing authority with power limited to providing low- and moderate-income housing and

<sup>43</sup> AB 1568. Enhanced Infrastructure Financing Districts.

<sup>44</sup> AB 2492. Community Revitalization and Investment Authorities.

Source	Description
	<p>affordable workforce housing. The legislation requires such an authority to create a Low and Moderate Income Housing Fund and adopt an affordable housing investment plan that includes a provision authorizing cities and counties to pledge some or all of a city or county’s share of property tax increment revenues to the fund and to finance projects by issuing bonds payable from the pledged property tax increment revenues. The law requires the plan to include information about available funding, the estimated funds to be deposited in the next five years, the estimated number of units to be developed, and fiscal analyses of projects that receive tax revenue. Funds must be spent proportionally on low, very low, and moderate income housing, and all housing assisted by authority would be required to remain affordable for at least 55 years for rental units and 45 years for owner occupied units. The authority would be allowed to transfer its housing responsibilities to a housing authority or city or county housing department if it determines that combining funding streams will reduce admin costs or expedite the construction of affordable housing. The legislation also requires the authority to receive priority for assistance in housing programs administered by HUD and other state agencies. The authority would have boundaries that are identical to the jurisdiction or jurisdictions that created the authority.</p>
<p><b>Hospital Community Benefit Obligations</b></p>	<p>Nonprofit hospitals are required to offer certain benefits to the communities they serve in exchange for receiving tax exempt status from the IRS.<sup>45</sup> Originated in 1969 as a charity care mandate (where the majority of benefit obligation funds are still expended), the IRS has expanded the community health benefits obligation to include education, research, and activities that promote community wellness. The Affordable Care Act (ACA) further defined the Community Benefit Obligations by requiring hospitals to plan and produce community needs assessments and an implementation strategy. City staff have been in discussions with several Riverside community hospitals to incorporate Supportive housing into hospital implementation strategies. Potential outcomes of City/hospital partnerships may include the provision of health screenings and supportive wrap-around services for clients in supportive housing units.</p>
<p><b>Riverside Public Utilities (RPU) Public Benefits Surcharge</b></p>	<p>This is a State-mandated requirement for the utility to collect a surcharge on electricity, water, and sewer to be used for public benefit programs. For example, electric utilities have four categories of “public benefits” programs: (1) cost-effective services to promote energy efficiency and energy conservation; (2) new investment in renewable energy resources; (3) research,</p>

<sup>45</sup> Capital Link. (2013). [Understanding Hospital Community Benefit Obligations: A Guide for Health Centers – Developing Community Partnerships to Expand Access to Care.](#)



Source	Description
	<p>development, and demonstration projects; and, (4) services provided for low-income electricity customers. Since 2006, publicly owned electric utilities have made significant investments in these areas, including nearly \$885 million in energy efficiency programs.<sup>46, 47</sup></p> <p>In FY 2016-17, RPU collected approximately \$8 million in public benefits charges. The City Housing Authority has initiated discussions with RPU regarding investing public benefits charge funds in housing projects that serve extremely low-income people. Potential benefits for housing projects may include energy efficiency infrastructure, rebates for utility costs, and other project investments. Staff discussions have led to a Memorandum of Understanding for potential funding partnerships.</p>
<p><b>Santa Ana Watershed Project Authority (SAWPA)</b></p>	<p>In August 2017, members of the water and social services sectors from across the Santa Ana River Watershed convened at a symposium to identify connections between the challenges of homelessness and water management. The event was part of grant-supported effort to identify the strengths and needs of underserved communities through the Santa Ana Watershed Project Authority’s Disadvantaged Communities Involvement (DCI) Program. One of the main concerns raised during the meeting related to the degradation of the Santa Ana riverbed, where a number of homeless encampments are currently located. The City of Riverside has initiated discussions with SAWPA regarding its potential to relocate individuals from the riverbed area into housing, thereby reducing public health and environmental risks while improving the quality of life for individuals experiencing homelessness. Potential projects would be submitted as part of SAWPA’s competitive grant process.</p>

**Other Resources**

***Donations or Use of Existing Real Property***

The City of Riverside is actively pursuing partnerships with individuals or organizations who own parcels of undeveloped land or vacant structures that could serve as project sites. Specifically, several local faith-based organizations and healthcare organizations are invested in housing as the foundation for health and well-being, and have expressed interest in providing available land or financial resources to support housing development. (See Appendix O: Properties for Potential Supportive Housing Development, which includes some of these sites).

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<sup>46</sup> California Municipal Utilities Association. (2014). [Understanding Electric Utility Public Benefits Charges](#).  
<sup>47</sup> City of Riverside Public Utilities. (2017). [Understanding Your Bill](#).

## Recommendations – Funding Strategies

The following table provides recommended funding strategies that should guide the City as they move forward with the development of supportive housing.

Policy Recommendations for the Development and Financing of Supportive housing	
1.	Working with City of Riverside leadership and community stakeholders, assess the list of available sites, and determine the final list for development as supportive housing and mixed income communities.
2.	Establish general criteria for development, including approximate number of units, levels of services programming, and required programming space, as well as required parking spaces.
3.	Explore the creation of inclusionary zoning to support supportive housing development within new market-rate development projects.
4.	Set aside 15 percent of all affordable housing developed for supportive housing units.
5.	Explore reimbursing all fees from various City departments that collect fees related to building supportive housing.
6.	Prioritize the use of CDBG funding for the development of supportive housing.
7.	Set aside a portion of Measure Z funding to establish a housing innovation fund that supports collaborative partnerships to fund supportive housing development. Consider increasing the percentage of Measure Z funding allocated to the development of affordable housing, and make all Measure Z funding allocated to affordable housing, which includes supportive housing to address homelessness, permanent for the duration of the measure.
8.	With available local resources, issue a NOFA to provide pre-development funding for community- and faith-based organizations, as well as hospitals and educational institutions, interested in developing their available surplus property.
9.	Prioritize available local funding from all sources, including Measure Z and the CRIA currently in development, to be deployed at each development site.
10.	Monitor sources of capital funding for the development of supportive housing, including those offered through the Affordable Housing and Sustainable Communities (currently open), Veterans Housing and Homeless Prevention (November 2017), and the National Housing Trust Fund (late 2017). Consider how to leverage these funds and upcoming funds available through the Affordable Homes and Jobs Act and the Veterans and Affordable Housing Bond Act of 2018.
11.	Proactively pursue Building Homes and Jobs Act funding to update planning documents and zoning ordinances to prioritize supportive housing and expand development within City limits.
12.	Issue RFPs and select development and homeless services partners for each site based on City of Riverside’s criteria for housing and services programming.
13.	Expand the pool of development partners to include additional firms that are active in special needs housing in California, as noted in Appendix N.
14.	Negotiate development and disposition agreements with selected developers and services partners.
15.	Explore partnerships with health care sector, including Medi-Cal Managed Care Plans to fund the supportive services that are delivered in housing. Specifically explore the use of services funding through the forthcoming state Health Homes Program (HHP) that is scheduled to be implemented in Riverside County on January 1, 2019.
16.	Seek partnerships with County agencies, including the Housing Authority, Mental Health, Economic Development, Public Health, and Workforce Development Centers, to focus funding and amplify supportive housing as a housing priority.



## Creating and Developing Supportive Housing

The City of Riverside is considering a range of options for creating and developing supportive housing, including encouraging landlords to rent units to homeless households, renovating or rehabilitating vacant or underutilized structures, and constructing new units of supportive housing. While this strategy focuses on the long-term development and construction of new units, the conversion of housing stock in dedicated rental units offers an attractive short-term option for the creation of supportive housing.

### Encourage Community-Based Landlords to Rent Units to Homeless Households

The City is currently exploring opportunities to set aside a portion of its available housing vouchers to meet the needs of specific populations experiencing homelessness. These vouchers could be used for units in multi-family developments, single family homes, accessory dwelling units, or other properties that meet the voucher subsidy requirements.

This approach would be coupled with a landlord incentive program to encourage the community-based landlords to rent units in the existing housing market to households experiencing homelessness. For example, the City of San Diego landlord incentive program provides \$6.6 million over three years and offers a range of incentives, including 60-day pre-inspection certification, signing bonuses for each unit rented to a homeless individual or family, tenant matching and a landlord liaison, and contingency funds to cover repairs upon move-out or rent when unplanned vacancies occur.<sup>48</sup> Other landlord incentive programs offer a landlord hotline, tax incentives, interest-free loans for property rehabilitation, and permit fee reimbursements when making repairs or improvements.

### New Construction

The City of Riverside has identified several options for the development of supportive housing along with a list of properties within the City as potential sites for the future development of supportive housing, the majority of which are privately owned and not controlled by the City. Information in this data set included lot address, square footage, and its proximity to grocery stores, transit stops, and hospitals. The data was also coded by ward number, information that will be important as the City executes a supportive housing strategy to ensure good distribution across the different areas of the City. The data set also indicated where zones are marked R-1 for residential; however, the City would need to up-zone selected sites to accommodate supportive housing, as well as to comply with the City's Housing Element.

### Minimum Lot Sizes

This initial data was then reviewed through the lens of a target project size of approximately 20 to 35 units. Depending on building size, a lot would need to be at least 15,000 square feet to accommodate a 2-story multifamily building, assuming each unit is an efficiency or one-bedroom unit. These smaller unit types are most commonly used for housing for the homeless as it is considered adequate to meet a homeless person's shelter needs and enables an efficient use of both housing subsidies and land. City staff also provided input into which sites would not be suitable development based upon

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<sup>48</sup> San Diego Housing Commission (2017.) [SDHC's Homelessness Action Plan Landlord Incentives Program](#).

location and site characteristics; these sites were removed from the data set.

### **Parking**

The assumed minimum lot size also anticipates allocating parking at .25 spaces per unit, a minimum parking ratio pursuant to conversations with City staff. For tax credit purposes, regulations currently define standard parking ratios as .3 spaces per unit for a special needs project, such as supportive housing.<sup>49</sup> In many cities, parking requirements are significantly reduced or eliminated from standard requirements to acknowledge that homeless people often are not able to afford a vehicle and that the land is better utilized for housing units and additional programming space. The allotted parking spaces are generally used by personnel who provide on-site services to the residents, as well as visitors. An amendment to allow fewer parking spaces per unit would be needed to accommodate a 20-35 unit supportive housing project.

### **Site Selection**

The Riverside City Council asked City staff to identify a minimum of two to three lots per ward as possible sites for supportive housing.

Table 4 shows that 21 parcels of land within the City of Riverside meet the minimum size criteria for a 20-unit two-story building, and indicates how many parcels in each ward are located within close proximity (1/2 mile or less) to such amenities that are critical to the success of a low-income housing development, particularly supportive housing, specifically:

- Transit stop
- Grocery store / Food
- Hospital or other healthcare provider

These criteria also represent the amenity requirements for funding from low-income housing tax credits, as they are considered essential for a successful housing project. In Table 4 below, sites that meet all requirements are more than 15,000 square feet in size and have access to food, transit, and a hospital or other healthcare provider. The table shows that three of the seven wards—Wards 1, 2, and 6—have sites that meet all location criteria and that Wards 1, 2, and 7 contain parcels that meet size criteria and are located near food and transit.

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<sup>49</sup> California Tax Credit Allocation Committee. (2016). California Tax Credit Allocation Committee Regulations Implementing the Federal and State Low Income Housing Tax Credit Laws, 79-80.

**Table 4: City-Owned and Privately-Owned Properties Identified for Potential Supportive Housing Development**

Ward Number	1	2	3	4	5	6	7	TOTAL
Meets All Requirements	1	1	-	-	-	3	-	5
Meets Food & Transit Requirements, Size Criteria	1	1	-	-	-	-	1	3
Meets All Amenity Requirements, Not Size Criteria	1	1	-	-	-	-	-	2
Meets Food & Transit Requirements, Not Size Criteria	-	-	-	-	-	-	-	-
Meets Size Criteria Only	-	-	3	3	3	-	2	11
Does Not Meet Any Requirements	1	-	-	-	-	-	-	1
<b>TOTAL</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>22</b>

The site data also indicated that five of the potential sites are owned by various agencies of the City of Riverside, and as such may provide a cost-effective means to support supportive housing in the City given high land costs. Table 5 below shows that one of these properties meet both size and amenity criteria. One property meets the size criteria, and is located near food and transit.

**Table 5: City-Owned Properties that Meet Minimum Size Criteria and Amenity Requirements**

Ward Number	1	2	3	4	5	6	7	TOTAL
Meets All Criteria	1	-	-	-	-	-	-	1
Meets Food & Transit Requirements, Size Criteria	-	-	-	-	-	-	1	1
Meets All Amenity Requirements, Not Size Criteria	1	1	-	-	-	-	-	2
Meets Food & Transit	-	-	-	-	-	-	-	-

Ward Number	1	2	3	4	5	6	7	TOTAL
Requirements, Not Size Criteria								
Meets Size Criteria Only	-	-	1	-	-	-	-	1
Does Not Meet Any Requirements	-	-	-	-	-	-	-	-
TOTAL	2	1	1	-	-	-	1	5

For those City-owned sites that are not large enough for multifamily property of at least 20 units, a different building typology can be considered, such as a smaller multifamily development or a ‘tiny home’ project that can be developed as a pilot program for housing for low-income households.

**Development Costs and Sources of Funding**

Once a final list of potential project sites is selected, planning can begin for housing types, costing, and financing sources. Special needs projects can apply for the competitive 9% tax credits under a special statewide set-aside, with an option to use the non-competitive 4% tax credits combined with other subsidy funding. As defined by the California TCAC, a special needs project will have at least 50 percent of its units set aside for people with a disability, people who are homeless, or transition age foster youth.

To benchmark costs at a building prototype of 40 units or less, LDC gathered project cost data for all special needs applications for tax credits to the State allocation committee from 2012 to 2016. This data includes the total development cost, number of units, name of the developer, location, and sources of financing used in the project. Where possible, an analysis of total development net of the land cost was conducted to eliminate variances between communities due to location, given the wide swings in land value due to location. Appendix N shows a table of this data.

Based upon this data, total development costs per unit have averaged \$405,000 for special needs projects developed in California using tax credits since 2012. Acquisition and rehabilitation projects, often able to be developed at lower costs, averaged \$345,000 per unit, while new construction averaged \$423,000 per unit.

For new construction projects that identified land costs, mostly in recent transactions where TCAC provided more robust reporting data, we have calculated average cost per unit of \$482,200, with the development cost net of land (including all hard construction costs, financing charges, and other fees) averaged \$401,000 per unit. For the projects analyzed, 83 percent of the units were developed as efficiency or 1-bedroom units. The unit incomes were concentrated on the deeply affordable range of 30 percent and 40 percent of area median income, with 67 percent of the units in that category, and the remaining units at 50 percent and 60 percent of median income. This income array shows that a number of special needs housing developments that were analyzed incorporate a mix of incomes at the same property, which advances the policy of creating mixed income opportunities for homeless individuals and avoids the stigma that may be associated with a 100 percent homeless housing development.

As shown in Appendix N, funding for these special needs developments was obtained from many local sources, state sources, tax credit equity, and for some of the projects a modest amount of debt financing that is serviced by the cash flow generated at the properties. The relatively low levels of state funding reflects a lack of new housing programs at the state level between 2012 and 2016. Local funding included city and county support from various sources, housing authority equity contributions to their own projects and to other developments, HUD subsidies from HOME, HOPWA, and some remaining redevelopment funds. In addition, developers in some cases were able to leverage additional debt financing via an allocation of project-based vouchers from the local housing authority. A number of the projects analyzed were developed by housing authorities.

### **Development Typologies**

Local jurisdictions seeking innovative solutions to addressing homelessness are looking at a number of development typologies that can meet their housing needs while retaining the character of local communities.

The predominant housing type built in California with local, state and federal subsidies is a multifamily development of at least 20 units, typically on a single site, although in some cases a single development can be completed across several sites in close vicinity (known as “scattered site” projects). Smaller developments can qualify for these subsidies, but the high transaction costs make them difficult to finance, and tax credit investors generally do not want to dedicate the underwriting resources to a relatively small LIHTC investment.



*Figure 1. Multistory Development*



*Figure 2. Multifamily Infill Development*

Despite these limitations, alternative typologies including “tiny homes” that consist of free-standing single unit developments, often under 400 square feet in size. These units can be built off-site to enable rapid installation or on-site, and can be secured to a permanent foundation. These types of developments of lower density and fewer overall units offer a means to create a better fit of the new development in a suburban single-family setting. Table 6 highlights the benefits and drawbacks of several housing typologies currently being explored in the City of Riverside.

**Table 6. Housing Typologies**

Typology	Density	Benefits	Drawbacks
<b>Multistory Development (Figure 1)</b>	25 units/acre	<ul style="list-style-type: none"> <li>Requires fewer projects to reach the target of approximately 400 units</li> <li>Lower cost of development per unit</li> <li>Eligible for financing, including tax credits and bank debt</li> </ul>	<ul style="list-style-type: none"> <li>Requires larger parcels of land, which may be too large for the neighborhood</li> <li>May require significant infrastructure</li> </ul>
<b>Multifamily Infill Development (Figure 2)</b>	10 units/acre	<ul style="list-style-type: none"> <li>Requires less than an acre of land, and fits easily into residential neighborhoods</li> </ul>	<ul style="list-style-type: none"> <li>Requires more projects to reach the 400-unit target</li> <li>Too small for most tax credit investors</li> <li>Inefficient number of units for supportive housing service delivery</li> </ul>
<b>Tiny Homes Infill<sup>50</sup></b>	10 units/acre	<ul style="list-style-type: none"> <li>Requires less than an acre of land, and fits easily into residential neighborhoods</li> </ul>	<ul style="list-style-type: none"> <li>Requires significantly more projects to reach the 400-unit target; best used as a supplement to multistory and infill development</li> <li>Untested for subsidy financing</li> <li>Untested for supportive housing</li> </ul>
<b>Tiny Homes Low Density<sup>51</sup></b>	6 units/acre	<ul style="list-style-type: none"> <li>Requires less than an acre of land, and fits easily into residential neighborhoods</li> </ul>	<ul style="list-style-type: none"> <li>Best used as a supplement to multistory and infill development</li> <li>Untested for subsidy financing</li> <li>Untested for supportive housing</li> </ul>

While these housing typologies offer the benefit of zoning compliance in a single-family neighborhood, they may find difficulty in attracting the necessary capital sources. As mentioned

<sup>50</sup> Figure 3 shows an image of a tiny home development

<sup>51</sup> Ibid.



before, tax credit investors look for a minimum deal size and related tax credit equity investment amount before choosing to dedicate their staff resources toward underwriting and closing the tax credit investment. As seen from the projects summarized in Appendix N, the minimum tax credit equity investment for the special needs projects listed was \$2 million for a 33-unit project, and the minimum project size listed is 20 units. The AHSC funding from the State of California also rewards larger projects that contribute to significant reductions in greenhouse gas reductions, making smaller projects unlikely to receive funding from this source. In addition, projects that limit development to 10 units or less per acre may not be the best allocation of scarce land, particularly those sites that are under the control of the City. However, for those sites that are not large enough to accommodate a 20-unit project, the City could experiment with the use of smaller building sizes and tiny home models to determine if this approach is a viable option for either supportive housing or housing for very low income households.



Figure 3. Tiny Homes

Given that the new Housing Element for the City of Riverside that was adopted in October 2017 provides for key development rights for supportive housing, such as zoning waivers and “by right” use permits and entitlements, the City should look to maximize both land and capital resources in its affordable and homeless housing strategy for the sites it has identified, and seek ways to experiment with alternative building types.

**Selecting Development Partners**

As the City obtains land for construction or redevelopment, they will conduct standard procurement processes to identify development partners that can best fulfill their vision for the projects. For each project, the City and development partner would secure the services of an architect to develop preliminary drawings of the project size, mix of units, and placement of non-residential uses of the property. The City should expect to adjust its assumptions about the unit size and mix for a project as they work with the developer and architect to refine the project scope and budget to maximize the portion of the project funded through tax credits and other available capital funding. (See Appendix N: Special Needs Project Deal Mapping 2012-216 for information on developers who have recently executed similar projects.)

**Table 3: Recommendations for Creating and Developing Supportive Housing**

Creating and Developing Supportive Housing	
1.	Prioritize for pre-development evaluation each of the City-owned sites based on size and suitability for development, which includes proximity to food, bus transit, and a hospital. A list of these sites is provided in Appendix O.
2.	Building on the Mayor’s current efforts to develop property owned by faith- and community-based

## Creating and Developing Supportive Housing

organizations, continue to identify and prioritize those properties owned by mission-based organizations for potential development.

3. Explore additional sites that are not currently City-owned to identify a minimum of three sites per ward to be developed as supportive housing.
4. Create incentives for community-based landlords to rent units to homeless households.



## Appendix A: Housing First Strategy Frequently Asked Questions

The questions and answers below respond to the common questions and themes that emerged from the Strategy's public comment period, which ran from January 12-February 12, 2018.

### **Why does the strategy promote a low-barrier-to-entry model approach to addressing homelessness?**

Historically, many programs addressing homelessness focused on treating the underlying conditions of homelessness and set high expectations for program entry. This deterred people with the most significant challenges and vulnerabilities from seeking access to life changing services and led in part to increased rates of unsheltered homelessness. Today, national best-practice programs utilize a low-barrier-to-entry approach that focuses on meeting people where they are at and providing them with stable housing. These programs help people meet their obligations as tenants, and approach the circumstances that people face with a deeper understanding of their needs. These programs also engage people despite their challenges and readiness for change, and acknowledge that change may take time depending on each individual's needs. Benefits of these programs include:

- Increased housing stability and reductions in returns to homelessness
- Improved quality of life in the areas of health, mental health, substance use, and employment
- More cost-effective than traditional programs with higher barriers to entry

### **Are people required to participate in services or treatment programs?**

Programs that adopt a Housing First philosophy do not require participants to take part in treatment programs, but do connect them with a case manager who provides ongoing support for participants. Identified as a best practice, this approach acknowledges that all people should have a right to safe and affordable housing, regardless of their participation in services. Case managers support clients in the following ways:

- Educating tenants about their rights and responsibilities as tenants
- Supporting tenants to at minimum comply with the rules outlined in their lease
- Assisting tenants with identifying their own goals and supporting them with achieving those goals
- Working with them to improve overall quality of life in the domains of health, mental health, and substance use issues

### **What rules are people in supportive housing required to follow?**

People living in supportive housing are held to the same standards as all individuals and families renting an apartment or house in the community including:

- Following the lease agreement, including respecting neighbors' peace and quiet
- Keeping up their unit in a manner adequate to pass annual inspection
- Allowing the landlord to enter the premises for routine maintenance and repairs

For example, it is not a requirement for those in supportive housing to abstain from alcohol or

participate in substance use treatment services; however, if an individual's drinking causes problems for their landlord and neighbors such as loud noise, excessive guests, and unruly behavior, he or she will receive lease violations. If an individual routinely fails to meet the requirements of tenancy, he or she will ultimately lose their housing.

For this example, supportive housing services would assist the person with understanding the impact that drinking is having on their tenancy, help them problem-solve and engage in respectable behavior that will not jeopardize their housing, and work with them in their home to support long-term goals such as sobriety if the person so chooses.

### **Will the strategy provide housing for undocumented residents?**

To be eligible for subsidies, the City of Riverside will be required to follow the criteria set by federal and state funding sources. For the United States Department of Housing and Urban Development, federal housing assistance is limited to U.S. citizens and applicants who have eligible immigration status.

Under other federal homeless programs such as the Continuum of Care (CoC) program and the Emergency Solutions Grants (ESG) program, those who are undocumented are eligible for certain services and temporary housing.

### **Where will housing be located?**

The Riverside City Council asked City staff to identify two to three sites per ward that could serve as a potential location for supportive housing, so that all wards are making an equitable contribution to identifying and implementing solutions to preventing and ending homelessness. While some residents raise concerns about the potential impact of having people who had been homeless move into their community, others recognized that providing people with stable housing has been shown to achieve the following goals:

- Reduce costs incurred by public agencies
- Reduce the day-to-day impact of homelessness on businesses and residents
- Enhance public safety
- Increase the likelihood that people experiencing homelessness will access services that enable them to improve their health and quality of life.

### **Should we consider locating supportive housing in more remote locations to give people the opportunity to rebuild their lives rather than placing housing within the community?**

One of the critical features of supportive housing is its focus on helping people use their housing as a platform for reintegrating into society, and housing is typically paired with services available in the community. This includes access to community-based resources and services, such as counseling, treatment programs, and support groups, as well as basic necessities, such as transportation, a grocery store, and healthcare. Locating housing within the community also increases the likelihood that people will have access to employment opportunities.

### **What do we already know about integrating supportive housing into the community?**

The City of Riverside currently has 16 units of supportive housing located in the Arlington and

Eastside neighborhoods. These units have been recognized by local residents as improving the aesthetic, quality of life, and safety of the neighborhood.

### **How will locating supportive housing in my neighborhood affect my property value?**

The median home value in the Arlington neighborhood, where the City currently operates supportive housing, is \$325,800, which reflects an 8.4% increase over the previous year. Since 2010, homes in this market have nearly double in value. The median home price in the Eastside neighborhood is \$317,450, where homes have also more than doubled in value since 2010.<sup>52</sup>

### **How will housing projects be funded?**

Funding for supportive housing can come from a variety of federal, state, local, and private sources depending on the type of development and target population. For example, supportive housing for people with disabilities, those experiencing homelessness, or transition age foster youth qualifies as a special needs project, and developers can apply for a 9% tax credit under a state set-aside program operated by the California Tax Credit Allocation Committee. These credits are then sold to investors who take an equity stake in the project. Competition for the limited supply of 9% tax credits is high, so developers may also apply for the non-competitive 4% tax credits. A special needs project must have at least 45 percent of its units set aside for people with a disability, people who are homeless, and transition age foster youth. The capital funding is then paired with targeted funding for services.

Projects that do not qualify for tax credits or other sources of federal and state funding would need to explore local funding sources, such as Measure Z, or private philanthropy. For additional information on funding sources, please refer the Housing First Strategy.

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<sup>52</sup> Zillow. (2018.) [Eastside Home Prices and Values](#).

## Appendix B: Housing First Federal Background

Housing First is not only recognized as a best practice approach that should be adopted, it is also being mandated by federal partners. At the federal level, the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, which reauthorized and made substantial changes to the McKinney-Vento Homeless Assistance Act, changed the national dialogue on what it meant to end homelessness and sought to establish a federal goal that all individuals and families who become homeless return to housing within 30 days. The HEARTH Act places emphasis on communities to act as a coordinated system in their response to homelessness, including the development of local coordinated assessment or entry systems. It also places an intense focus on performance, including reducing lengths of time people experience homelessness, recidivism, and the number of people who become homeless.

In recent U.S. Department of Housing and Urban Development (HUD) CoC NOFAs, communities across the country are scored on how they are implementing a Housing First approach. In the 2017 NOFA, using Housing First was outlined as a key policy priority and highlighted as follows:

*Housing First prioritizes rapid placement and stabilization in permanent housing and does not have service participation requirements or preconditions. CoC Program funded projects should help individuals and families move quickly into permanent housing, and the CoC should measure and help projects reduce the length of time people experience homelessness. Additionally, CoCs should engage landlords and property owners, remove barriers to entry, and adopt client-centered service methods.<sup>53</sup>*

In addition, the United States Interagency Council on Homelessness (USICH) supports and recommends the Housing First approach as the most effective response to homelessness. In *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness* (Opening Doors), the first comprehensive federal strategy to prevent and end homelessness, the USICH described the Housing First approach with the following core principles:

1. Homelessness is a housing crisis to be addressed through the provision of safe and affordable housing.
2. All people experiencing homelessness, regardless of their housing history and duration of homelessness, can achieve housing stability in permanent housing.
3. Everyone is “housing ready,” meaning that sobriety, compliance in treatment, or even a clean criminal history is not necessary to succeed in housing.
4. Many people experience improvements in quality of life, and in the areas of health, mental health, substance use, and employment, as a result of achieving housing.

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<sup>53</sup> US Department of Housing and Urban Development (2017) Continuum of Care Program Notice of Funding Availability

5. People experiencing homelessness have the right to self-determination and should be treated with dignity and respect.
6. The exact configuration of housing and services depends upon the needs and preferences of the population.<sup>54</sup>

Opening Doors also created bold goals for addressing homelessness, including preventing and ending Veteran homelessness by 2015, ending chronic homelessness in 2017, preventing and ending homelessness for families, youth, and children by 2020, and setting a path to end all types of homelessness. In addition, the plan outlined an operational definition of an end to homelessness based on the concept that every community will have a systematic response in place that ensures homelessness is prevented whenever possible or is otherwise a rare, brief, and non-recurring experience.

To assist communities in implementing Housing First, the USICH created the Housing First Checklist and HUD has since followed with the creation of their Housing First Assessment Tool.<sup>55</sup> The USICH highlighted the following measures to be assessed to determine if a program/project is employing a Housing First approach:

1. Access to programs is not contingent on sobriety, minimum income requirements, lack of a criminal record, completion of treatment, participation in services, or other unnecessary conditions.
2. Programs or projects do everything possible not to reject an individual or family on the basis of poor credit or financial history, rental history, minor criminal convictions, or behaviors that are interpreted as indicating a lack of “housing readiness.”
3. People with disabilities are offered clear opportunities to request reasonable accommodations within applications and screening processes and during tenancy, and building and apartment units include special physical features that accommodate disabilities.
4. Programs or projects that cannot serve someone work through the coordinated entry process to ensure that those individuals or families have access to housing and services elsewhere.
5. Housing and service goals and plans are highly tenant-driven.
6. Supportive services emphasize engagement and problem-solving over therapeutic goals.
7. Participation in services or compliance with service plans are not conditions of tenancy, but are reviewed with tenants and regularly offered as a resource to tenants.
8. Services are informed by a harm-reduction philosophy that recognizes that drug and alcohol use and addiction are a part of some tenants’ lives. Tenants are engaged in non-judgmental communication regarding drug and alcohol use and are offered education regarding how to avoid risky behaviors and engage in safer practices.
9. Substance use in and of itself, without other lease violations, is not considered a reason for eviction.
10. Tenants in supportive housing are given reasonable flexibility in paying their share of rent on time and offered special payment arrangements for rent arrears and/or assistance with

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<sup>54</sup> United States Interagency Council on Homelessness (2010) Opening Doors: Federal Strategic Plan to End Homelessness – As amended in 2015

<sup>55</sup> <https://www.hudexchange.info/resource/5294/housing-first-assessment-tool/>

financial management, including representative payee arrangements.

11. Every effort is made to provide a tenant the opportunity to transfer from one housing situation, program, or project to another if a tenancy is in jeopardy. Whenever possible, eviction back into homelessness is avoided.<sup>56</sup>

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<sup>56</sup> United States Interagency Council on Homelessness (2016 – Updated) Housing First Checklist: Assessing Projects and Systems for a Housing First Orientation

## Appendix C: SB 1380 Housing First Guidelines

In 2016, the State of California passed SB 1380, creating a statewide homeless coordinating council and mandating the use of Housing First.<sup>57</sup> All state programs funded through the California Department of Housing and Community Development (HCD) that provide housing or housing-based services are required to incorporate core Housing First guidelines. To take full advantage of forthcoming state funding for homeless services, it is imperative that the City of Riverside ensure that all programs use these guidelines. The following are the core components of Housing First:

1. Tenant screening and selection practices promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services.
2. Applicants are not rejected because of poor credit or financial history, rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of “housing readiness.”
3. Acceptance of referrals directly from shelters, street outreach, drop-in centers, and other parts of crisis response systems frequented by people experiencing homelessness.
4. Supportive services emphasize engagement and problem solving over therapeutic goals, and service plans that are highly tenant-driven without predetermined goals.
5. Participation in services or program compliance is not a condition of permanent housing tenancy.
6. Tenants have a lease and all the rights and responsibilities of tenancy, as outlined in California’s Civil, Health and Safety, and Government codes.
7. The use of alcohol or drugs in and of itself, without other lease violations, is not a reason for eviction.
8. In communities with coordinated assessment and entry systems, incentives for funding promote tenant selection plans for supportive housing that prioritize eligible tenants based on criteria other than “first-come, first-serve,” including but not limited to the duration or chronicity of homelessness, vulnerability to early mortality, or high utilization of crisis services. Prioritization may include triage tools, developed through local data, to identify high-cost, high-need homeless residents.
9. Case managers and service coordinators who are trained in and actively employ evidence-based practices for client engagement, including but not limited to motivational interviewing and client-centered counseling.
10. Services are informed by a harm-reduction philosophy that recognizes drug and alcohol use and addiction as a part of tenants’ lives, where tenants are engaged in nonjudgmental communication regarding drug and alcohol use, and where tenants are offered education regarding how to avoid risky behaviors and engage in safer practices, as well as connected to evidence-based treatment if the tenant so chooses.
11. The project and specific apartment may include special physical features that accommodate disabilities, reduce harm, and promote health, community, and independence among tenants.<sup>58</sup>

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<sup>57</sup> The City of Riverside’s Deputy Director of Community and Economic Development is a member of the coordinating council.

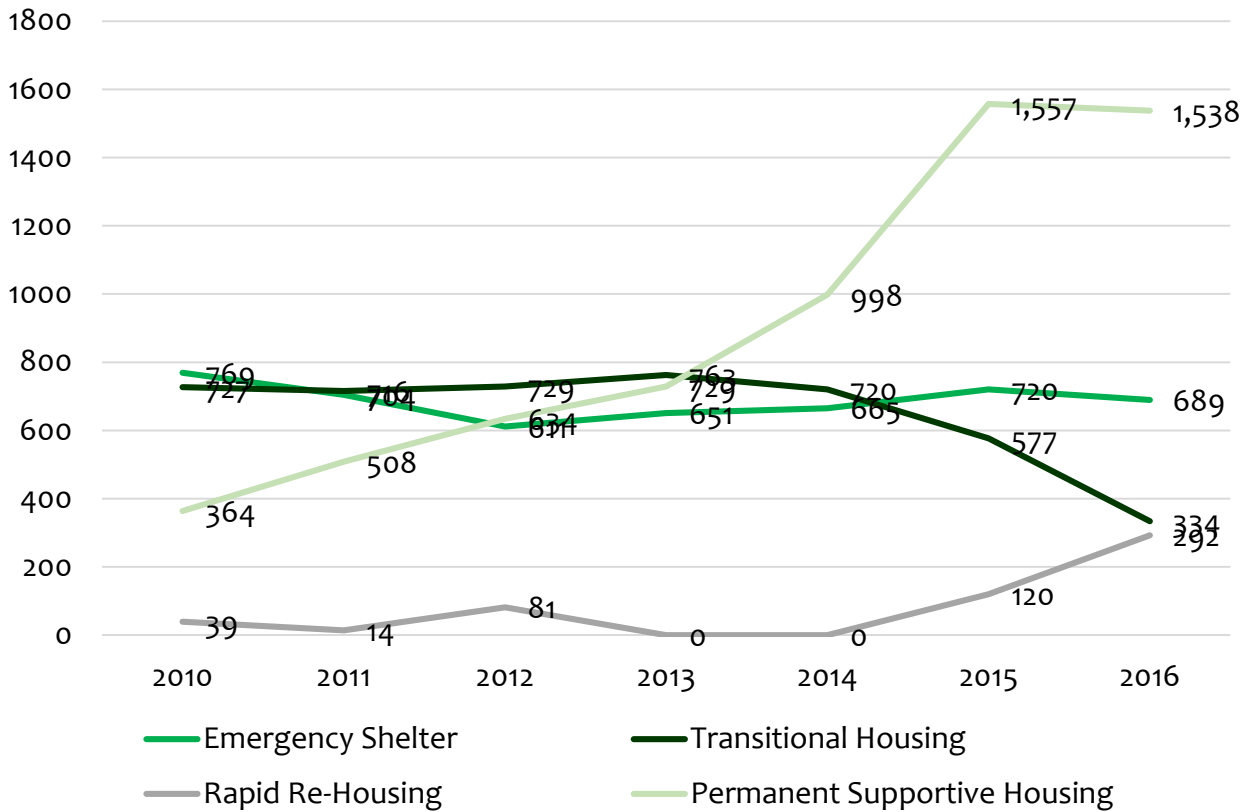
<sup>58</sup> California Senate Bill 1380 – Homeless Coordinating and Financing Council



## Appendix D: Riverside CoC Housing Inventory Count Trends

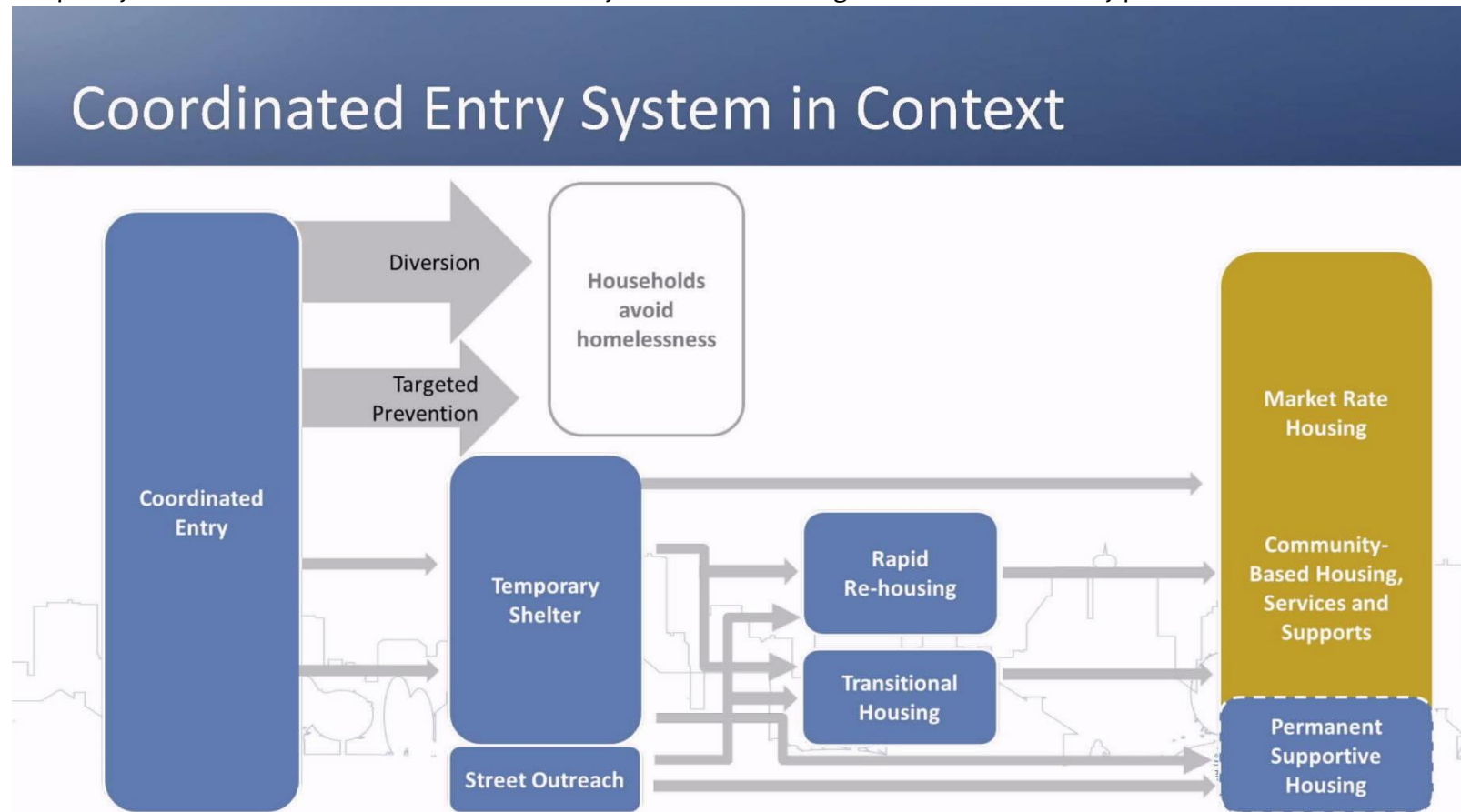
The following table highlights changes to the Riverside CoC's Housing Inventory over a seven-year period. As the chart displays, total supportive housing beds have increased significantly over time as well as increases in RRH, while transitional housing beds have decreased.

**Riverside CoC Homeless Housing Inventory Count: Total Year Round Beds**



## Appendix E: Diagram of the Coordinated Entry System

The diagram<sup>59</sup> below illustrates the various components of the Coordinated Entry System. Note that the graphic shows that people experiencing homelessness are typically connected to supportive housing, (labeled here as Permanent Supportive Housing), through temporary shelter or street outreach teams after they are assessed through the Coordinated Entry process.



<sup>59</sup> U.S. Department of Housing and Urban Development. (2017). [Notice Establishing Additional Requirements for Coordinated Entry, 7.](#)

## Appendix F: Description of Housing-Related Activities and Services that Could Be Covered by Medicare/Medicaid

The following descriptions are from a 2015 CMS bulletin: Coverage of Housing-Related Activities and Services for Individuals with Disabilities.

Housing Related Activities and Services for the Individual: Three housing-related activities and services are described in this section. Following this section is a description of the Medicaid authorities and demonstrations through which states can be reimbursed for these services.

1. **Individual Housing Transition Services:** Housing transition services provide direct support to individuals with disabilities, older adults needing long term services and supports, and those experiencing chronic homelessness. These services are:
  - a. Conducting a tenant screening and housing assessment that identifies the participant's preferences and barriers related to successful tenancy. The assessment may include collecting information on potential housing transition barriers, and identification of housing retention barriers.
  - b. Developing an individualized housing support plan based upon the housing assessment that addresses identified barriers, includes short and long-term measurable goals for each issue, establishes the participant's approach to meeting the goal, and identifies when other providers or services, both reimbursed and not reimbursed by Medicaid, may be required to meet the goal.
  - c. Assisting with the housing application process. Assisting with the housing search process.
  - d. Identifying resources to cover expenses such as security deposit, moving costs, furnishings, adaptive aids, environmental modifications, moving costs and other one-time expenses. Ensuring that the living environment is safe and ready for move-in.
  - e. Assisting in arranging for and supporting the details of the move.
  - f. Developing a housing support crisis plan that includes prevention and early intervention services when housing is jeopardized.

2. **Individual Housing & Tenancy Sustaining Services**

This service is made available to support individuals to maintain tenancy once housing is secured. The availability of ongoing housing-related services in addition to other long-term services and supports promotes housing success, fosters community integration and inclusion, and develops natural support networks. These tenancy support services are:

- a. Providing early identification and intervention for behaviors that may jeopardize housing, such as late rental payment and other lease violations.
- b. Education and training on the role, rights and responsibilities of the tenant and landlord.
- c. Coaching on developing and maintaining key relationships with landlords/property managers with a goal of fostering successful tenancy.
- d. Assistance in resolving disputes with landlords and/or neighbors to reduce risk of eviction or other adverse action.

- e. Advocacy and linkage with community resources to prevent eviction when housing is, or may potentially become jeopardized.
- f. Assistance with the housing recertification process.
- g. Coordinating with the tenant to review, update and modify their housing support and crisis plan on a regular basis to reflect current needs and address existing or recurring housing retention barriers.
- h. Continuing training in being a good tenant and lease compliance, including ongoing support with activities related to household management.

**3. State-level Housing Related Collaborative Activities Several strategic, collaborative activities to assist in identifying and securing housing resources are:**

- a. Developing formal and informal agreements and working relationships with state and local housing and community development agencies to facilitate access to existing and new housing resources.
- b. Participating and contributing to the planning processes of state and local housing and community development agencies, for example, by providing demographic, housing need, and other relevant data for the populations served by the LTSS agencies, among other planning activities.
- c. Working with housing partners to create and identify opportunities for additional housing options for people wishing to transition to community-based housing. This may include coordinating available housing locator systems and developing and/or coordinating data tracking systems to include housing.

## Appendix G: Literature Review on the Effectiveness of Permanent Supportive Housing

<b>Title of Study</b>	<b>Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing</b>
<b>Year</b>	2002
<b>Authors</b>	Dennis P. Culhane, Stephen Mettraux, Trevor Hadley
<b>Summary</b>	This study measures the impact of public investment in supportive housing for homeless individuals with severe mental disabilities in New York City (NYC) between 1989 and 1997. Participants are placed into New York/ New York (NY/NY) housing, a large housing program in NYC. Results show that individuals placed in supportive housing experienced decreases in shelter use, hospitalizations, length of stay per hospitalization, and time incarcerated.
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• Individuals experiencing homelessness with severe mental illnesses are heavy users of publicly funded services. With supportive housing, there is a reduction in their use of shelter, hospital, and correctional facilities.</li> <li>• Shelter use decreased by 60.5%, or 82.9 days, for NY/NY placements over the two-year period.</li> <li>• Hospital use decreased by 59.9% for the NY/NY placements.</li> <li>• Before placement, homeless people with severe mental illness used about \$40,451 per person, per year, in services (1999 dollars). Placement was associated with a reduction in service use of \$16,281 per housing unit per year. The bulk of the expenditures occurred in health services (86%) and in emergency shelter services (11%). Placement in NY/NY housing is associated with a \$12,146 net reduction in health, corrections, and shelter service use annually per person over each of the first two years of the intervention.</li> <li>• The NY/NY initiative was an effective investment of public resources. The cost of \$1,908 per housing unit per year (or \$6.9 million net annual cost) represents about 10% of the annual overall cost of providing this housing. Supportive housing units, which were the more common type developed under the NY/NY initiative, operated at a more inexpensive cost of \$995 per year, or 5% of the overall housing unit cost. So, 95% of the costs of the supportive housing (operating, service, and debt service costs) are compensated by reductions in services credited to the housing placement.</li> </ul>

<b>Title of Study</b>	<b>Housing, Hospitalization, and Cost Outcomes for Homeless Individuals with Psychiatric Disabilities Participating in Continuum of Care and Housing First Programs.</b>
<b>Year</b>	2003
<b>Authors</b>	Leyla Gulcur, Ana Setfanic, Marybeth Shinn, Sam Tsemberis and Sean Fischer
<b>Summary</b>	This study compares two approaches to housing chronically homeless individuals with psychiatric disabilities and substance abuses. The experimental Housing First program offered immediate access to independent housing without requiring any psychiatric treatment or sobriety; the control Continuum of Care (CoC) programs made sobriety and treatment prerequisites for housing.
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• The Housing First Program was successful in reducing both homelessness</li> </ul>

	<p>and hospitalization for homeless individuals with mental illness.</p> <ul style="list-style-type: none"> <li>• Participants who were assigned to the Housing First Program (Pathways to Housing) were housed earlier and spent more time stably housed than those in Continuum of Care programs.</li> <li>• The Housing First group also spent fewer days hospitalized compared to individuals assigned to the CoC programs in the 24 months of observation.</li> <li>• For participants recruited from the streets (instead of psychiatric hospitals) and into Housing First Programs, homelessness was almost eliminated by the second half of the first year and remained at very low levels for the remainder of the study period.</li> <li>• Adults who have experienced chronic homelessness can be housed successfully and maintain their housing, when provided with full services.</li> </ul>
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<b>Title of Study</b>	<b>Impact of Permanent Supportive Housing on the Use of Acute Care Health Services by Homeless Adults</b>
<b>Year</b>	2006
<b>Authors</b>	Tia E. Martinez, Martha R. Burt
<b>Summary</b>	This study examines the impact of permanent supportive housing on the use of critical care public health services by individuals experiencing homelessness substance abuse, and other disabilities. The sample consisted of 236 adults who entered supportive housing at two San Francisco sites, Canon Kip community house and the Lyric hotel, between October 10, 1994 and June 30, 1998. 80% of participants had mental health and substance abuse disorders.
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• Housing placement significantly reduced the percentage of residents with an emergency room visit (from 53% to 37%), and the average number of visits per person (from 1.94 down to 0.86).</li> <li>• For hospitalizations, PSH placement decreased likelihood of being hospitalized from 19% to 11%.</li> <li>• 81% of residents remained in permanent housing for at least one year.</li> <li>• Providing PSH to people experiencing homelessness with psychiatric and substance use disorders reduced their use of costly hospital emergency room and inpatient services.</li> <li>• Multivariate analysis of the participants in the group and those in the control group revealed an increase in emergency room visits associated with exiting PSH. This suggests that public service use reductions are tied directly to remaining in housing.</li> <li>• Part of the cost of supportive housing is compensated by relieving the cost burden of homeless individuals with disability on public care systems. Service reductions reported in this study translate into \$1,300 of cost reductions per person moving into PSH per year. This offsets at least 10% of the estimated annual cost of supportive housing in San Francisco.</li> <li>• If a broader range of service data (instead of focusing on only one of the 8 health, shelter and correctional systems) there may be increased cost savings, such as in the NY/NY study seen above.</li> </ul>

<b>Title of Study</b>	<b>Housing for Chronically Homeless Persons with Severe Alcohol Problems</b>
<b>Year</b>	2009
<b>Authors</b>	Mary E. Larimer, Daniel K. Malone, Michelle D. Garner, David C. Atkins, Bonnie Burlingham, Heather S. Lonzak, Kenneth Tanzer, Joshua Ginzler, Seema L. Clifasefi, William G. Hobson, G. Alan Marlatt
<b>Summary</b>	This study evaluates the association of a “Housing First” intervention for chronically homeless individuals with severe alcohol problems and with high healthcare use and costs. The study uses a quasi-experimental design comparing 95 housed participants with 39 wait-list control participants enrolled between November 2005 and March 2007 in Seattle, Washington.
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• For Housing First participants, cost offsets were averaged at \$2,449 per person per month.</li> <li>• At 12 months, the 95 housed participants had reduced their total costs by \$42,964 per person per year. To house participants, the yearly per person cost was \$13,440. There was decreased use in costly crisis-oriented systems like hospitals and jails.</li> <li>• The length of time in housing was significantly related to the reduction in use and cost of services. Those who were housed for the longest period of time experienced the greatest reductions. Permanent, not temporary, housing is necessary to gain these cost savings.</li> <li>• The Housing First intervention was also associated with considerable declines in drinking, although there was no requirement to abstain from or reduce alcohol consumption to remain housed.</li> <li>• Significant improvement in overall expenditure for participants even when factoring the costs of services and housing provided compared to other cost-offset studies.</li> </ul>

<b>Title of Study</b>	<b>Where We Sleep: Costs when Homeless and Housed in Los Angeles</b>
<b>Year</b>	2009
<b>Authors</b>	Daniel Flaming, Patrick Burns, Michael Matsunaga, Gerald Summer, Manuel Moreno, Halil Toros, Duc Doan
<b>Summary</b>	This study explores the public costs for people in supportive housing compared to similar individuals who are experiencing homelessness. It covers 10,193 homeless individuals in LA county 9,186 who experienced homelessness while receiving General relief public assistance, and 1,007 who exited homelessness by entering supportive housing.
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• Public costs are reduced when individuals are no longer homeless. For individuals who were chronically homeless and disabled, costs decreased by 79%. For the whole population of homeless individuals who received General Relief, costs are reduced by 50%. For individuals with serious substance abuse and incarceration issues, who received minimal assistance in the form of temporary housing, costs decreased by 19%.</li> <li>• Public costs differ extensively depending on characteristics of homeless individuals. Younger, single adults with no history of jail time, no substance abuse problems or mental illnesses, cost an average of \$406 a month. On the other hand, older single adults with substance abuse and mental</li> </ul>



	<p>illnesses, and no recent employment history, cost an average of \$5,038 a month. This suggests that a range of solutions is essential that match the different needs of groups in the homeless population.</p> <ul style="list-style-type: none"> <li>• Since public costs increase as homeless individuals grow older, intervening early is preferred, rather than deferring substantive help until problems become acute.</li> <li>• Most of the savings in public costs come from reduced health care expenses. 69% of savings for the individuals' supportive housing are in decreased costs for hospitals, emergency rooms, clinics, mental and public health.</li> <li>• If individuals with high needs are provided with higher levels of service, it results in higher cost savings. This is shown by the high savings from supportive housing compared to voucher housing.</li> </ul>
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<b>Title of Study</b>	<b>Twelve-Month Client Outcomes and Service Use in a Multisite Project for Chronically Homelessness Adults</b>
<b>Year</b>	2010
<b>Authors</b>	Alvin S. Mares, Robert A. Rosenheck
<b>Summary</b>	Using mixed linear regression analysis, this study evaluates health status, service use, and outcomes of 734 clients of the Collaborative Initiative to Help end Chronic Homelessness.
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• Significant improvements in individuals enrolled in the program in overall quality of life, mental health functioning, and reduced psychological distress.</li> <li>• Substance abuse problems remained mostly unchanged over time. However, among baseline drug users, crack, cocaine and marijuana use decreased by 28-50% over the follow up period.</li> <li>• Total quarterly health cost estimates declined by 50% from \$5,832 to \$3,376.</li> <li>• Adults who have experienced chronic homelessness may be housed successfully and maintain their housing, when provided with full services.</li> </ul>

<b>Title of Study</b>	<b>Project 50: The Cost Effectiveness of the Permanent Supportive Housing Model in the Skid Row Section of Los Angeles County</b>
<b>Year</b>	2012
<b>Authors</b>	Halil Toros, Max Stevens, Manuel Moreno
<b>Summary</b>	This report evaluates Project 50, a Board of Supervisors demonstration project that provides housing and services to individuals experiencing chronic homelessness living in the Skid Row area of LA.
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• Over the reports two-year study period, Project 50 generated total cost offsets of \$3.284 million - 108% of the money the program actually spent to provide participants with services and housing. The project returned more to the county than the amount invested in it: \$4,774 per occupied unit over two years.</li> <li>• Participants of the Project 50 program had a reduced incarceration cost by 28% after the first year in the program. At the same time, costs increased by</li> </ul>

	<p>42% over the same period for the group of non-participants.</p> <ul style="list-style-type: none"> <li>• Medical costs declined by 68% for Project 50 participants. The medical costs of the non-participant group also declined, but by only 37%.</li> <li>• Mental health treatment costs for Project 50 participants increased by 367% over the two-year period, signifying that the participants had unresolved mental health issues and had greater access to treatment prior to entry of the program.</li> <li>• There was also a rise in cost of substance abuse treatments over the first year of the program, but the costs were still less than the substance abuse cost increases for the comparison group over the same period.</li> <li>• The cost increases in areas of mental health and substance abuse treatment were more than offset by savings in the areas of incarceration and medical services. Over the two-year period, there was a \$238,700 surplus.</li> </ul>
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<b>Title of Study</b>	<b>Housing Chronically Homeless Veterans: Evaluating the Efficacy of a Housing First Approach to HUD-VASH</b>
<b>Year</b>	2013
<b>Authors</b>	Ann Elizabeth Montgomery, Lindsay L. Hill, Vincent Kane, and Dennis P. Culhane
<b>Summary</b>	The study compares two approaches to housing homeless veterans: a Housing First program, offering immediate housing without treatment, abstinence or “housing readiness” with a treatment first program, for 177 Veterans. The results of the study suggest that a Housing First model is associated with improved outcomes for veterans experiencing homelessness.
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• Housing First programs have emerged as effective PSH models that support the HUD-VASH program goal of eliminating veteran homelessness.</li> <li>• Veterans experiencing homelessness and who have psychiatric disabilities or substance use problems are able to live independently.</li> <li>• Veterans who participated in the Housing First approach were placed into permanent housing within approximately 1 month (35 days). For those who were placed using the treatment as usual approach (TAU), the process took 6 months (223 days).</li> <li>• Veterans housed using the Housing First approach were eight times more likely than those housed using TAU to maintain housing stability for one year.</li> </ul>

<b>Title of Study</b>	<b>The Relationship between Community Investment in Permanent Supportive Housing and Chronic Homelessness</b>
<b>Year</b>	2014
<b>Authors</b>	Thomas Byrne, Jamison D. Fargo, Ann Elizabeth Montgomery, Ellen Munley, Dennis P. Culhane
<b>Summary</b>	This study uses longitudinal data, a sample of 372 CoCs located in 48 states, collected by HUD and several other sources to model the relationship between measures of community investment in PSH and rates of chronic homelessness. The results reveal a negative correlation between increased investment in PSH and rates of chronic homelessness over time.

<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• PSH is a successful intervention for improving the housing stability of individuals experiencing chronic homelessness.</li> <li>• PSH helped achieve its intended goal of reducing the number of individuals experiencing chronic homelessness.</li> <li>• Communities that add more PSH units show greater reductions in chronic homelessness over time. One model in the study shows that an increase of one PSH unit per every 10,000 adults in a community is associated with a 1 percent decrease in its total rate of chronic homelessness per 10,000 adults</li> <li>• This relationship is modest in strength, suggesting communities may be using a large number of PSH units to house individuals who do not meet the criteria for chronic homelessness.</li> <li>• There is a need for a better understanding of how PSH units are allocated at a community level and how this could be related to the rate of chronic homelessness in a community.</li> <li>• Recommended more focused, community level efforts can reduce chronic homelessness through expansion of PSH.</li> </ul>
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<b>Title of Study</b>	<b>National Final Report: Cross-Site at Home/ Chez Soi Project</b>
<b>Year</b>	2014
<b>Authors</b>	Paula Goering, Scott Veldhulzen, Aimee Watson, Carol Adair, Brianna Kopp, Eric Latimer, Tim Aubry, Geoff Nelson, Eric MacNaughton, David Streiner, Daniel Rabouin, Angela Ly, and Guido Powell
<b>Summary</b>	This project used a randomized controlled trial (RCT) design to evaluate the effects of Housing First in groups that were identical except for the Housing First intervention itself. The study is the largest RCT study on the use of PSH. The study also included a qualitative research component, with data collection taking place between October 2009 and June 2013. 2,148 individuals were enrolled for 2 years of follow up, of which, 1,158 received the Housing First intervention.
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• The study found that Housing First intervention can be effectively implemented in varying ethno-racial and sized communities.</li> <li>• For high needs participants of the Housing First program, there was an average reduction of \$21,375 in the cost of other services being used. For medium needs participants receiving Housing First services, there was an average reduction of \$4,849 in the cost of other services being used. For every \$10 invested in Housing First services, there was an average cost reduction of other services of \$9.60 for HN participants and \$3.42 for medium needs participants.</li> <li>• Housing First rapidly ends homelessness. Housing First participants rapidly obtained housing and retained housing at a much higher rate than the control group which received treatment as usual (TAU).</li> <li>• Support and treatment services offered by Housing First programs contributed to shifts away from many types of crisis, acute, and institutional services toward community and outreach-based services.</li> <li>• Participants of the Housing First program demonstrated better quality of life and community functioning outcomes than the control group receiving existing housing and health services.</li> </ul>

<b>Title of Study</b>	<b>Evaluation of Housing for Health and Permanent Supportive Housing Program</b>
<b>Year</b>	2017
<b>Authors</b>	Sarah B. Hunter, Melody Harvey, Brian Briscoombe, Matthew Cefalu
<b>Summary</b>	The study includes data from 890 individuals placed in PSH during the first 2.5 years of the program. RAND used a pre-post study design that compared Housing for Health (HFH) PSH recipients use during the year prior to receiving housing compared to the year following receiving housing. 83% of the participants were experiencing chronic homelessness and 88% had co-occurring medical and mental health or substance use conditions
<b>Key Findings</b>	<ul style="list-style-type: none"> <li>• The time from initial application to participants receiving case management was on average 4.3 months. Over 96% of HFH PSH recipients were stably housed for at least one year.</li> <li>• Clients' use of medical and mental health services were reduced significantly, including ER visits and inpatient care. Costs decreased respectively. After moving into PSH, participants made an average of 1.64 fewer ER visits in the following year. Inpatient hospital stays decreased by over 4 days. Outpatient visits were reduced by an average of 4 visits.</li> <li>• The number of individuals arrested and the number of jailed arrests decreased during the year after receiving housing, but the number of jail days increased by an average of 2.76 days.</li> <li>• The associated costs for public services consumed in the year after receiving PSH declined by approximately 60%. The average public service use cost per participant for the year prior to housing totaled \$38,146 and in the year after receiving housing, this was reduced to \$15,358.</li> <li>• When taking into account PSH costs, there was a 20% net cost savings, suggesting a potential cost benefit of the program.</li> <li>• After receiving housing, a health functioning survey found that participants' mental health functioning improved.</li> <li>• The program serves a population with chronic physical and mental health needs who are likely to benefit from long-term supportive housing.</li> </ul>

## Appendix H: Federal Permanent Supportive Housing Performance Measures

Before reviewing outcome measurements specific to supportive housing models, it is important to have a basic understanding of HUD's newly released System Performance Measures, which will shape how the homeless system and individual programs providing homeless assistance, including supportive housing, will be measured in the future. Historically, HUD has required communities, specifically CoCs, to measure their effectiveness at ending homelessness through monitoring individual projects providing homeless assistance. Although traditional methods address how certain projects are faring, the method does not provide insight into how the community as a whole is performing. Recently HUD shifted its requirements and placed increased emphasis on measuring communities as comprehensive and coordinated systems providing homeless assistance rather than focusing on individual projects.

HUD's System Performance Measures include seven key outcomes that will be used to measure each CoCs performance as a system for achieving the goal of ending homelessness. HUD will still require communities to measure the performance of individual projects, but has publicly stated that it is placing greater focus and attention on system performance. HUD will use the Homeless Management Information System as well as Point in Time Count data to collect information for the system measures. The seven System Performance Measures are:

1. Length of time persons remain homeless
2. The extent to which persons who exit homelessness to permanent housing destinations return to homelessness
3. Number of homeless persons
4. Jobs and income growth for homeless persons in CoC Program-funded projects
5. Number of persons who become homeless for the first time
6. Homelessness prevention and housing placement of persons defined by Category 3 of HUD's homeless definition in CoC Program-funded projects
7. Successful housing placement

The following narrative, from HUD's System Performance Measures in Context, published July 2014, briefly describes these measures and their interconnectedness:<sup>60</sup>

*The purpose of these measures is to provide a more complete picture of how well a community is preventing and ending homelessness. The number of homeless persons measure (#3) directly assesses a CoCs progress toward eliminating homelessness by counting the number of people experiencing homelessness both at a point in time and over the course of a year. The six other measures help communities understand how well they are reducing the number of people who become homeless and helping people become quickly and stably housed.*

*Reductions in the number of people becoming homeless are assessed by measuring the number of persons who experience homelessness for the first time (#5), the number who experience*

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<sup>60</sup> United States Department of Housing and Urban Development (2014) System Performance Measures in Context

subsequent episodes of homelessness (#2), and homelessness prevention and housing placement for people who are unstably housed (Category 3 of HUD's homelessness definition) (#6). Achievement of quick and stable housing is assessed by measuring length of time homeless (#1), employment and income growth (#4), and placement when people exit the homelessness system (#7).

*The performance measures are interrelated and, when analyzed relative to each other, provide a more complete picture of system performance. For example, the length of time homeless measure (#1) encourages communities to quickly re-house people, while measures on returns to homelessness (#2) and successful housing placements (#7) encourage communities to ensure that those placements are also stable. Taken together, these measures allow communities to more comprehensively evaluate the factors that contribute to ending homelessness.*

At the individual project level, HUD annually requires housing projects, including Rapid Re-Housing, Transitional Housing, Safe Havens, and supportive housing programs, to be evaluated using three specific performance measures in the Annual Performance Report. The following are the three core outcomes for supportive housing programs by HUD:

1. **Housing Stability:** The percentage of persons who remained in the permanent housing project as of the end of the operating year or exited to permanent housing (subsidized or unsubsidized).
2. **Increase Income From All Sources:** The percentage of persons age 18 and older who maintained or increased their total income (from all sources) as of the end of the operating year or project exit.
3. **Increase Earned Income (Employment):** The percentage of persons ages 18 to 61 who maintained or increased their earned income (employment) as of the end of the operating year or project exit.

In addition to metrics that HUD requires for CoC-funded supportive housing, the Corporation for Supportive Housing (CSH) outlined five core outcomes for tenants in supportive housing programs.<sup>61</sup> They include the standard HUD outcomes for supportive housing programs, such as housing stability and increasing income, but they also include measures for improving well-being, such as physical and mental health, tenant satisfaction, and tenants' social and community connections. The following are the five core outcomes and brief descriptions of each measure.

1. Tenants Stay Housed
2. Tenants Improve Their Physical and Mental Health
3. Tenants Increase Their Income and Employment
4. Tenants Are Satisfied With the Services and Housing
5. Tenants Have Social and Community Connections

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<sup>61</sup> Corporation for Supportive Housing (2013) Dimensions of Quality Supportive Housing

## Appendix I: Riverside CoC Supportive Housing Operating Standards

In the Riverside CoC Written Standards, the following are the required program standards for supportive housing:

1. **No Designated Length of Stay:** Program participants are provided housing without a designated length of stay that permits them to live as independently as possible.
2. **Lease Agreement:** The program participant must be the tenant on a lease for a term of at least one year that is renewable and is terminable only for cause. The lease must be renewable for terms that are a minimum of one month long.
3. **Restricted Assistance and Disabilities:** Permanent supportive housing can only provide assistance to individuals with disabilities and families in which one adult or child has a disability.
4. **Supportive Services:** Supportive services designed to meet the needs of program participants must be made available to the program participants.
5. **Duration of Supportive Services Assistance:** Supportive services to enable program participants to live as independently as possible must be provided throughout the duration of their residence.
6. **Supportive Services Agreement:** Program participants may be required to take part in supportive services that are not disability-related services (including substance abuse treatment services) provided through the project as a condition of continued participation in the program. However, HUD tends to believe that these kinds of requirements can be barriers and should be rare and minimal if used at all.
7. **One Person Per Bedroom:** Two individuals in a shared housing situation must have their own lease and their own bedroom unless the two individuals are presented together as a household.
8. **Program Income:** Program income generated from rent and occupancy charges may be collected from program participants and added to funds committed to the project by HUD and used for eligible program activities.
9. **Calculating Occupancy Charges and Rent:** If occupancy charges are imposed, they may not exceed the highest of: 1) 30 percent of the family's monthly adjusted income (adjustment factors include the number of people in the family, age of family members, medical expenses, and child-care expenses); 2) 10 percent of the family's monthly income; or 3) If the family is receiving payments for welfare assistance from a public agency and a part of the payments (adjusted in accordance with the family's actual housing costs) is specifically designated by the agency to meet the family's housing costs, the portion of the payments that is designated for housing costs.
10. **Examining Program Participant's Initial Income:** A program participant's initial income must be examined at least annually to determine the amount of the contribution toward rent payable by the program participant and adjustments to a program participant's contribution toward the rental payment must be made as changes in income are identified.
11. **Verifying Program Participant's Initial Income:** Each program participant must agree to supply the information or documentation necessary to verify the program participant's income.
12. **Recalculating Occupancy Charges and Rent:** If there is a change in family composition (e.g.,



birth of a child) or a decrease in the resident's income during the year, the resident may request an interim reexamination, and the occupancy charge will be adjusted accordingly.

13. **Termination of Assistance:** Assistance may be terminated to a program participant who violates program requirements or conditions of occupancy by providing a formal process that recognizes the due process of law.

## Appendix J: Riverside CoC Supportive Housing Performance Benchmarks

In the Riverside CoC Written Standards, the following are the recommended performance benchmarks for supportive housing:

- At least 80 percent of project participants either remained in permanent housing or exited to permanent housing.
- At least 20 percent or more of project participants have employment income (or other sources such as SSI and/or SSDI, for those who are not employable).
- At least 54 percent of project participants increased their income from sources other than employment in a given operating year.
- At least 56 percent of project participants obtained mainstream benefits.
- 100 percent of the project participants came from the street or other locations not meant for human habitation, emergency shelters, or safe havens.

## Appendix K: Building Homes and Jobs Act (SB 2)

In September 2017, the State of California passed SB 2, which will establish the Building Homes and Jobs Trust Fund, a permanent source of funding dedicated to affordable housing, by imposing a \$75 fee on real estate recording documents. It is imperative that the City of Riverside ensure that all current and potential programs follow the guidelines set forth in SB 2 so as to take full advantage of forthcoming state funding for affordable housing. The funds will be allocated as follows:

1. In the first year, 50 percent of the funds will be made available for local governments to update planning documents and zoning ordinances to streamline housing production, including general plans, community plans, specific plans, sustainable community strategies, and local coastal programs. Funds can also be used for new environmental analyses that eliminate the need for project-specific review and update processes to speed up local permitting. Local governments must apply for these funds. The request should describe how the funds will be used to accelerate housing production, and the proposed use should be included in the local government's funding plan and annual reports.
2. Also in 2018, 50 percent of the funds will be made available to HCD to assist people experiencing homelessness or at risk of homelessness through rapid rehousing, rental assistance, navigation centers and the construction, rehabilitation, and preservation of permanent and transitional rental housing.
3. In 2019, 20 percent of funds will support affordable owner-occupied workforce housing.
4. Also in 2019, 70 percent of funds will be made available to local governments. Of these funds, 90 percent will be allocated on a formula basis with the exception of the portion allocated to non-entitlement areas, which will be distributed via a competitive grant process. The remaining 10 percent will be allocated equitably to local jurisdictions that are non-entitlement areas.
5. Funds allocated to local governments may be used for the predevelopment, development, acquisition, rehabilitation and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low, very low, low- and moderate-income households, including necessary operating subsidies; affordable rental and ownership housing for households earning up to 120 percent of area median income (or 150 percent of area median income in high-cost areas); matching portions of funds placed into local or regional housing trust funds, and matching portions of funds available through the Low and Moderate Income Housing Asset Fund.
6. To receive money collected on and after January 1<sup>st</sup>, 2019, local governments need to document minimum standards as follows:
  - a. Submit a plan to the department detailing the manner in which allocated funds will be used by the local government and to meet the local government's unmet share of the regional housing needs allocation.
  - b. Have a compliant Housing Element with the state and submit a current annual report pursuant to section 65400 of the government code.
  - c. Submit an annual report to HCD that provides ongoing tracking of the uses and expenditures of any allocated funds.
  - d. Two or more local government can spend funding on joint projects (eligible purposes defined in point 5).

- e. Prioritize investments that increase the supply of housing to households that are at or below 60 percent area median income, adjusted for household rate.
- f. If a local government does not have a documented plan to expend the funds allocated to it, within 5 years of the allocation, allocations will be forfeited and deposited in the Housing Rehabilitation Loan Fund to be used for the Multifamily Housing Program or for technical assistance for local governments.<sup>62</sup>

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<sup>62</sup> California Legislative Information. (2017.) [SB-2: Building Homes and Jobs Act.](#)

## Appendix L: Veterans and Affordable Housing Bond Act of 2018

In September 2017, the State of California passed SB 3 which places a \$4 billion general obligation bond on the November 2018 general election ballot for Veterans and affordable housing programs. It is imperative that the City of Riverside ensure that all current and potential programs use the state guidelines so as to take full advantage of forthcoming state dollars for affordable housing. The money collected will be allocated as follows:

1. \$1,500,000,000 will be deposited in the Housing Rehabilitation Loan Fund established. The money in the fund will be used for the Multifamily Housing program, to be expended to assist in the new construction, rehabilitation, and preservation of permanent and transitional rental housing for persons with incomes of up to 60 percent of the area median income.
2. \$150,000,000 will be deposited into the Transit-Oriented Development Implementation Fund to provide local assistance to cities, counties, cities and counties, transit agencies, and developers for the purpose of developing or facilitating the development of higher density uses within close proximity to transit stations that will increase public transit ridership.
3. \$300,000,000 will be deposited in the Regional Planning, Housing, and Infill Incentive Account, which is created within the fund. Money in the account will be available for infill incentive grants to assist in the new construction and rehabilitation of infrastructure that supports high-density affordable and mixed-income housing in locations designated as infill, including:
  - a. Park creation, development, or rehabilitation to encourage infill development
  - b. Water, sewer, or other public infrastructure costs associated with infill development
  - c. Transportation improvements related to infill development projects
  - d. Traffic mitigation
4. \$300,000,000 to be deposited in the Affordable Housing Innovation Fund. Money in the fund will be available to fund competitive grants or loans to local housing trust funds that develop, own, lend, or invest in affordable housing and used to create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing. Local housing trust funds shall be derived on an ongoing basis from private contribution or governmental sources that are not otherwise restricted in use for housing programs.<sup>63</sup>

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<sup>63</sup> Excerpted from SB 3: Veterans and Affordable Housing Bond Act of 2018

## Appendix M: City of Riverside HUD Funding Over Last 5 Years

The following table provides an overview of CDBG, HOME and HOPWA funding received by the City of Riverside in the past five years.

Year	CDBG	HOME	HOPWA
2017	\$3,057,274	\$875,863	\$2,284,083
2016	\$3,068,705	\$877,326	\$2,004,516
2015	\$2,995,747	\$788,793	\$1,977,833
2014	\$2,981,023	\$822,216	\$1,980,945
2013	\$3,015,388	\$807,388	\$1,879,263

## Appendix N: Special Needs Housing Projects Deal Mapping 2012-2016

Project Number	Project Name	Sponsor	TDC	Award Year	Address	City	County
CA-2012-077	Mosaic Gardens at Huntington Park	LINC Housing Corporation	9.3 mm	2012	6337 Middleton Street, Huntington Park, CA 90255	Huntington Park	Los Angeles
CA-2012-123	Burlington Family Apartments	Clifford Beers Housing	\$14.2 mm	2012	409 South Burlington Avenue, Los Angeles, CA 90057	Los Angeles	Los Angeles
CA-2012-208	Beswick Senior Apartments	East LA Community Corporation	\$12.5 mm	2012	3553 Beswick Street, Los Angeles, CA 90023	Los Angeles	Los Angeles
CA-2012-223	HFL Sequoia Apartments	LTSC Community Development Corporation	\$9.1 mm	2012	14402 Hamlin Street, Van Nuys, CA 91401	Van Nuys	Los Angeles
CA-2012-858	Redwood Lodge	Eden Housing	\$7.7 mm	2012	40767 Fremont Blvd., Fremont, CA 94538	Fremont	Alameda
CA-2012-860	Olive Tree	Eden Housing	\$6.3 mm	2012	671 W. A Street, Hayward, CA 94541	Hayward	Alameda
CA-2013-024	Pescadero Lofts	Housing Authority of Santa Barbara County	\$9.8 mm	2013	761 Camino Pescadero, Isla Vista, CA 93117	Isla Vista	Santa Barbara
CA-2013-074	Edward II Rehab	Community Housing Partnership	\$12.7 mm	2013	3155 Scott Street, San Francisco, CA 94123	San Francisco	San Francisco
CA-2013-083	Step Up On Colorado	Hollywood Community Housing Corp	\$13.2 mm	2013	520 Colorado Avenue, Santa Monica, CA 90401	Santa Monica	Los Angeles
CA-2013-143	1701 Martin Luther King Jr. Way	Resources for Community Development	\$12.5 mm	2013	1701 Martin Luther King Jr. Way, Oakland, CA 94612	Oakland	Alameda
CA-2013-174	Courtleigh Villas	Pacific West Communities	\$9.0 mm	2013	11734 Courtleigh Drive, Los Angeles, CA 90066	Los Angeles	Los Angeles
CA-2013-803	Moonlight Villas	Los Angeles Housing Partnership & Abbey Road, Inc.	\$11.5 mm	2013	12381 Osborne St., Los Angeles, CA 91331	Los Angeles	Los Angeles
CA-2013-891	Park 20th	Housing Authority of Kern County and Terra Group	\$11.4 mm	2013	400 20th Street, Bakersfield, CA 93301	Bakersfield	Kern
CA-2014-036	Castillo del Sol Apartments	Housing Authority of City of Ventura	\$11.5 mm	2014	3005 E. Main Street, Ventura, CA, 93003	Ventura	Ventura



Units	Construction Type	Local Agencies / Other Financing	State Funding	Tax Credit Equity	9% / 4%	Mortgage	Cost per Unit
23	New Construction	\$1.5 mm City of Huntington Park \$300K County of LA - 1st Sup. District HSCF \$500K County of LA - Homeless Funds \$230K FHLB AHP \$164K City of Huntington Park Waived Fees, 15 PBVs		\$5 mm	9%	\$1.5 mm CalHFA - MHSA	\$406,130
30	New Construction	\$2.4 mm HACoLA: City of Industry, 15 PBVs	\$2.4 mm HCD MHP Supportive Housing	\$8.4 mm	9%		\$472,109
33	New Construction	\$2.4 mm LA Housing Department \$320K FHLB AHP, 32 PBVs		\$8.5 mm	9%	\$761K CCRC	\$377,499
25	New Construction	\$400K LA Homeless Services Authority \$4.1 mm HUD Section 811, 24 COC and PBVs		\$ 4.6 mm	9%		\$365,212
24	Acquisition/Rehab	\$1.3 mm Redwood Lodge Inc./ Seller Carryback \$494K Existing Reserves \$366K GP Equity, 23 PBVs		\$2.4 mm	4%	\$2.8 mm Citibank	\$318,766
26	Acquisition/Rehab	\$1.5 mm Seller Carryback \$0.3 mm Existing Reserves \$375K GP Equity, 25 PBVs		\$2 mm	4%		\$240,925
33	New Construction	\$4.5 mm HACSB, 32 PBVs		\$3.7 mm	9%	\$1.5 mm Union Bank	\$296,357
25	Acquisition/Rehabilitation	\$400K SF Mayor's Office of Housing \$250K AHP \$160K Community Housing Partnership	\$4 mm HCD-MHP	\$7.3 mm	9%		\$507,632
34	New Construction	\$5 mm City of Santa Monica Housing Trust Fund \$1.1 mm County of Los Angeles \$750K AHP, 32 Shelter Plus Care Vouchers		\$6.3 mm	9%		\$388,732
26	New Construction	\$1.9 mm City of Oakland HOME \$1.2 mm Alameda County HOPWA, 25 PBVs		\$9.3 mm	9%		\$482,682
23	New Construction	\$0.9 mm LA CDC Loan \$1.1 mm City of LA Inclusionary Funds \$0.3 mm LAHD - HOME & AHTF		\$4.8 mm	9%		\$390,980
27	New Construction	\$2 mm LAHD, 26 PBVs	\$2.8 mm HCD-MHP	\$4.4 mm	4%	\$1.8 mm Citibank	\$427,062
56	New Construction	\$3.4 mm City of Bakersfield Loan \$550K AHP	\$2.8 mm HCD-MHP	\$4.3 mm	4%	\$175K Rabobank	\$202,755
40	New Construction	\$1.5 mm HA of the City of Ventura \$630K HA of the City of Ventura - Land		\$8.1 mm	9%	\$1.3 mm CCRC	\$288,105

Project Number	Project Name	Sponsor	TDC	Award Year	Address	City	County
CA-2014-057	Immanuel Senior Housing	Thomas Safran & Associates	\$11.0 mm	2014	3215 3rd Street, Long Beach, CA, 90814	Long Beach	Los Angeles
CA-2014-067	Gateway Apartments	Hollywood Community Housing Corporation	\$10.8 mm	2014	13366 Beach Avenue, Los Angeles, CA, 90292	Los Angeles	Los Angeles
CA-2014-163	Mar Vista Union Apartments	National Community Renaissance	\$11.5 mm	2014	131 N. Mar Vista Avenue, Pasadena, CA, 91106	Pasadena	Los Angeles
CA-2015-091	860 on the Wye	Housing Authority of San Luis Obispo	\$7.6 mm, \$1.2 mm Land Cost	2015	2775 Victoria Avenue , San Luis Obispo, CA 93401	San Luis Obispo	San Luis Obispo
CA-2015-165	Escondido Site	Solutions For Change and Pacific SW CDC	\$12 mm, \$1.6 mm Land Cost	2015	1560 S. Escondido Blvd., Escondido, CA 92025	Escondido	San Diego
CA-2016-014	Blue Hibiscus	W. Hollywood Comm. Hsg. Corp.	\$12.4 mm, \$3.4 mm Land Cost	2016	1125 North Detroit Street, West Hollywood, CA 90046	West Hollywood	Los Angeles
CA-2016-067	King 1101	Clifford Beers Housing, Inc.	\$14 mm, \$1.9 mm Land Cost	2016	1107 Martin Luther King, Jr. Blvd, Los Angeles, CA 90037	Los Angeles	Los Angeles
CA-2016-870	Maple Park Apartments	BlueGreen Preservation and Development	\$7.9 mm, \$4.0 mm Land Cost	2016	711 E. Maple Avenue, Glendale, CA 91205	Glendale	Los Angeles
CA-2016-875	Rancho Del Valle Apartments	BlueGreen Preservation and Development	\$8.6 mm, \$5.4 mm Land Cost	2016	6560 Winnetka Ave, Woodland Hills, CA 91367	Woodland Hills	Los Angeles

Units	Construction Type	Local Agencies / Other Financing	State Funding	Tax Credit Equity	9% / 4%	Mortgage	Cost per Unit
25	New Construction	\$1.6 mm Long Beach CIC Home \$1.8 mm LA County CDC \$360K AHP	\$987 K HCD - Prop 1C Infill Infrastructure	\$6 mm	9%		\$438,642
21	New Construction	\$1.1 mm HCIDLA - Home \$3 mm LA County CDC, 20 PBVs		\$6.7 mm	9%		\$512,119
20	New Construction	\$1.5 mm City of Pasadena Tax Increment \$1.6 City of Pasadena HOME \$685K City of Pasadena Inclusionary Funds \$1.2 mm First 5 LA \$200K First 5 LA Grant for Social Services \$950K LACDC - NOFA 18, 19 PBVs		\$5.3 mm	9%		\$573,062
20	New Construction	\$200K SLO Housing Trust Fund \$963K SLO County Fund \$988K SLO City Loan \$105K HASLO Land Donation \$311K HASLO Loan, 10 units VASH		\$4.6 mm	9%	\$445K CCRC	\$382,110
24	New Construction	\$2.1 mm City of Escondido \$230K AHP	\$2.4 mm HCD - MHP	\$6.7 mm	9%		\$501,547
22	New Construction	\$2.4 mm County of LA \$2.6 mm City of West Hollywood, 21 PBVs	\$880 K HCD - IIG	\$6.6 mm	9%		\$565,905
26	New Construction	\$3.9 mm HCIDLA - HOME \$1.6 mm LA County CDC	\$1.1 mm HCD - GHI \$75 K Capitalized Reserve Subsidy	\$7.3 mm	9%		\$537,563
25	Acquisition/Rehabilitation	\$842K Seller Carryback note, 24 PBVs		\$2.3 mm	4%	\$3.3 mm Red Stone, \$725K HUD 202	\$317,280
25	Acquisition/Rehabilitation	\$2.3 mm Seller carryback note, 24 PBVs		\$2.4 mm	4%	\$3.4 mm Red Stone, \$1.9 mm HUD 202	\$342,290

## Appendix O: Properties for Potential Supportive Housing Development

The following list of sites identified for potential supportive housing development includes both City-owned and private properties, as well as parcels that could be grouped or combined to support a supportive housing development that would qualify for tax credits. The City will be reaching out to property owners to discuss its interest in acquiring privately-owned parcels.

WARD	SITE	APN	CITY OWNED	ADDRESS	ACRES	CRITERIA
1	1	ASSEMBLY	YES	THIRD AND FAIRMOUNT	0.6	ALL
1		213-071-006	YES	3893 THIRD STREET	0.2	ALL
1		213-071-007	YES	3879 THIRD STREET	0.2	ALL
1		213-071-008	YES	3861 THIRD STREET	0.2	ALL
1	2	ASSEMBLY	PARTIAL	MULBERRY	1.14	FOOD AND BUS
1		209-222-015	YES	2831 MULBERRY STREET	0.22	FOOD AND BUS
1		209-222-027	YES	2841 MULBERRY STREET	0.13	FOOD AND BUS
1		209-222-026	YES	2825 MULBERRY STREET	0.14	FOOD AND BUS
1		209-222-014	NO	2857 MULBERRY STREET	0.11	FOOD AND BUS
1		209-222-028	NO	2855 MULBERRY STREET	0.14	FOOD AND BUS
1		209-222-030	NO	2855 MULBERRY STREET	0.4	FOOD AND BUS
1		209-222-029	NO	2855 MULBERRY STREET	0	FOOD AND BUS
1		209-222-013	NO	2855 MULBERRY STREET	0	FOOD AND BUS
1		209-222-012	NO	2855 MULBERRY STREET	0	FOOD AND BUS
1	3	ASSEMBLY	YES	LIME AND FIFTH	0.33	ALL
1		213-172-006	YES	3490 LIME STREET	0.12	ALL
1		213-172-005	YES	3478 LIME STREET	0.21	ALL
1	ALT	215-292-008	NO	4205 LEMON STREET	0.11	
2	1	251-234-011	NO	3431 MT VERNON AVENUE	3.43	FOOD AND BUS
2	2	221-200-025	NO	SEDGWICK AVENUE AND PENNSYLVANIA AVENUE	1.49	ALL
2	3	211-131-001	YES	2882 MISSION INN AVENUE	0.23	ALL

WARD	SITE	APN	CITY OWNED	ADDRESS	ACRES	CRITERIA
3	1	190-322-005	NO	5555 ARLINGTON AVENUE	2.5	
3	2	190-340-011	YES	6963 STREETER AVENUE	0.38	
3	3	230-170-010	NO	GARDEN STREET (BETWEEN MADISON STREET AND HOOVER STREET)	1.04	
4	1	284-140-016	NO	19900 GROVE COMMUNITY DRIVE	0.35	
4	2	229-092-025	NO	3165 WASHINGTON AVENUE	1.43	
4	3	ASSEMBLY	NO	INDIANA	0.62	
4		229-034-014	NO	7021 INDIANA AVENUE	0.25	
4		229-034-015	NO	7029 INDIANA AVENUE	0.2	
4		229-034-016	NO	7035 INDIANA AVENUE	0.17	
5	1	234-150-046	NO	3510 VAN BUREN AVENUE	2.78	
5	2	ASSEMBLY	NO	INDIANA MIDDLE AND END	1.37	
5		233-130-005	NO	9021 INDIANA AVENUE	0.23	
5		233-130-006	NO	8997 INDIANA AVENUE	0.23	
5		233-140-011	NO	8787 INDIANA AVENUE	0.23	
5		233-140-012	NO	8777 INDIANA AVENUE	0.23	
5		233-140-013	NO	8767 INDIANA AVENUE	0.22	
5		233-140-015	NO	8745 INDIANA AVENUE	0.23	
5	3	233-040-028	NO	3751 EVEREST AVENUE	0.91	
6	1	138-052-018	NO	3685 POLK STREET	0.95	ALL
6	2	145-092-014	NO	TYLER STREET AND SELKIRK AVENUE	0.81	ALL
6	3	191-040-037	NO	5375 VAN BUREN BOULEVARD	1.36	ALL
7	1	146-182-080	YES	BUSHNELL AND BOGART	0.76	FOOD AND BUS
7	2	146-141-072	NO	11253 PIERCE STREET	4.7	
7	3	ASSEMBLY	NO	DOOLITTLE AVENUE (BETWEEN VAN BUREN BOULEVARD AND MORRIS STREET)	4.96	
7		155-280-029	NO	DOOLITTLE.1	2.5	
7		155-280-030	NO	DOOLITTLE.2	0.3	
7		155-280-026	NO	DOOLITTLE.3	2.16	