



## Sacramento Ending Chronic Homelessness Initiative

909 12th Street, Suite 200 / Sacramento, California 95814  
916.447.7063 x358 / palonso@communitycouncil.org

### Interagency Council To End Homelessness

## Meeting Minutes

September 19, 2007

2.30-4.30 PM

### Attendance:

Council Members Present: Ann Edwards-Buckley (Chair), Chris Glaudel (Vice Chair), Robert Bradley, Karen Brockopp, Carolyn Brodt, Joan Burke, John Foley, Verne Gore, Jim Hare, Pam Herman, Cassandra Jennings, Patty Kleinknecht, Sue Laliberte, Ryan Loofbourrow, Karen Maxwell, Mary K. McMahon, Trisha Stanionis, Petra Stanton, Leland Tom, Bruce Wagstaff, Jan Wald.

Council Members Absent: Alexis Bernard, Michelle Coleman, Michael Dunne, Peter Feeley, Lynn Frank, Deanna Hanson, Elizabeth Hudson, Reta Keirse, Jodi Mendonca, Maria Morfin.

Staff Present: Diane Luther, Phil Alonso, Tim Brown, Kathy Briem, Suzanne Hammer, Toni Moore, Frances Freitas.

Guests: Megan Kurteff Schatz, Karen Giordano, Robert Tobin, Shamus Roller, Mary Liz Paulson, Katherine Klein McFadden.

### Actions Taken:

- **Action Taken:** The Council approved the amended motion below. (Jim Hare abstained from the vote).
- *"The ICEH recommends to the Policy Board that they recommend that the Housing Authority prioritize the opportunity for Project Based Section 8 contracts for permanent supportive housing."*

### Minutes:

Please note that after introductions, the Council started with agenda item 3 and then moved on to item 2. There was not time to address agenda items 4-6. These items will be discussed at the next Interagency Council meeting on October 17th.

#### 1. Introductions

#### 2. Operating Subsidies Needed for PSH

##### A. Need for operating subsidies – Jim Hare/SHRA

- Jim presented the analogy of buying a new car. He equated capitalizing operating reserve to buying a new car with cash, whereas rent subsidy payments (such as are available through Project-based vouchers, Shelter Plus Care, Supportive Housing Program) is like buying the car on installment payments. When we capitalize operating reserve we are spending a lot of money now on something we will get the use of over time, whereas rent subsidy programs allow us to "pay as we go." The use of the rent subsidy programs allows us not to tie up cash that might

otherwise be spent on the capital costs of projects. Plus the rent subsidy programs leverage federal dollars into our projects, whereas now we are using mostly local dollars (principally one-time MHSA funds and Housing Trust Fund) to capitalize operating reserves.

- Currently, SHRA is providing capital dollars up front to cover the future gaps in operating expenses for PSH development projects. These capital dollars are committed to the project for 15 years. This is not a very efficient way to finance projects and we are using up a lot of our current resources.
- The alternative is more like a "pay-as-you-go" system, that is using the proper funding streams to provide ongoing housing subsidies, such as project based section 8. This frees up capital dollars that can be spent on the next PSH project.
- For example, in most of the current PSH development projects (MLK, Colonia San Martin, Ardenaire), he is estimating that residents in PSH units will be able to pay a third of their income to rent. Assuming each resident is receiving at least SSI assistance, then revenue from rent will be about \$225-250 per month per unit. However, operating costs are about twice that, around \$500 per month per unit. This calculation is also not taking into account the fact that many residents are likely to enter the PSH unit with no income.
- Right now, we are trying to fill that gap by capitalizing the funding for each unit up front. But this causes those funds to be "sitting on ice" for years ... is this the best way to do this?

#### **B. Project Based Section 8 Contracts – Mary Liz Paulson, Housing Authority**

- Jim Hare introduced Mary Liz Paulson of the Housing Authority to speak about how our community is using Project Based Section 8 contracts.
- Mary Liz talked briefly about her background in the area. She started as the Executive Director of a food bank in Stockton and mentioned that she represents SHRA's commitment to end chronic homelessness.
- She noted that HUD uses the median income of an area to measure the eligibility for Section 8.
- In Sacramento, for a family of 4, the median income is \$67,200.
- Most families on this program in Sacramento start out at extremely low-income (less than 30% of the median income, which in Sacramento for a family of 4 is \$20,000 or less) and the hope is that they will use the resources previously used for housing to meet other needs.
- HUD's motto is: "Move in, move up, move out".
- In Sacramento, 11,217 vouchers are available.
- There are currently three waitlists in Sacramento.
- One list is open for the last week of September.
- The last waitlist opening had 35,000 applications received in one week, only able to take 10,000 for the next 2 years.
- In June another waitlist opened and SHRA is hoping not to have to close it (it's still open).
- People can use [www.sacwaitlist.com](http://www.sacwaitlist.com) to get on a list (this is how you can apply for Phoenix Park) for 3 or 4 bedroom units.
- Within the waiting lists, HUD has 3 preferences (1) residency (the person lives, works, goes to school in Sacramento County) (2) A member of the family is disabled and (3) More than 50% of the person's income is currently being used for rent (called "rent burdened").

- Requirements for participants: stable address- this is how SHRA communicates (probably biggest reason that people fall out of touch).
- Difference between project-based and tenant-based vouchers:

It's up to the Housing Authority to decide how the vouchers are distributed.

Tenant-based vouchers allow someone to take the voucher pretty much anywhere that takes vouchers.

- If someone lives on a project-based voucher for 12 months, they can convert to tenant-based vouchers.
- 2 projects in Sacramento:  
Phoenix Park and Saybrook (55 units for homeless families with a member of the family who is disabled, supportive services provided)  
283 units are project-based. These developments hold all of the project-based vouchers in Sacramento county.
- When seeking more money, project-based vouchers are not the only answer! One should diversify the funding sources.
- Anyone who wants a project-based voucher must go through RFP process with the Housing Authority.
- Most projects need to deal with identity of interest, as many of these projects already get money from SHRA.
- Challenges:
- It is more expensive to administer project-based vouchers.
- The fact that people can receive tenant-based vouchers after 12 months in a project-based voucher development creating possible premature turnover.
- In places like Phoenix Park, people use project-based vouchers as a backdoor to getting tenant-based vouchers without having to be on the waiting list for tenant-based vouchers.
- Project-based vouchers are not covering all the money for the units in the project, but merely one of many funding sources
- Serious drug/violent crime involvement in history can negate eligibility.
- Housing Authority must make sure supplemental services are adequate.
- Section 8 Voucher Reform Act (SEVRA) proposes that vouchers match time period of tax credits.

## Questions

- Is there a time limit to being on vouchers?

No, there is no time limit.

- If a person gets a job and their income increases, do they become ineligible and lose housing?

If their income goes too high, they get continued housing for a 6-month transition period.

Is there a limit of the number of project-based vouchers?

- 20% of total vouchers can't be project-based (HUD rule).

Are the preferences for the waitlist locally decided or from HUD?

- They are decided locally.

How many tenant-based vouchers open up during a year?

- About 100 per month
- About 150-200 new families receive vouchers every month
- Mary Liz's email is: [mpaulson@shra.org](mailto:mpaulson@shra.org)
- Head of housing Authority could attend next month to discuss the future direction of SHRA in regards to vouchers.

### C. PSH Production Committee motion:

- Diane Luther read the motion from the PSH Production committee and opened it up to discussion.
- The motion was:

*"The ICEH recommends to the Policy Board that they advocate that the Housing Authority provide project based Section 8 contracts to permanent supportive housing."*

- Someone mentioned that the timing of the RFP process is very important because it must match the timeline of developing a project
- Someone asked if the council could diagram out the advantages of moving to project-based vouchers (rather than tenant-based).
- These funds would help fill the gap of operation subsidies, rather than that gap being filled by capital funds.
- Someone mentioned that, because of a lack of Project Based Section 8 vouchers, Serna has empty units and this is not acceptable.
- The number of vouchers on the table now is around 250 (Budget Inn, 7<sup>th</sup> and H, Freedom Park).
- Every jurisdiction is using Project Based Section 8 for their Ten Year plans.
- Suggestion: add "PSH for individuals and families" to the motion".
- Suggestion: add language "disabled homeless" to motion.

- **Action Taken:** The Council approved the amended motion below. Diane Luther (for the PSH Production Committee) moved to approve the motion and Sue Laliberte seconded. The Council voted (20 ayes, 0 nays, 1 abstained) to approve the motion. Jim Hare abstained from the vote.

- *"The ICEH recommends to the Policy Board that they recommend that the Housing Authority prioritize the opportunity for Project Based Section 8 contracts for permanent supportive housing."*

- Ann Edwards-Buckley will present the motion to the Policy Board.

### 3. Need For Funding the Plan – approve a process for defining specific funding gaps/proposals - Ann Edwards Buckley

- Ann started the discussion by asking the Council how should we make recommendations regarding funding to the Policy Board. She reiterated that we need to make a specific recommendation ... we will have to do the "leg work." We must be able to tell the Policy Board: *how much?; for what?; and how it will help the Ten Year Plan's efforts?* ... and foresee other questions the Board will have.
- There are two things that the Council needs to figure out:
  1. All the aspects of this funding issue, where the gaps are.
  2. The process for how the Council undertakes this work.

General Discussion followed (main points captured below):

- There are many funding gaps that were mentioned by members of the Council: clinician position at Central Intake and possibly more funding for case managers at Central Intake; supportive services and operating funding for PSH developments; administrative costs of the staff of the Ten Year Plan beyond SHRA's 2-year commitment, which ends in December 2008; etc.
- This is such a multi-faceted issue that it should be looked at by a smaller group rather than the full Council.
- How do we use the existing structure of the Council and its Committees to get this proposal to the Policy Board ready? Two possible strategies are either delegate the task to an existing committee or form an ad hoc committee.
- Ann suggested that we do a combination of the two strategies. We form an ad hoc "Funding Committee" and then task out specific aspects of the issue to the appropriate committee. We should shoot for being ready for the January 14th Policy Board meeting.
- Diane committed to setting up a meeting time and location and then sending an email around to invite all ICEH members and staff.

#### **4. New 7<sup>th</sup> and H Housing Project – Power Point presentation by Katherine Klein McFadden of SHRA**

This agenda item was postponed and will instead take place at the October 17<sup>th</sup> meeting

#### **5. Committee Reports**

- a. Outreach and Intake – Kathy Briem
- b. Criminal Justice – Tim Brown
- c. Continuum of Care – Suzanne Hammer
- d. Health Services Linked to Housing – Petra Stanton
- e. Data and Reporting – Phil Alonso
- f. Veterans – Robert Bradley/Jan Wald
- g. Housing – Joan Burke
- h. Severe Weather – Elizabeth Hudson

#### **6. Announcements**

- the Policy Board agenda for the September 10, 2007 meeting was included in a packet at the meeting.
- thanks to all who typed up committee report forms .
- There is a new committee: the Homeless Severe Weather Committee. This committee will be a temporary committee (for winter months).
- Diane Luther introduced Shamus Roller (in the audience), Executive Director of the Sacramento Housing Alliance.
- Report on AB 2034-still in holding pattern waiting for the state to provide guidelines, should be around November (Catch-22 situation in terms of supporting or undermining the pending lawsuit).
- Hotel Berry did not get the tax credits.