

Housing Finance Basics for Criminal Justice Partners

Second Chance Month Fieldwide Webinar

The Council of State Governments Justice Center

April 5, 2023

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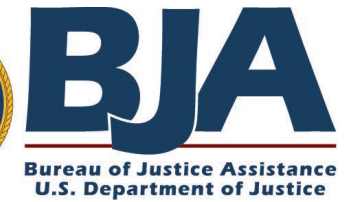
Justice Center
THE COUNCIL OF STATE GOVERNMENTS



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What is the Office of Justice Programs?



- The Office of Justice Programs (OJP) provides grant funding, training, research, and statistics to the criminal justice community.
- OJP is one of three grant-making components of the Department of Justice along with the Office on Violence Against Women (OVW) and the Office of Community Oriented Policing Services (COPS).

Office of Justice Programs

BJA - Bureau of Justice Assistance

BJS - Bureau of Justice Statistics

NIJ - National Institute of Justice

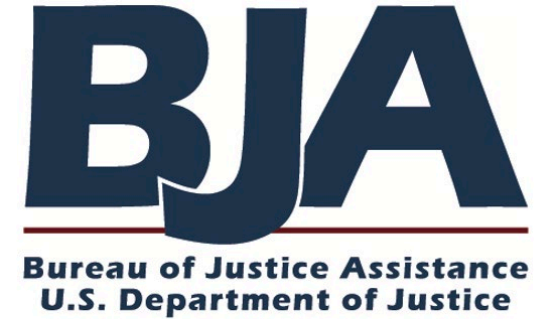
OVC - Office for Victims of Crime

OJJDP - Office of Juvenile Justice and Delinquency Prevention

SMART - Office of Sex Offender Sentencing, Monitoring, Apprehending, Registering, and Tracking

U.S. Department of Justice Bureau of Justice Assistance

Mission: BJA's mission is to provide leadership and services in grant administration and criminal justice policy development to support state, local, and Tribal justice strategies to achieve safer communities. BJA works with communities, governments, and nonprofit organizations to reduce crime, recidivism, and unnecessary confinement, and promote a safe and fair criminal justice system.

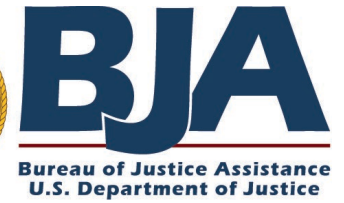


www.bja.gov





**BJA Director
Karhlton F. Moore**



Appointed by President Biden in February 2022, Director Moore leads BJA's programmatic and policy efforts on providing a wide range of resources, including training and technical assistance, to law enforcement, courts, corrections, treatment, reentry, justice information sharing, and community-based partners to address chronic and emerging criminal justice challenges nationwide.

Policy Office

Provides national leadership to criminal justice organizations that partner with BJA to identify effective program models for replication and infuse data-driven, evidence-based strategies into operational models, practices, and programs.

Programs Office

Administers state, local, Tribal, and territorial grant programs. It acts as BJA's direct line of communication to states, local jurisdictions, territories, and Tribal governments by providing customer-focused grants management support and careful stewardship over federal funds.

Operations Office

Coordinates all communication, formulates and executes the budget, manages contracts, measures grantees' performance, and provides administrative support to BJA.

Public Safety Officer Benefits Office

Provides death and education benefits to survivors of fallen law enforcement officers, firefighters, and other public safety officers, and disability benefits to officers catastrophically injured in the line of duty.



Five Major Strategic Focus Areas

Improving public safety through measures that build trust with the community and ensure an effective criminal justice system

Reduction in recidivism and prevention of unnecessary confinement and interactions with the criminal justice system

Integration of evidence-based, research-driven strategies into the day-to-day operations of BJA and the programs BJA administers and supports

Increasing program effectiveness with a renewed emphasis on data analysis, information sharing, and performance management

Ensuring organizational excellence through outstanding administration and oversight of all of BJA's strategic investments



Fund – Invest diverse funding streams to accomplish goals.

Educate – Research, develop, and deliver what works.

Equip – Create tools and products to build capacity and improve outcomes.

Partner – Consult, connect, and convene.

Track News and Updates on Social Media

#ReentryMatters

#SecondChanceMonth

#SecondChanceMonth23



The Council of State Governments Justice Center

We are a national nonprofit, nonpartisan organization that combines the power of a membership association, serving state officials in all three branches of government, with policy and research expertise to develop strategies that increase public safety and strengthen communities.

Presentation Outline

- Welcome, Introductions, and Organization Overview
- Urban Institute: Housing Financing Options and Models for Criminal Legal System Stakeholders
- Fortune Society (NY): Building Blocks to Create Reentry Housing Opportunities in NYC
- Lane County (OR): Partnering across Systems for Reentry Housing Development Success
- Questions and Answers

Presenters

- Charles Francis, Deputy Program Director, Behavioral Health, CSG Justice Center
- Will Engelhardt, Senior Training and Technical Assistance Manager, Urban Institute
- Paul Solomon, Executive Director, Sponsors Inc.
- Laura Johnson, Director of Program Development, Sponsors Inc.
- Donovan Dumire, Manager, Lane County Parole and Probation
- Jacob Fox, Executive Director, Homes for Good
- Andre Ward, Vice President, Fortune Society

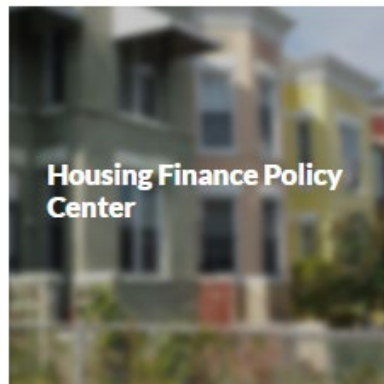
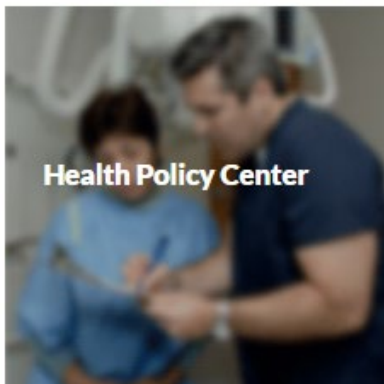
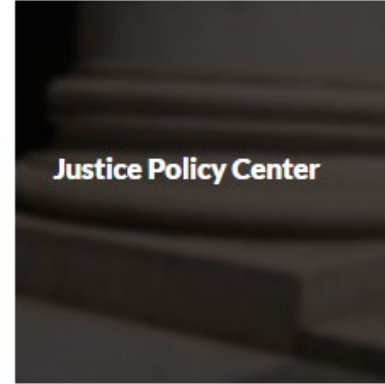


Housing Financing Options and Models for Criminal Legal System Stakeholders

April 2023

The Urban Institute

Nonprofit organization in Washington, DC, working to open minds, shape decisions, and offer solutions through economic and social policy research



Purpose of Presentation

- Despite people who are unhoused being disproportionately involved in the criminal legal system, and the essential role of housing in reducing justice involvement, at the state and local levels there is often limited understanding of housing services and financing models by criminal legal system actors.
- This presentation will provide the basics about housing for criminal legal system actors. Without this information, it will be difficult for criminal legal system actors to have meaningful engagements with housing partners to help house the people they serve.

Housing Financing Presentation Overview

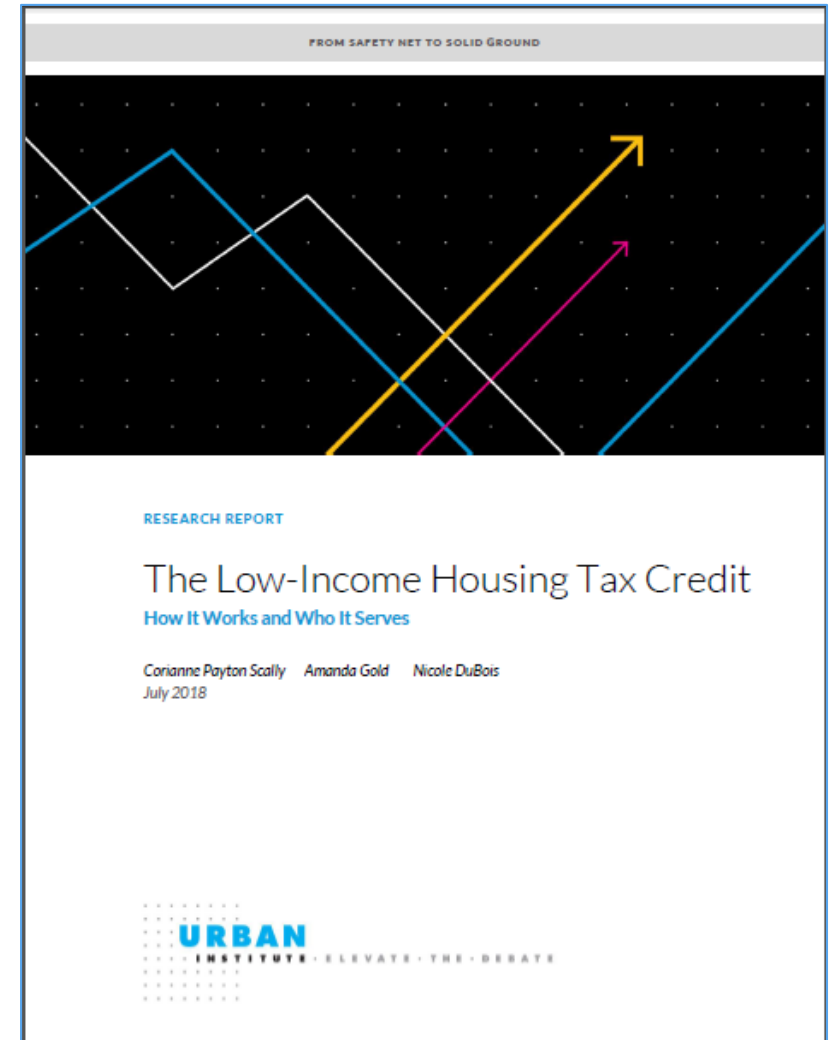
1. Funding Mechanisms
2. Housing Models
3. Housing Partners
4. Key Questions to Consider



Funding Mechanisms

Funding Mechanisms—Low-Income Housing Tax Credit

- The Low-Income Housing Tax Credit (LIHTC) provides a tax incentive to construct or rehabilitate affordable rental housing for low-income households.
- Typically, the federal government will issue tax credits to state and territorial governments, and then the state housing agencies award the credits to private developers.



Funding Mechanisms—HOME Investment Partnerships Program

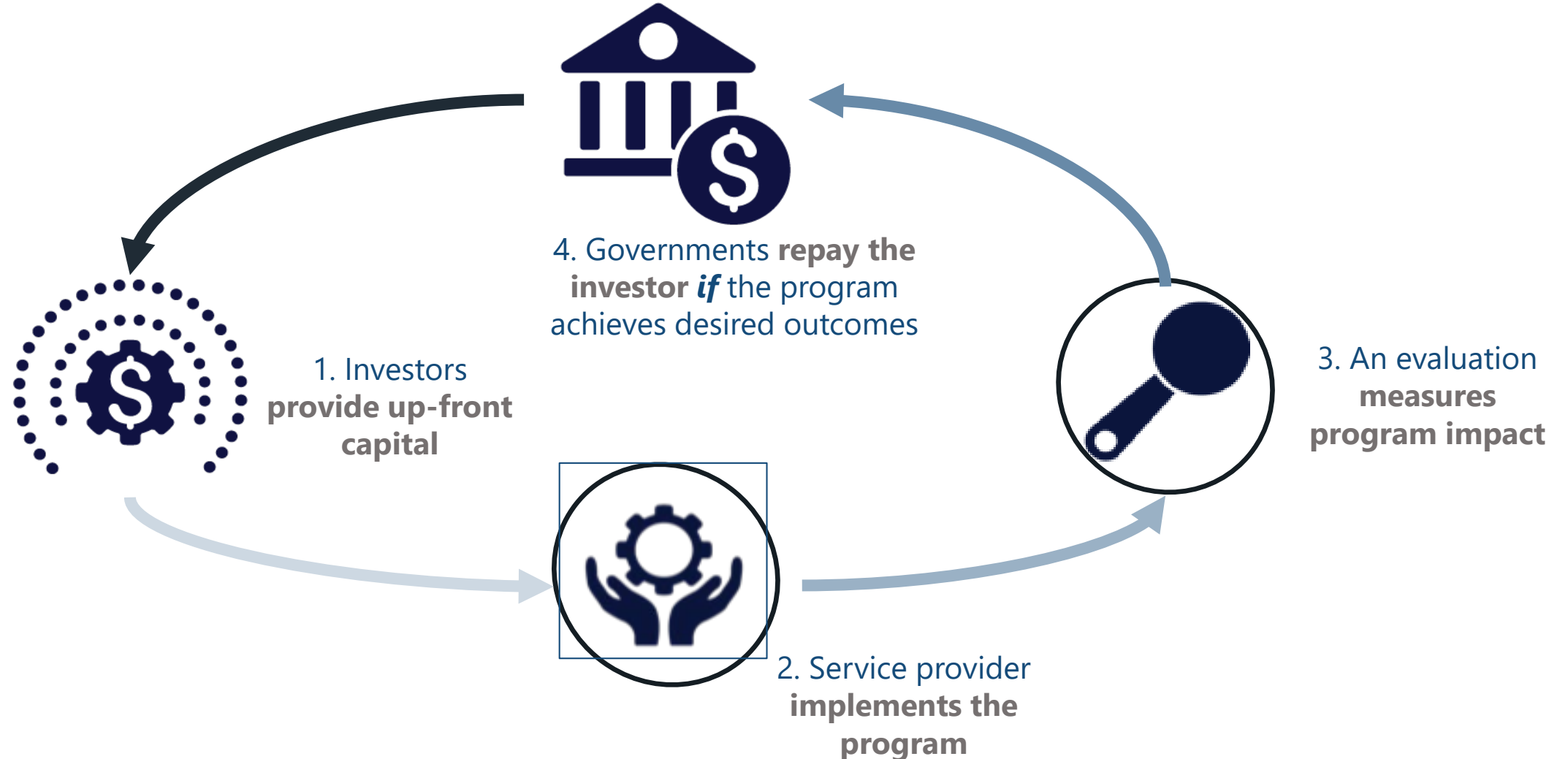
- HOME is the largest federal block grant to state and local governments designed solely to create and expand affordable housing for low-income households.
- There is a condition that participating jurisdictions match \$.25 of every dollar in program funds in support of affordable housing.

Funding Mechanisms—The American Rescue Plan Act

- The American Rescue Plan Act (ARP) of 2021 includes provisions for aid to people who are struggling with rent or mortgage payments and is the largest federal investment of housing resources in a generation.
- Funds are distributed through HUD's HOME Investment Partnerships Program (previously discussed).



Funding Mechanisms—Pay for Success/Outcomes Based Contracting



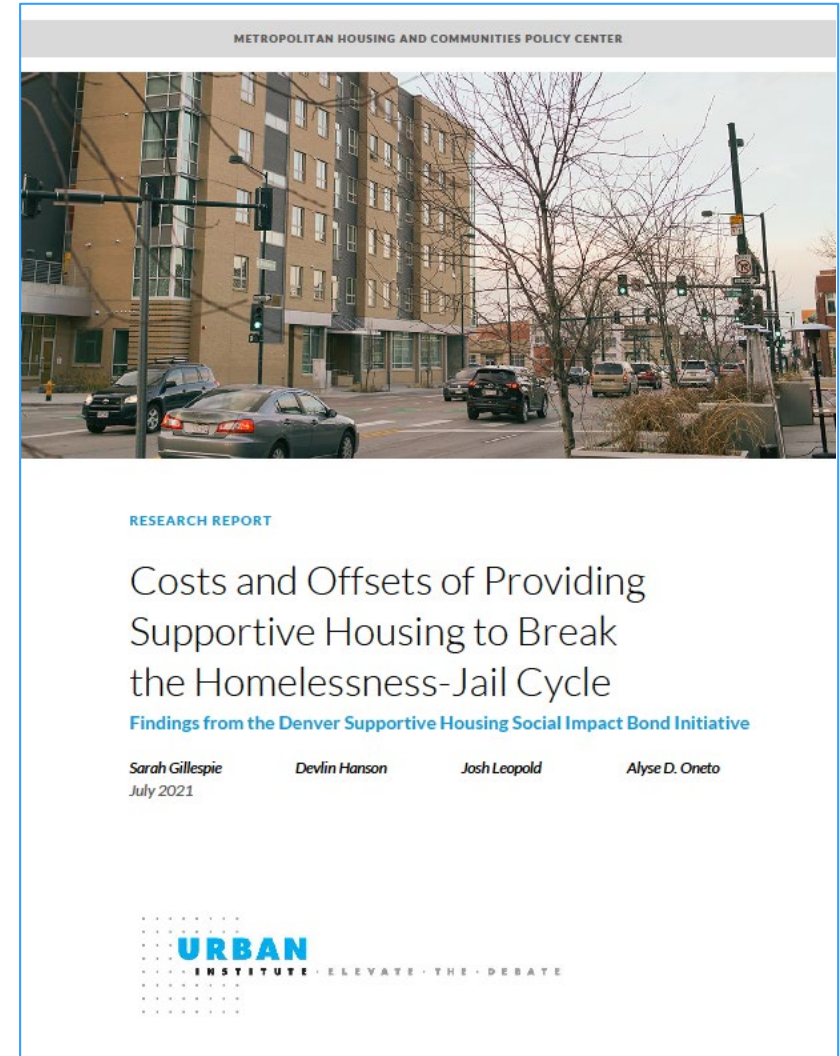
Funding Mechanisms—Housing Choice Vouchers

- The Section 8 Housing Choice Voucher Program is operated by HUD for assisting low-income families, older adults, and people with disabilities to obtain housing in the private market.
- It is the country's largest rental assistance program with over 5 million participating in the program.
- Project-based vouchers (PBVs) are a component of the Housing Choice Voucher Program and are tied to a specific number of units in a building. This means that the housing assistance stays with that unit once a resident moves out.

Housing Models

Housing Models—Permanent Supportive Housing

- The permanent supportive housing model combines low-barrier affordable housing, health care, and supportive services (e.g., case management) to help individuals and families lead more stable lives.
- Follows the “Housing First” model
- Strong evidence supporting its effectiveness



Housing Models—Rapid Re-housing (RRH)

- RRH provides short-term (up to 3 months) and medium-term (4–24 months) tenant-based rental assistance and supportive services to households experiencing homelessness.
- RRH programs were designed as a solution to homelessness, which is why they are offered without preconditions such as employment, income, absence of criminal record, or sobriety.



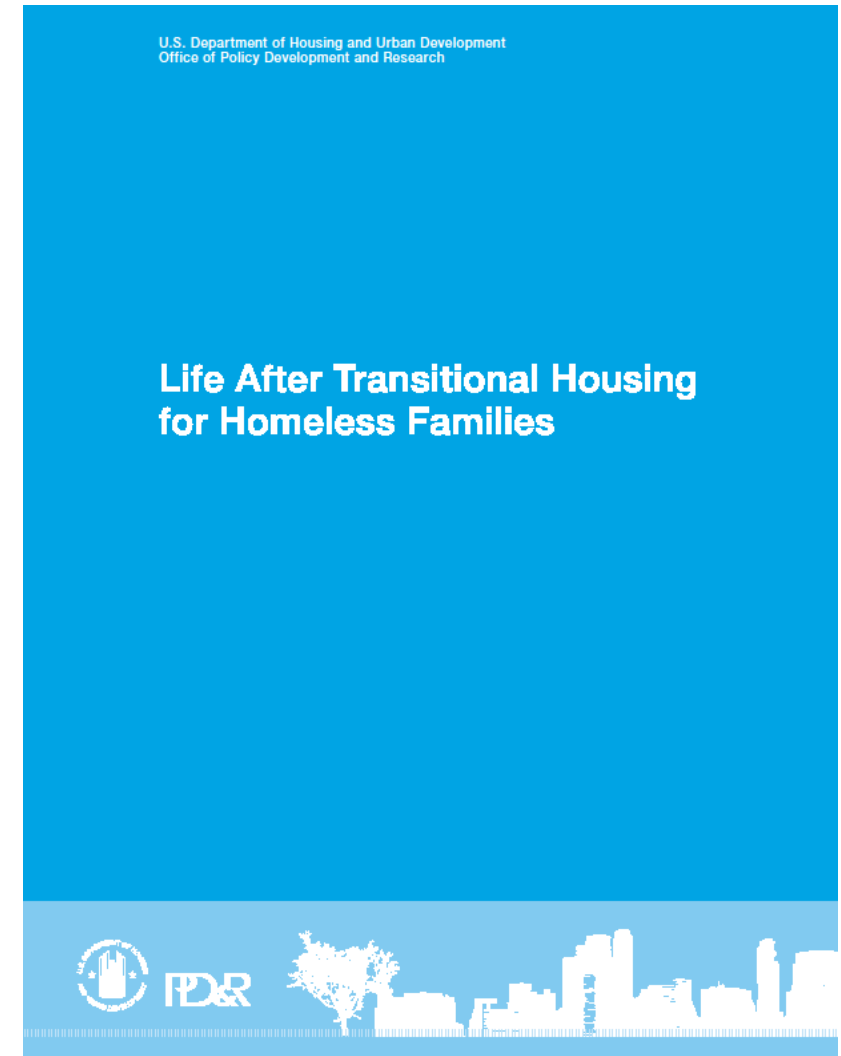
Mary Cunningham and Samantha Batko
October 2018

Rapid re-housing aims to help people exit homelessness and stabilize in housing as quickly and efficiently as possible. It provides housing search services, short-term financial assistance (e.g., help paying rent and move-in costs), and case management services. Rapid re-housing is a short-term, crisis response intervention intended to minimize a household's time spent homeless. The goal of helping people get back into housing as quickly as possible is informed by the belief that, "prolonged exposure to homelessness has a significant negative effect on adults and children—the longer a household experiences homelessness, the poorer the outcomes will likely be in a variety of areas" (HUD 2014).

Research on rapid re-housing is still emerging. To date, it shows that the model has been successful in helping families and veterans exit homeless shelters to live in housing units in the private rental market faster than they would on their own and for lower cost. Most families and veterans do not become homeless again, though many struggle with ongoing housing affordability, like other low-income renters. These findings suggest that rapid re-housing could be a scalable and cost-effective crisis response intervention that could help communities respond to homelessness more effectively. Though evidence exists on the benefits of rapid re-housing for individuals and families, policymakers need more research to understand the impact of rapid re-housing on system-level outcomes, most importantly how rapid re-housing could advance community goals to end homelessness.

Housing Models—Transitional Housing

- Transitional housing programs offer individuals and families who are experiencing homelessness wraparound supports and services (case management and tenancy supports) for up to 24 months to ensure a stable housing environment, which eventually transitions into permanent housing.
- The main goal of this model is to bridge the gap from homelessness to permanent housing.



Housing Partners

Housing Partners

- **Housing Finance Agencies** are established in each state and are the agencies responsible for meeting the affordable housing needs of residents.
- **Public Housing Authorities** are either state, county, municipal, or other government entities that are authorized to engage or assist in the creation and oversight of low-income housing.
- **The Continuum of Care** program was developed to promote communitywide commitment to provide funding for efforts by nonprofit providers and state and local governments to quickly rehouse individuals and families who are experiencing homelessness while minimizing their trauma and dislocation.

Key Questions

Key Questions to Determine Who to Partner with and What Housing and Financing Models to Consider

- What are the housing needs in your local community for people with justice involvement?
- What financing models are already being utilized in your community? What projects are already in the development pipeline?
- What housing services already exist? What housing gaps exist?
- What outcomes is the community looking to achieve?
- What are the gaps in financing approaches that could be filled to meet community need via new housing and programming or scaling housing and programming?

Thank You!

**Will Engelhardt, Senior TTA Manager,
Justice Policy Center, Urban Institute**

Contact: Wengelhardt@urban.org

Building Blocks to Creating Reentry Housing Opportunities in NYC



The Fortune Society
BUILDING PEOPLE, NOT PRISONS

Development Phases for Affordable/Supportive Housing for People with Criminal Justice Involvement

- Land/Property Acquisition
- Pre-development Costs
- Construction Financing
- Permanent Financing
- Rent Subsidies
- Supportive Housing Funding

Land/Property Acquisition—Funding Resources

- Once a piece of land or property for the project has been located, the organization must move to gain site control by entering into a purchase contract, lease agreement, or completion of an actual purchase.
- If land is being acquired through the City of New York or requires a zoning designation change, the project will be subject to the ULURP (Uniform Land Use Review Procedure). ULURP typically takes a year to complete.
- Funding sources exist that can assist with land/property acquisition costs.
- For projects located in New York City, one such funding source is the New York City Acquisition Fund, which is a partnership between Enterprise Community Partners, Inc. and Local Initiatives Support Corporation (LISC) that provides funding for land/property acquisition as well as pre-development costs (www.nycacquisitionfund.com).

ULURP

If the land is being transferred from the City of New York or the property requires a zoning designation change in order to build a residential building, the ULURP process must be completed, which involves the following:

1. An application must be submitted to the NYC Department of City Planning (DCP), which may also involve submitting an Environmental Impact Statement.
2. Once a proposal is submitted to DCP, the local community board in which the property is located has 60 days to review the project before it votes on the project.
3. After the community board votes on the project, if it is passed, the borough president has a 30-day period to review the project and offer recommendations.
4. The project is also considered by the City Planning Commission (CPC)—if CPC votes to disapprove, the process stops. However, if approval is granted by the CPC, the project moves to the City Council.
5. If the City Council approves, the mayor has five days to veto the City Council’s decision; however, if the mayor vetoes the project, the City Council can override.

Pre-development Costs—Funding Resources

- Once a piece of land or property is identified and site control is established, the project must undertake pre-development actions.
- Pre-development includes the following:
 - ❑ Project design and engineering
 - ❑ Project approvals—city agency approvals (building, zoning, community approval, etc.)—as discussed previously, project may require submission to ULURP process.
 - ❑ Financing applications
- Pre-development costs include engagement of necessary professionals: architects, engineers, environmental experts, land use attorneys, and consultants.
- Organizations can apply for funding of pre-development costs from lenders including Enterprise Community Partners, Inc. (www.enterprisecommunity.org) and Leviticus Fund (www.leviticusfund.org).



Construction/Permanent Financing

- Once the pre-development process is completed, the project will transition into construction (either new construction or rehabilitation of an existing property).
- At this point, the organization will be closing on construction financing, which will fund the construction/rehabilitation of the property.
- Financing for construction may include:
 - Private bank lending
 - NYS or NYC funding
 - Federal/state tax credits
 - Philanthropy
 - Foundation support
- Important to engage experts to determine the right financing mix for the project.

Construction/Permanent Financing

- Once construction is completed, the project will need to shift to permanent financing and will become the debt service that the project will need to carry going forward.
- If the project involves the use of tax credits, there will be Year 15 issues with the building. You will need to consult with tax credit experts to understand Year 15 and its effect on the building.

Government Resources

There are a number of government resources available in connection with the development of affordable and supportive housing:

- In New York – Low-Income Housing Tax Credits – <https://www.lisc.org>
- New York State Low-Income Housing Tax Credit Program – www.hcr.ny.gov
- New York City Tax Credit Program – <https://www.nyc.gov/site/hpd/services-and-information/lihtc.page>
- Homeless Housing Assistance Program (HHAP) – <https://otda.ny.gov/programs/housing/hhap.asp>

Government Resources

Government funding for operation of supportive housing programs

- New York City – 15/15 program – www1.nyc.gov/site/hra/help/15-15-initiative.page
- New York State – Empire State Supportive Housing Initiative (ESSHI) – <https://omh.ny.gov/omhweb/rfp/2022/esshi/>
- New York City Justice-involved Supportive Housing Program (JISH) – <https://shnny.org/fundingguide/justice-involved-supportive-housing-jish-rfp/>

Government funding for rent subsidies

- Section 8 Vouchers – <https://www1.nyc.gov/site/nycha/section-8/about-section-8.page>

Philanthropy

- Raising money from private contributions can fill in funding gaps for the project.
- Can also provide support for supportive housing programs available to the residents of the building as well as services for the community at large.
- Can create closer ties to the community.

Foundations

- Numerous foundations, both national and community, fund healthy housing and community development efforts, from a health care, affordable housing, or sustainable, smart growth perspective. Funding cycles may vary, as may focus areas, from one year to the next. Check out websites of [Candid](#) and [Council on Foundations](#) for community foundations. Several funder collaborative, or “affinity” groups, have formed to share information, build awareness, and in some cases pool funding to support healthy housing and community efforts. Although not all the organizations listed provide funding, they may provide information on the foundations and corporate giving programs working in the healthy housing and community arena. Can check out range at Nat’l Center for Healthy Housing, Housing Toolbox, etc.
- Can also support with pre-development costs.

Corporate Entities

A range of corporations provide mostly capital to affordable housing projects. In 2019, Microsoft dedicated \$500 million to fund construction of affordable housing and homeless services in the Seattle region. This affordable housing fund is the largest philanthropic pledge in Microsoft history, providing \$475 million in loans to affordable housing developers over 3 years and donating another \$25 million in grants for homeless service providers. Amazon, CVS, and Aetna also provide capital funding.

A Continuum of Housing Options

The Fortune Academy: An emergency and transitional supportive housing program in West Harlem that provides a safe, rehabilitative community for people returning from incarceration. Residents receive regular case management that assists them in locating stable housing and employment, substance use services, and family reunification, among others.

Castle Gardens: Next to The Fortune Academy, the Castle Gardens is a mixed-use, supportive, and affordable residential development and service center that provides long-term housing solutions for justice-involved people and their families at risk of homelessness.



The Fortune Academy and Castle Gardens Photo courtesy of The Fortune Society

A Continuum of Housing Options

Freedom House: An emergency and transitional housing unit located in East Harlem, for adult men with BH needs who are currently or likely to be detained. Services include case management and mental health and substance use treatment.

The Mandela Community: Located in the Bronx, this 154-unit residence provides on-site services to Fortune participants and justice-impacted seniors living in the building. The community includes 96 affordable homes for people aged 55+ and 57 affordable, supportive homes for seniors with histories of incarceration.



The Freedom Commons. Photo courtesy of The Fortune Society



The Mandela Community. Photo courtesy of The Fortune Society



 **Sponsors**
JUSTICE REIMAGINED



**Partnering Across Systems for Reentry
Housing Development Success**

Introduction

Sponsors, Inc.

- Paul Solomon, Executive Director
- Laura Johnson, Director of Program Development

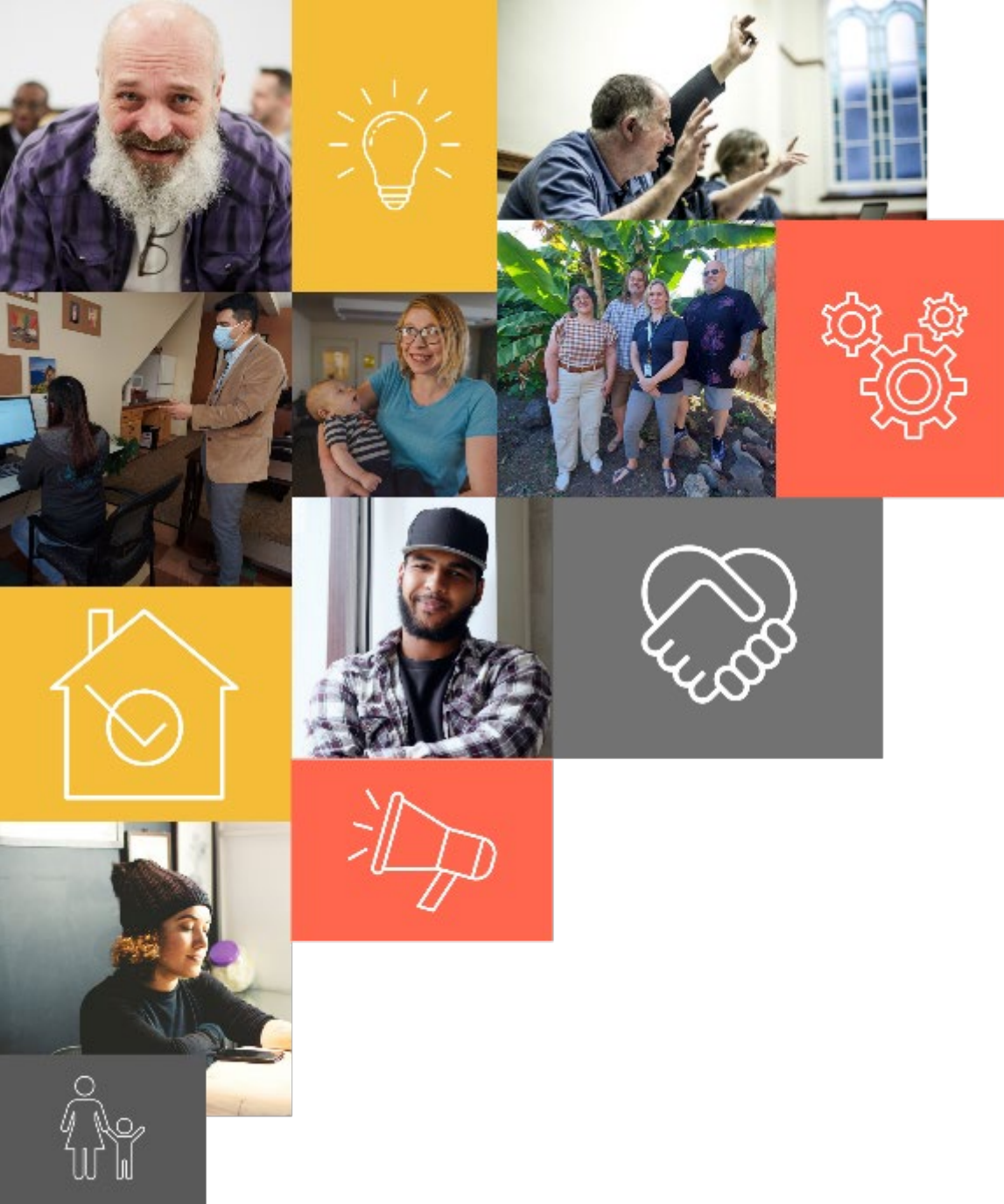
Lane County Parole and Probation

- Donovan Dumire, Manager

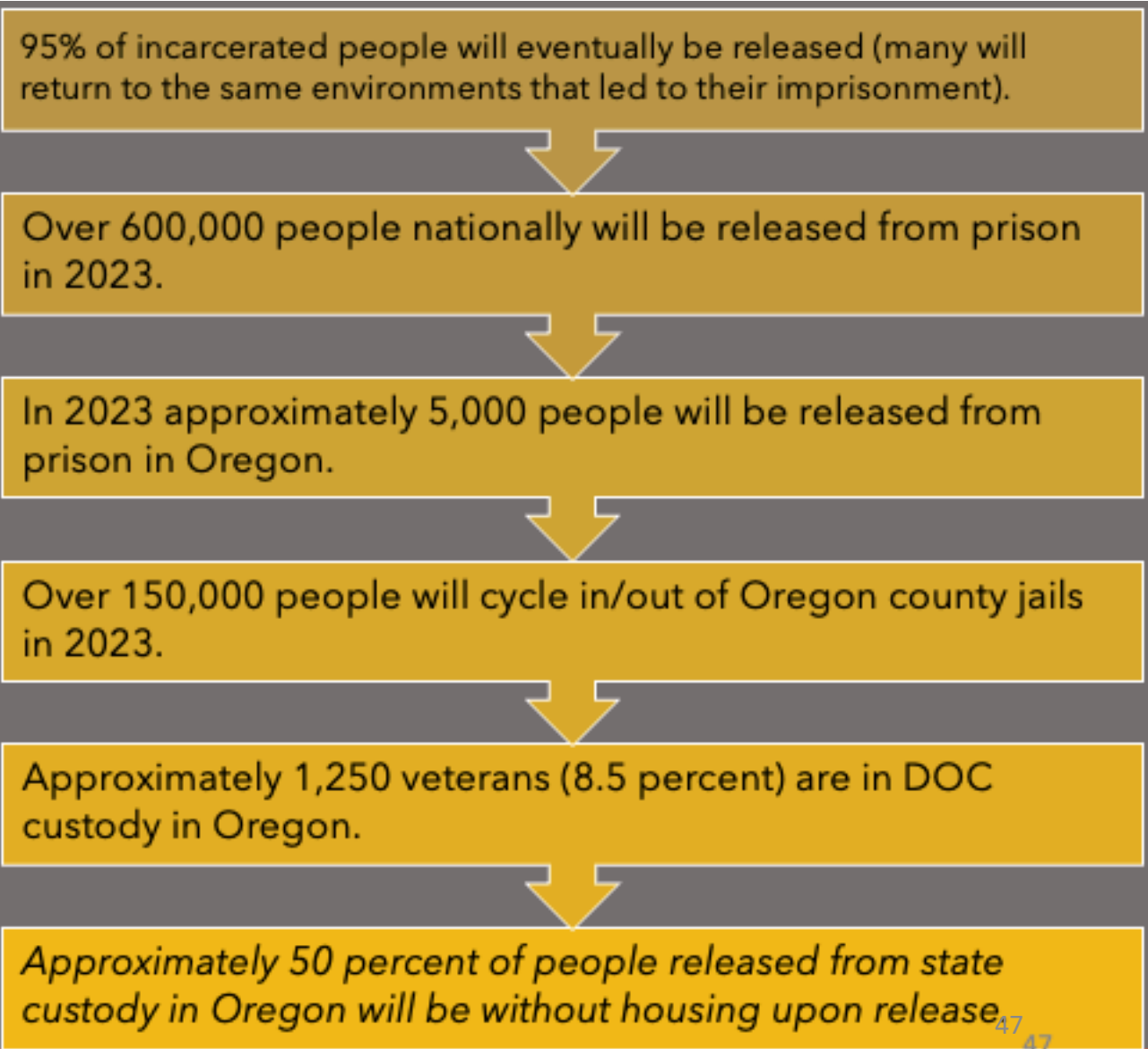
Homes for Good - Lane County's Public Housing Agency

- Jacob Fox, Executive Director





Reentry Needs Leaving Prison





Target Population

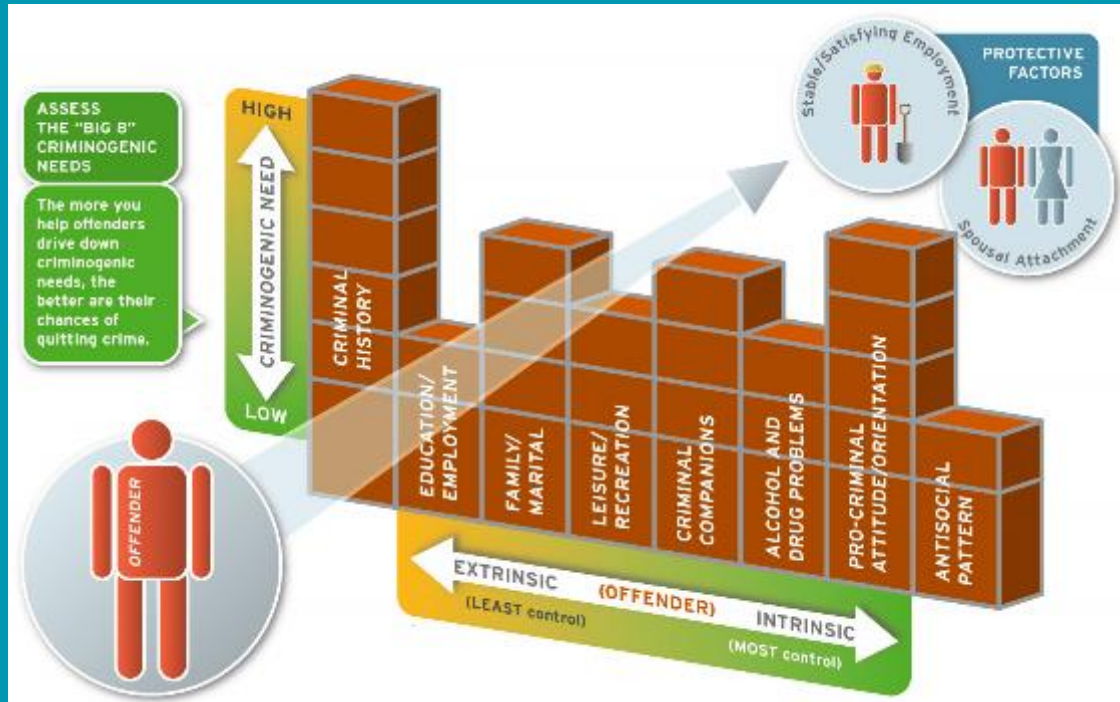
- People released to homelessness from state or county correctional facilities
- Individuals convicted as adults and assessed as moderate to very high risk
- People who will experience the greatest barriers to a successful reentry without additional support
- Priority Populations:
 - Seniors (Oregon ranks #1 over 55)
 - Women with children
 - Veterans
 - People with disabilities including mental illness
 - People convicted of sex offenses



Assessments

Sponsors staff conduct program intakes and the following validated assessments within 72 hours of arrival:

- URICA (stage of change)
- LS-CMI or WRNA (risk/needs)
- PHQ-9 (mental health screen)



Service Delivery

Based on intake and assessments, case plans are developed and participants are referred to appropriate services.

On-site services include the following:

- Reentry resource center
- Mentoring program
- Behavioral health counseling
- Prescriber services
- Cognitive behavioral therapy
- Substance use treatment
- Parenting classes
- UO/Sponsors legal clinic





- Established in 1973
- 20 buildings on 7 sites
- 119 beds of transitional housing
- 124 units of permanent supportive housing
- Transitional housing staffed 24/7
- Administrative offices
- On-site parole and probation offices



Partner Roles

Homes for Good/Sponsors/Lane County
Parole and Probation Partnership

- Homes for Good – Role as developer
- Sponsors – Role as service provider
- Parole and Probation – Role as public safety partner
- Community corrections contracts provide for majority of operational costs



Financing

Blended financing used to fund construction. Sources include the following:

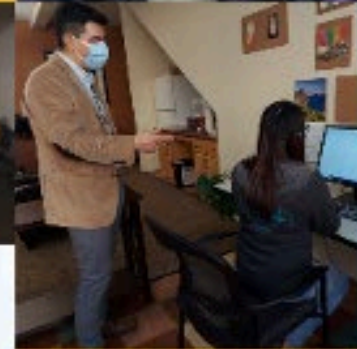
- Low-Income Housing Tax Credits
- City of Eugene HOME funds
- County grants
- GAP Financing
- Philanthropic foundation grants and individual gifts from donors

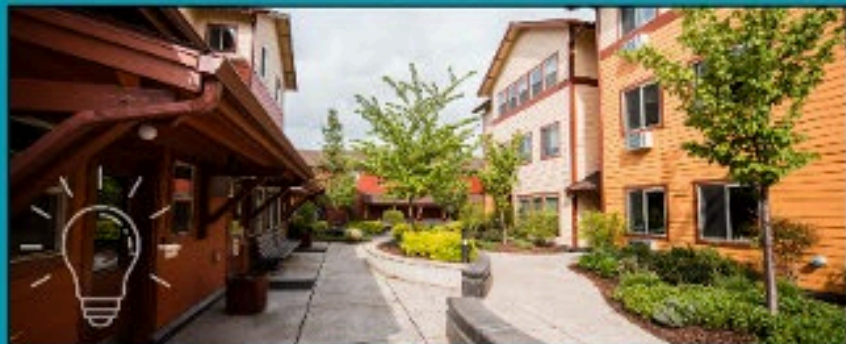


Genesis of a Project

Project Development

- Property acquisition
- Zoning
- Neighborhood outreach
- NIMBY opposition
- Appeals
- Critical support from:
 - Elected officials
 - Public safety officials
 - Community members
 - Neighbors of existing Sponsors sites



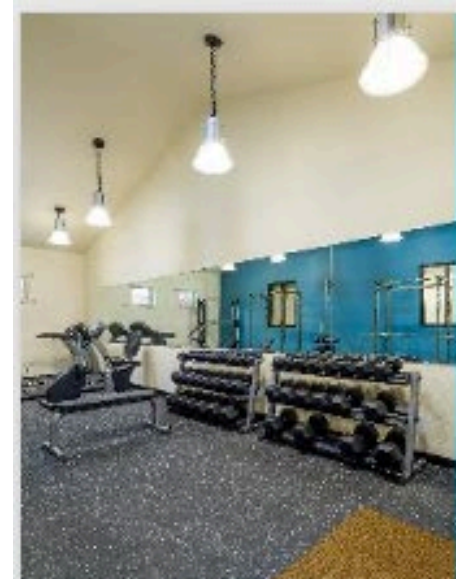


Roosevelt Crossing

- Established in 2010
- 45 units of transitional housing
- 86 beds for male identifying individuals releasing from jail or prison
- 10 dedicated beds for Veterans (VA GPD)
- Funded with Low-Income Housing Tax Credits (LIHTC) and various grants
- 24/7 staffing
- Administrative offices
- Warehouse to support program operations
- Hub for on-site services (reentry resource center, mentorship program, bicycle program, etc.)

The Oaks at 14th

- Partnership between Homes for Good and Sponsors
- 54 one-bedroom single-occupancy apartments
- Project Cost: \$9,200,000
- Funding: LIHTC's, system development charge waivers, Lane County, and foundation grants
- Permanent supportive housing for people (all genders) with conviction histories



The Oaks Resident Apartments



The Way Home is bringing together high performing providers to expand Permanent Supportive Housing for Lane County's reentry population

PROJECT PARTNERS



Nationally recognized leader in delivery of reentry services

- Operating 20 buildings on 7 sites in Lane County with 230+ units of housing.
- Intensive case management
- Mentoring Program
- Employment Services
- Cognitive Behavioral Therapy
- Mental Health Services
- Veterans Grant & Per Diem



Lane County Housing Authority

- 864 public housing units
- 3,108 Section 8 vouchers
- 211 veterans vouchers
- 80 shelter plus care vouchers
- 150 special needs units
- 497 tax credit units developed with community partners



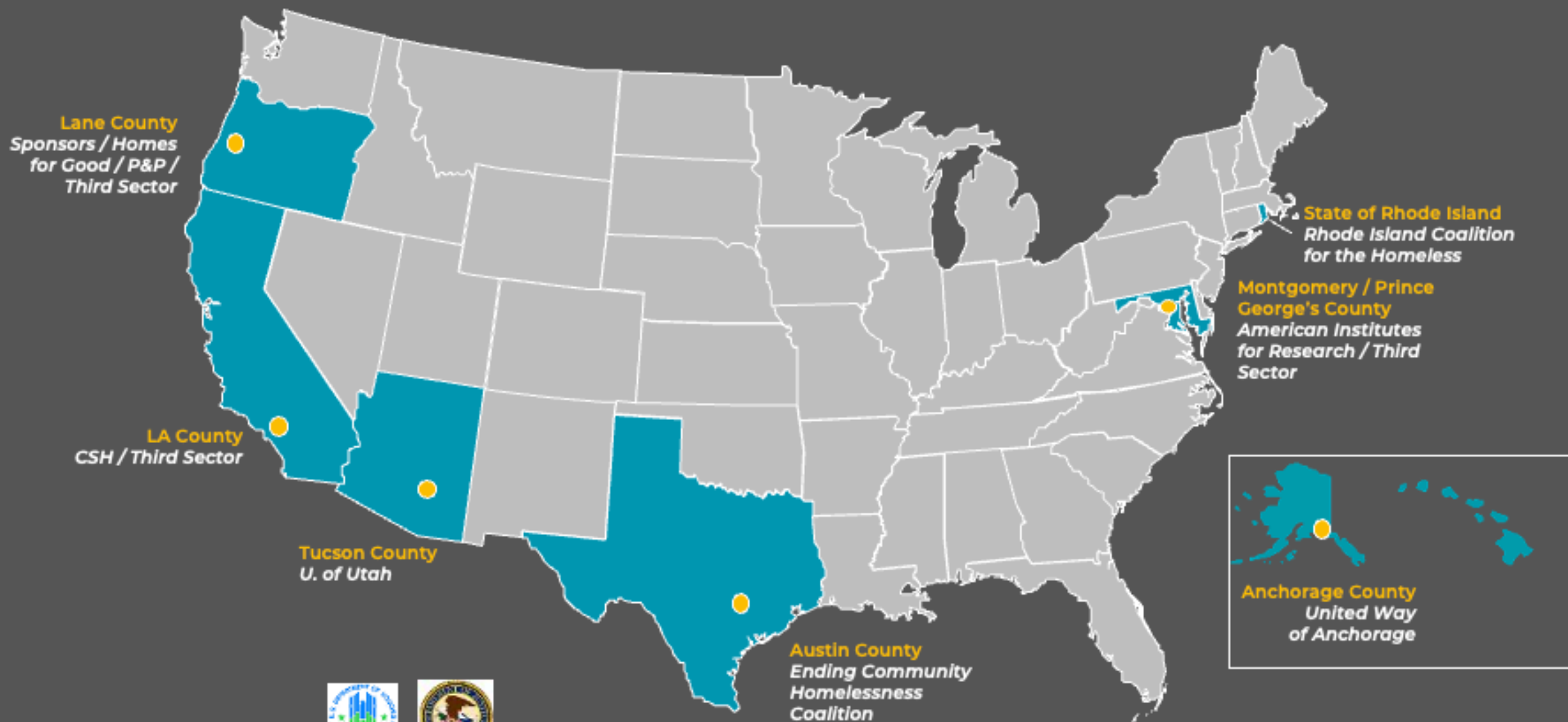
A division of Lane County Administration

- Serves 3,000+ adults annually
- Partnered with Sponsors for over 20 years
- A leader in the implementation of evidence based practices
- Triaging resources to those at highest risk to re-offend



Engaged with providers since January 2017 for project design & implementation

HUD & DOJ awarded \$9mm across 7 projects to prevent and end homelessness among justice-involved populations through PFS



Source: HUD / DOJ



Lane County awarded \$1.3M to scale a Housing First PSH model with rigorous evaluation of recidivism and housing outcomes.

Housing First PSH Service Delivery Overview

Population to be served over 5 years

- 125 people formerly incarcerated in DOC that are homeless with high risk of recidivating

Outcomes to be assessed over 3 years

- Reduce recidivism
Metric: Days incarcerated due to felony conviction
- Reduce homelessness
Metric: Days of stable housing validated by a lease
- Increase appropriate use of health care services
Metric: Number of emergency department visits

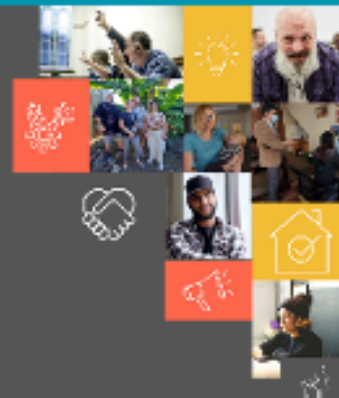
Housing First PSH Service Delivery Overview

- Awarded \$1.3M HUD/DOJ grant in 2016
- Funds supported pre-launch efforts for data infrastructure, intervention design, and outcome payments
- \$270K- \$608K guaranteed for outcomes payments from HUD (1)

(1) Exact amount subject to HUD / DOJ approval

Eugene, 2nd largest Oregon city, is well-positioned to set a state and national standard for addressing homelessness

- Serve as a success case for other cities on the West Coast tackling homelessness and recidivism (e.g., Portland, Seattle, and San Francisco)
- Become national leader in data and policy integration to better align government resources with better outcome delivery in justice, homelessness, and health care





September 2018-January 2023:

- 442 individuals were referred and assessed
- Placed 185 individuals experiencing homelessness in permanent supportive housing (PSH) after incarceration
- 88 Section 8 vouchers were utilized

Validated Outcomes:

- 91 percent of the individuals placed in housing remain stably housed
- 8.9 percent have been convicted of a new felony offense and returned to prison
 - ~80 percent reduction in recidivism for the target population
 - Exceeded benchmark to receive total allocated outcomes payments from HUD (\$608K)

Other Housing Models

Smaller-scale projects—10 to 20 units

Jeffrey Commons—Tiny Home Community (2020)

- 5 duplexes—10 total units
- 300–350 sq. ft. studios
- Total project cost—\$1.3M
 - No federal funding
 - Foundation grants, private donations, a county housing grant, and systems development charge waivers



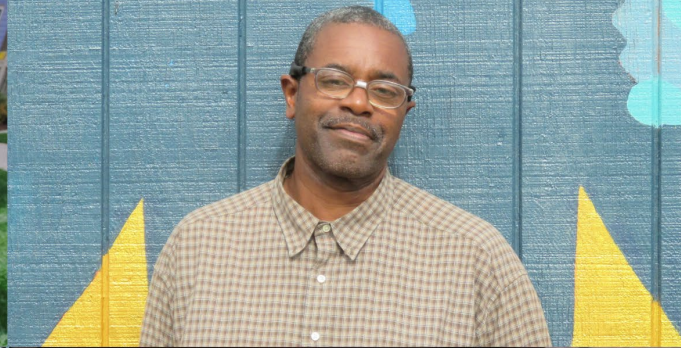


Jeffrey Commons EST 2020



 **Sponsors**
JUSTICE REIMAGINED
TINY HOMES
Fulfill Big **DREAMS**

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The faces of reentry



Questions and Answers

Thank you!

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