

HUD Resources for Funding of Youth Projects in Minnesota Rochester, Minnesota Youth Forum

- **Examples of Minnesota Projects with HUD Resources Developed for Youth**
- **Sources and Eligible Uses of HUD Funds**
- **Contact Information**

Arrowhead Economic Opportunity Agency's Foyer Project for Youth, Opened 2010 in Virginia, Minnesota



HUD Funds included

- Capital funds from the HOME program from St. Louis County
- Rental assistance from Project Based Section 8 Housing Choice Vouchers from the Virginia HRA
- Additional rental assistance for 6 units Shelter plus Care from HUD and the HRA
- Supportive Housing Program operating funds for the security desk

Youth Served and Design

- 15 units (13 efficiency units and two 1 bedroom units)
- Six permanent housing units for homeless youth with a disability
- Transitional housing for other youth
- Two units set aside for youth with small children
- Office, counseling and community space

Lindquist Apartments for Youth in Minneapolis by R.S. Eden with 10 units dedicated to disabled homeless youth & 10 to other youth funded with capital and Section 8 Rental Assistance from HUD



The Bridge in Minneapolis with 10 beds of transitional housing-capital funding by HUD



Safehaven for Youth in Prior Lake with four units set aside for disabled homeless youth with capital and support services funded by HUD



Sponsor Based Rental Assistance and Capital Provided by HUD to Human Services Inc.'s New Construction Project in Stillwater with Five Efficiency Units for Homeless Disabled Youth



Other HUD funded projects for youth:

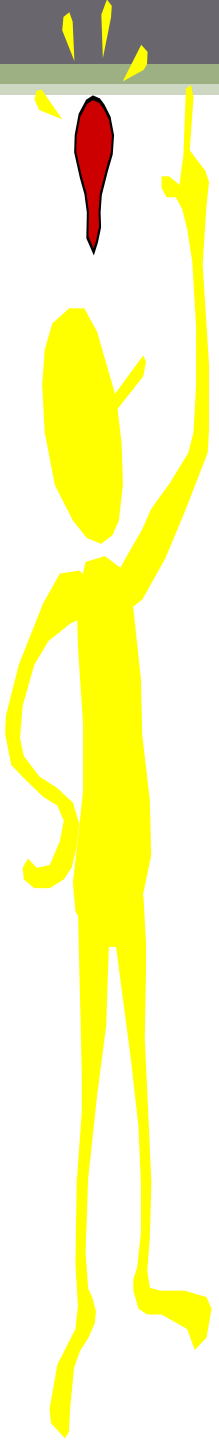
- Freeport West's Project Solo which includes funds for support services and leasing for about 20 scattered site units throughout Minneapolis for transitional housing
- Arrowhead Economic Opportunity Agency's uses leasing and support service funds for two units of transitional housing in Grand Rapids, Minnesota
- RS Eden's 7th Street Landing in St. Paul with 12 permanent housing units funded with capital, support services and project based Section 8 Rental Assistance.

Other HUD funded projects for youth:

- Salvation Army's Foyer Project in St. Paul with permanent & transitional housing with 6 HUD and 21 other funded units for youth. HUD capital funds through the HOME program were also used
- Lutheran Social Services (LSS) transitional youth projects in Willmar, St. Paul, & Duluth with capital, supportive housing, operating or leasing funds
- YWCA of Duluth with capital and operating funds for two units of housing

Possibilities

- Projects may be a mix of housing for the homeless with emergency, transitional, permanent housing or other housing
- Projects may be part of larger rental developments with some units set aside for the homeless youth
- Projects may be scattered site through leasing, development, or rental assistance
- Projects may be a combination of rental assistance, support services, new construction, acquisition of land/building, moderate or substantial rehabilitation



Consider Serving the Those Qualifying for Permanent Supportive Housing for developer

- Minnesota Housing has a priority for permanent housing projects addressing the long term homeless
- Projects developed with an experienced nonprofit agency proves helpful in working with tenants who have special needs
- HUD has put a priority for new permanent housing developments in its Notices of Funding Availability (NOFA) by giving added funds for each Continuum of Care group for the Homeless

Delivery of Housing for the Homeless

Development or Rental of Housing

•Capital

Development

- Involves purchase, rehabilitation, or new construction of housing and support service facilities
- Use McKinney Vento funds as amended by the Hearth Act for capital, operating and support services

•Rental Assistance or Leasing

- Involves the renting of existing property or properties
- Use McKinney Vento funds as amended by the Hearth Act leasing and support services
- Leasing
- Rental Assistance

Eligible Participants for Permanent Housing under Homeless programs

- Those coming from the Street
 - places unfit for human habitation, cars, camp grounds, etc.
- Those in Emergency Shelters
 - Youth, general population, victims of domestic abuse, family shelters, singles
 - generally 30 days or less for maximum stays
- Those coming from Transitional Housing
 - who came from the streets or a shelter originally
- Those in jail or treatment facilities for less than 30 days and
 - who came from the streets or a shelter originally
- Also must have a diagnosis of being disabled for permanent housing under some programs
 - Mentally ill, chemically dependent, HIV positive, developmentally disabled, physically handicapped or multi diagnosed.

Additional Eligible Participants for Homeless Projects Proposed under Hearth

- Additionally :
 - Those who were evicted from their housing or within 14 days of being on the street and lack the resources to obtain housing per proposed definitions
 - Increased documentation standards
 - More changes in the definition and information on documentation expected

Leasing/Rental Assistance

- Rent units when grant agreement is signed
 - Short time to implement after grant agreement signing
- Ideal for clients who are capable and want to live in the greater community
- Ideal when there are sufficient rental units
- Rent limited by reasonable rent or published Fair Market Rent
- Need to find property owners who will work with your program and clients
- Maybe be able to serve those who would not do well or pass some screening for a specific property development or community residence for persons with special needs

Development

- Grant recipient owns building
- Final approval and start of operations takes awhile based on need for added capital, operating, or service funding.
- Ideal in tight housing markets and when economy of scale allows for a development
- Serves those needing lots of structure
- Proposed capital funds may come for Hearth Act based on the amount of funds available with a CoC
- May involve several partners and agencies
- May be very expensive
- May take a great deal of time to develop
 - May take longer than 21 months allowed after the original funding decision by HUD to be under contract

Acquiring Capital Funding

- Identify potential sources of funding
- Assess availability and compatibility of resources
- Determine scale of project; suitability for tax credits
- Likely sources: Low Income Housing Tax Credits, McKinney-Vento Program, Federal Home Loan Bank, HOME funds, CDBG funds, state housing trust fund, etc....
- Meet with all potential funders *prior* to application

HUD Sources of Capital for Development of Housing & Facilities

- Community Development Block Grant
- Section 811 Supportive Housing for the Disabled (Competitive process)
- HOME
- McKinney Vento funds as amended by the Hearth Act proposed maximum may be determined by CoC resources.



Major Sources of Scattered Site Rental Housing

- McKinney Vento/ Hearth Act
- HOME
- Section 8 Rental Assistance tenant based and now project based



Major Sources of Finance Ongoing Operations

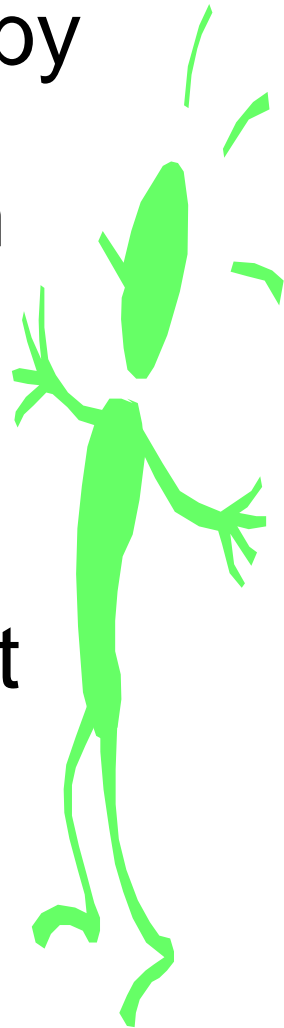
Identify potential sources for rent subsidies, based on the criteria of programs and the characteristics of the target population

Potential sources for ongoing operations:

- McKinney /Vento funds as amended by the Hearth Act
- Section 8 Rental Assistance

Major Sources of Funding for Support Services & Operating

- McKinney Vento Funds as amended by the Hearth Act
- Housing Opportunity for Persons with AIDS
- Emergency Solution Grant Program
 - (Formerly Emergency Shelter Grant)
- Project Based Section 8
- Community Development Block Grant
 - Public Services
 - Economic Development



Other Sources of Financing the Support Services

Potential Sources of Funding to Explore...

- Supportive Housing Services Grants
- HHS - SAMHSA programs
- State DHS programs
- County human services
- Medicaid waivered services
- Foundation support

Capital Funds used for Housing Funding

Special needs housing including the chronic Homeless

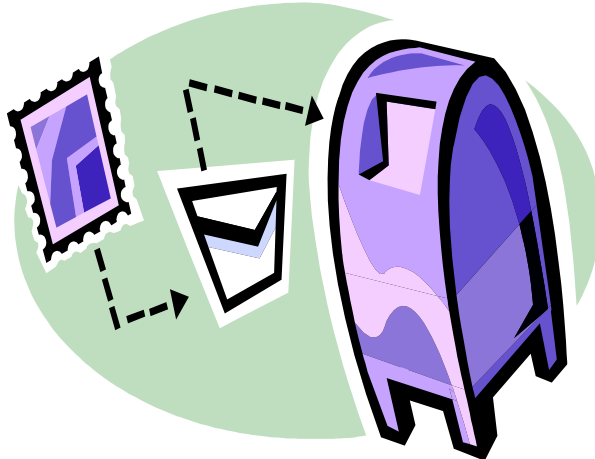
- HOME
- Community Development Block Grants (CDBG)
- Housing Opportunity for Persons With AIDS (HOPWA) Formula and Competitive funds
- McKinney Vento funds as amended by the Hearth Act

Two Major Sources of HUD Funds for the Homeless or those with special needs

- Entitlement or Formula Funds to Counties, the State and Cities
 - HOME
 - Emergency Shelter (Solutions) Grants (ESG)
 - Community Development Block Grants (CDBG)
 - Housing Opportunity for Persons with Aids (HOPWA)
- Competitive NOFA
 - Electronic grants through www.Grants.gov for Most HUD grants
- HUD's NOFA Homeless Competition Assistance through the Continuum of Care Process
 - McKinney Vento funds as amended by the Hearth Act

Cycles of Funding

- Formula grants- Contact local or state block grant recipients
- Examples in Minnesota- MHFA's Super RFP or DEED's Small Cities competition



HUD'S Competitive Grants from a NOFA



Competitive NOFA McKinney/Vento Housing Programs funded through the Continuum of Care Process. (For proposals in Rochester work with the Southeast Minnesota CoC)

- McKinney Vento funds as amended by the Hearth Act
 - Capital,
 - Leasing /Rental Assistance
 - HMIS
 - Support Services
 - Operating

Eligible Applicants for McKinney-Homeless Funds as Amended by the Hearth Act

- For: McKinney Vento funds as amended by the Hearth Act
- local and state governments
- Public housing authorities
- for non profits in partnership with for profits
- non profit agencies

Common Funds Used From Outside of HUD to Provide for Match

- Minnesota Housing Finance Agency (MHFA)
- Minnesota Department of Employment and Economic Development (DEED)
- Minnesota Dept. of Human Services
 - O.E.O.
- US Dept. of Veterans Affairs
- “ “ Health & Human Services
- Education
- Federal Home Loan Bank
- Private Foundations
- Client paid rent
- Good and Services in kind or donated

Rental Assistance and McKinney Vento funds as amended by the Hearth Act

- Tenant Based
 - tenant select units and signs lease
- Sponsor Based
 - sponsor selects units
 - lease or owned by sponsor

McKinney Vento funds as amended by the Hearth Act

- Provides for
 - Permanent Housing for Disabled Homeless Individuals or Households
 - Provides for Transitional Housing for able bodied persons
- Funds pay for Supportive Services, Leasing, Operating and Capital for development

Eligible Operating Costs and Match

- Administration (not related to HUD grant requirements)
- Relocation
- Taxes, insurance, utilities
- Supplies
- Furnishings and equipment
- Repairs and maintenance
- Match is 25%

McKinney Vento funds as amended by the Hearth Act for Support Services and Match

- Case Management
- Food
- Employment training
- Life skills
- Transportation
- Counseling (personal, employment, chemical abuse, etc)
- Education
- Medical basic needs
- Parenting skills
- Damage Deposits
- First month Rent
- Childcare
- Other

Match is **25%**

Leasing/ Rental Assistance

- Grantee may have name on lease, but may allow tenant to assume lease
- Grant amount = the number of units x fair market rents or reasonable rent if less
- Match is 25%
- Typically used for units not owned by the grant recipient



Lease

Entitlement Grants & Grantees

- **Community Development Block Grant Program (CDBG)**
 - **HOME**
 - **Emergency Shelter Grant (ESG)**
 - **Housing Opportunity for Persons with AIDS (HOPWA)**
- Entities including The Cities of Rochester and Mankato for the CDBG program.
 - The State of Minnesota through Minnesota Housing Finance Agency for HOME and HOPWA
 - The State of Minnesota through the Department of Human Services' Office of Economic Opportunity for the Emergency Solutions Grant
 - All programs are funded through a consolidated plan which includes efforts for the homeless and those with special needs

Community Development Block Grant (CDBG)

- Rehabilitation and Acquisition of Property
- Limited new construction
- Public Services (Support Services)
- Economic Development (Includes-training, transportation, day care and micro enterprises development)
- Planning for project activities, needs assessments, entitlement staff administration and consultants costs

HOME

- Provides capital for development of Permanent and Transitional Housing through acquisition, new construction or rehabilitation
- Provides rental assistance through tenant based subsidies
- Provides other types of assistance for rental housing and home ownership development

Emergency Shelter Grants soon to be known as Emergency Solutions Grant(ESG)

- Funds homeless prevention activities
- Rehabilitation of shelters and transitional housing
- Operations of shelters
- Entitlement grant to state and local government

The Neighborhood Stabilization Program (NSP)

- Purpose of the program is to stabilize neighborhoods whose viability has been, and continues to be, damaged by the economic effects of properties that have been foreclosed upon and abandoned.
- There have been three rounds of funding.
- Grantees are required to target funds to “areas of greatest need” (i.e. areas that have been hit hardest by the foreclosure crisis) NSP 3 funds are the most narrowly targeted.
- Operated by Minnesota Housing Finance Agency with HUD funds for projects in southeast Minnesota .

The Neighborhood Stabilization Program (NSP) Eligible Activities

- Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties
- Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent or redevelop
- Establish and operate land banks for homes and residential properties that have been foreclosed upon
- Demolish blighted structures
- Redevelop demolished or vacant properties as housing

Section 8 Rental Assistance

- Tenant based Housing Choice Vouchers provided by 64 Housing Authorities
 - Participant find acceptable units in the market from private owners
- Project Based developments with capital funding by HUD, Minnesota Housing Finance Agency or Rural Development
- Project Based Section 8 housing choice vouchers see local Housing Authority that administers section 8 housing choice vouchers

Section 811 Supportive Housing for Disabled --National Competition

- Program provides up to 100% of funding for capital & at least 5 years of operations
- Clients pay 30% of income
- Need site control and experienced sponsor or cosponsor to be competitive
- Several developments in Minnesota

HUD's Technical Assistance Grants

- Used to develop capacity and assist those proposing housing projects using HUD's programs under HOME, SHP, or HOPWA
- HUD funds national and local contractors,
 - Local contractor -Minnesota Housing Partnership
651-649-1710 x 113
- Contact John Swanson at HUD's Minneapolis Field Office at (612) 370-3000 ext. 2105

HUD's National Contacts

- **Our Web Sites!** WWW.HUD.Gov
- Click on right side for Citizens, Housing Industry, or other Partners
- Click on left side for Homeless, About Communities, Grants, Programs or Library
- And Our Web Site for Special Needs and Homeless programs WWW.HUDHRE.info
- **Our Toll Free National Number!**
- [1-800-HUD-8929](tel:1-800-HUD-8929) to get more information, booklets or be placed on the national mailing lists for NOFAs

HUD's Minnesota Contacts for Homeless Programs

Program Representatives (612) 370-3000

Ben Osborn ext. 2237

Mary Burbank ext. 2102

Sara Bergen ext. 2103

Christine DeLarbre ext. 2157

Program Manager (612) 370-3000

Tom Koon ext. 2108 or

Thomas.Koon@HUD.gov

Minnesota Contacts (612) 370-3000 with the
Minneapolis Field Office

**Program Representatives for Formula
Grants (CDBG, HOME, ESG, NSP, and
Economic Development Grants)**

Cindy Behnke	ext. 2101
Sara Bergen	ext. 2103
Ben Osborn	ext. 2237

Program Manager

John Swanson	ext. 2105
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