Housing Options

for People with Behavioral Health Challenges

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Front cover image: Meriwether Place. Image provided by Vancouver Housing Authority

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INTRODUCTION

Clark County Community Services recognizes there is a need to increase the availability of affordable housing options for people who are experiencing behavioral health challenges. This could include increasing the availability of a type of housing that we currently have in the community, but need more of, or creating a model of housing that is currently missing from the community's portfolio. Community Services is the lead government agency in Clark County in the areas of behavioral health, affordable housing, and homelessness and has identified internal resources that could be used to further this effort.

The purpose of this report is to review the types of housing models that work well for people with behavioral health challenges, identify where current gaps are in relation to these models, and review the different funding sources and partners that could help fill these gaps.

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Part I of the report organizes housing models into three broad categories based on philosophy and primary intent. One of the reasons for this organization is to highlight the tensions that exist amongst different types of housing. It is necessary to understand these tensions to surface the benefits and weaknesses of different approaches. The three categories are:
Supportive Housing: Focuses on housing stability.
Recovery Housing: Focuses on recovery.
Residential Care: focuses on assisting with daily needs in a deinstitutionalized setting.

Part II of this report reviews potential funding sources that are available for construction and acquisition of housing, rental assistance, and supportive services. It will review the local funding landscape, identify gaps in funding, and make recommendations on how best to finance the types of housing and accompanying services discussed in Part I.

Part III of this report contains concluding remarks and combines the recommendations in Part I and Part II and provides a full list of recommendations for our community.

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Part One

Review of Housing Options

This part of the report will examine supportive housing, recovery housing, and community-based residential services in depth. After identifying the primary intent and criticisms of each housing category, the report will define the category of housing; identify the populations served; survey the different models of housing within each category; and review the local availability of, and need for, these types of housing options in Clark County. Each category's section concludes with specific recommendations for how to improve on existing programs in the community or fill gaps.

SUPPORTIVE HOUSING

Supportive housing has a primary intent of housing stability to address homelessness, and largely operates using a housing first philosophy. The models within this category focus on providing housing stability to people exiting homelessness, especially those with behavioral health challenges. Housing stability is viewed as the vehicle for making progress on other, secondary challenges, including mental health and/or substance use disorders.

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A typical criticism of supportive housing from a behavioral health provider is that supportive housing is not a good setting for someone that wants to be in recovery. This criticism acknowledges that people who are homeless should have access to affordable housing, but it is critical of the environment in supportive housing that uses a housing first/ harm reduction philosophy. The central question at the heart of this tension is whether an environment where many of a tenant's neighbors are actively using drugs is going to be conducive to seeking help for a substance use disorder.

Definition

The United States Interagency Council on Homelessness (USICH) defines supportive housing as "non-time-limited affordable housing assistance with wrap-around supportive services."[1] Unpacking this definition helps identify the boundaries of what is considered supportive housing.

The first key phrase is "non-time-limited." This distinguishes supportive housing from housing assistance that must end after a predetermined number of months regardless of the situation, such as transitional housing or rapid re-housing. The lack of a predetermined end date is why supportive housing is also referred to as "permanent supportive housing." Whichever

term is used, the “permanent” or “non-time-limited” nature of the housing does not mean that a tenant receives a lifetime of assistance. Rather, it means that the length of assistance is determined by the tenant’s circumstances and actions.

The second key phrase in the definition is “affordable housing assistance.” Generally, the term affordable means what is affordable to the tenant. As such, the amount of rent that the person pays is calculated as a percentage of the tenant’s income (usually thirty percent) With this type of affordability, a tenant who had no income would not pay rent, but as the tenant’s income increased the amount of rent would increase proportionally until the tenant was paying the full rent. Less common would be a supportive housing program that charges a flat rent (e.g. everyone pays $350 a month). Given the population usually served in supportive housing, the flat rent would have to be affordable at a very low-income level.

The word “assistance” is added after “affordable housing” to indicate that supportive housing can either be delivered through an affordable housing building where the building’s rents are subsidized (site-based) or through a rental assistance voucher that helps pay the rent at a non-subsidized apartment (scattered-site).

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The last phrase of the definition, “wrap-around supportive services,” distinguishes supportive housing from other affordable housing or rental assistance programs. “Wrap-around supportive services” has become a catchphrase often used, but not always defined or understood. There are several elements of this phrase that are key to understanding supportive housing. Wrap-around is used as short-hand for services that wrap-around the individual or family. This means that service delivery is tailored to the unique needs and challenges of the person. While this might seem like an obvious way to deliver services, historically it has been common for housing programs to have a set array of services delivered to program participants/tenants. In this historical model, the program is designed for people with a certain set of needs and then the program looked for participants whose needs matched their services. In supportive housing the services are both comprehensive and flexible so that no tenant has a need that is unmet and no tenant has a service that is unneeded.

The word “supportive” is intentionally used in the definition to indicate that the services should be delivered from a strength-based perspective. Services begin with identifying a person’s strengths and how that person’s strengths can be used to accomplish the person’s self-identified goals.

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Finally, implied in the last phrase of the definition is that the services offered are substantial. There are many wonderful affordable housing developments with resident service coordinators that help connect tenants to different services and activities in the community. Those affordable housing developments would not qualify as supportive housing. In supportive housing, the tenants need the supportive services in order to remain stably housed. The services are not a nice benefit; rather, they are an essential piece of the housing and the program and tenants would not be successful without it. The term "housing first" does not appear in USICH's definition of supportive housing. That said, an understanding of the housing first philosophy and how it has come to be the dominant philosophy of service delivery within supportive housing is essential to understanding the role of supportive housing and the boundary between supportive housing and recovery housing.

There are numerous detailed definitions[2] of housing first as well as housing first principles[3] and checklists.[4] Simply put, housing first means allowing access to housing without precondition and with continued tenancy not dependent on participation in services. Housing without precondition refers to the absence of requirements to enter housing programs,

such as income or sobriety. The separation of tenancy and service participation is a departure from the historical model where a housing provider would remove a tenant for non-compliance with services. The separation of tenancy and services should not be confused for a lack of services. On the contrary, services are an essential piece[5] of the housing first philosophy and are used to "persistently engage tenants to ensure housing stability."[6] Proponents of housing first believe that a person with untreated serious mental illness and active substance use disorder deserves to live in safe, stable housing regardless of whether he or she wants help with either challenge. Proponents also believe that a person will be more likely to accept help and have success in treatment if they are in safe, stable housing.

Supportive housing operated with the housing first philosophy has become an evidenced-based best practice for people experiencing long-term homelessness and who have behavioral health conditions.[7] This growing body of evidence shows that supportive housing operated with a housing first philosophy reduces homelessness,[8] reduces use of emergency medical services,[9] reduces substance use,[10] reduces jail utilization,[11] improves mental health,[12] and decreases Medicaid costs.[13]

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There are supportive housing programs that do not abide by the housing first philosophy, either through precondition of housing or by service requirements. However, the success of the housing first method and the lack of an evidentiary base for the success of non-housing first supportive housing has led the housing first programs to dominate this category of housing. This has happened to such an extent that it is becoming commonplace to use the terms housing first and supportive housing (or permanent supportive housing) synonymously. Accordingly, this section will only explore the models within the intersection of housing first and supportive housing and will leave discussion of "clean and sober" models of housing to the Recovery Housing section.

Population

Supportive housing serves people exiting long-term homelessness or who are at-risk of homelessness (e.g. couch-surfing), and have a significant behavioral or physical health challenge.[14] Nationally and locally, supportive housing is most often associated with a community's continuum of care for homeless services. Through Housing and Urban Development's (HUD's) requirements and guidance,[15] these programs serve the narrower population of people who are chronically homeless with the longest histories of homelessness and the highest

services needs, as evidenced through an assessment. This same population is very likely to have behavioral and physical health challenges. HUD's prioritization of this part of the population is in reaction to the historic lack of assistance in the housing and homelessness world for this group, as well as in furtherance of HUD's goal to end chronic homelessness.

As will be discussed more in the Local Review sub-section of this category, depending on financing, there is an opportunity to prioritize supportive housing in our community both for those who are chronically homeless with the highest needs and for those with severe behavioral health challenges who, without assistance, likely will become chronically homeless.

Models

There are common themes across supportive housing models, but variations exist within the built environment, service delivery model, and populations served. All three of these factors are interrelated and should be specific to the populations served.

Site-based vs. Scattered-Site

The largest difference in models within supportive housing is whether the supportive housing is site-based or scattered-site.

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A site-based program is where an apartment building is dedicated for use as supportive housing. Downtown Emergency Service Center (DESC), a Seattle-based nonprofit, pioneered the site-based model of supportive housing. Locally, Lincoln Place is an example of site-based supportive housing. It does not matter if the owner of the building and the provider of services are the same (as in the case of DESC) or different (as in the case of Lincoln Place), a program is site-based as long as there is a physical apartment building dedicated to use as supportive housing.

The benefits of site-based supportive housing are that it is easier to deliver comprehensive services, foster a sense of community, and the building itself can be designed specifically for the population served (i.e., more accessible apartments, higher sound proofing, drain in bathroom floor, etc.). Drawbacks of this model are that tenants cannot choose where they live, and the sense of community that is beneficial to some can be problematic for others. There is a further complication in communities, like Clark County, that are not highly urban. The economies of scale that allow for more comprehensive services in site-based supportive housing are significantly lessened if the site-based housing has thirty apartments (Lincoln Place) as opposed to 130 apartments (Bud Clark Commons).

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The scattered-site model of supportive housing provides rental assistance vouchers that are used to rent apartments in the community. These apartments might be owned by a private landlord or an affordable housing nonprofit. Pathways to Housing, a nonprofit based in New York, pioneered the scattered-site model of supportive housing and there are several local examples operated by Share, Community Services NW, Impact NW, and Janus Youth Programs.

Scattered-site supportive housing has the benefit of providing consumer choice over where to live and can integrate tenants into apartment buildings and neighborhoods that have a diverse mix of people. On the other hand, it is difficult to deliver the same level of services in the scattered-site model because there is no onsite staff. Some tenants experience community integration as isolation. The local housing market also has outsized influence over whether scattered-site housing actually achieves the benefits of consumer choice. In Clark County's competitive rental market, it is very difficult to find landlords who are willing to rent to people in a scattered-site supportive housing program. Even with excellent support from staff, some participants may not be able to find housing within a scattered-site program. Others may be forced to rent an apartment that is run-down or in an undesirable part of town. Finally, frequent moves are also a drawback in the scattered-

site model in a tight rental market, as landlords are quick to ask tenants to leave for behaviors commonly associated with serious mental illness or substance use.

Despite the differences in the site-based and scattered-site supportive housing, both models have undergone considerable evaluation and are both considered evidence-based models.[16] Clark County employs both models currently, which allows some of the above concerns within each model to be addressed. Concerns over consumer choice, isolation, and integration are substantially alleviated if potential tenants can be given a choice between the site-based and scattered-site options.

There is also a hybrid model that is used nationally and locally called master leasing. In this model, the supportive housing provider leases apartments and then sub-leases to the tenant. Depending on how the model is employed, it can be quite similar to the scattered-site model (if each master leased apartment is in a different location) or the site-based model (if the master leased apartments are clustered in one location). Master leasing allows some flexibility as market conditions change and can be an important strategy for financing supportive housing, which this report will examine in Part II.

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Built Environment

The built environment is an essential aspect of the site-based model. It can take various forms ranging from traditional apartment buildings to tiny home villages. The dominant style is a traditional apartment building with slight modifications. These buildings tend to be mid-rise apartment buildings with interior hallways, common areas, and unique features such as bug rooms that heat clothes and linen to a temperature that kills bed bugs. Other common features include a single, monitored entry door to provide greater control around guests, additional sound insulation between walls, floor drains in bathrooms to prevent flooding, and an automatic shut-off timer on the oven. Most of these buildings provide small one-bedroom or efficiency apartments. A smaller number are single room occupancy (SRO)-style with shared bathrooms and/or kitchens. Numerous examples of the dominant style exist in our region, including Lincoln Place, Bud Clark Commons, and DESC's properties in Seattle.

Two aspects of the dominant style of site-based supportive housing warrant further discussion: 1) the mid-rise, controlled access, interior hallway design, and 2) efficiency or one-bedroom apartments versus SROs. The built environment within supportive housing is an area in need of research, so this discussion is based on provider experience, not empirical evidence.

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Site-based housing first began in Seattle, an urban environment where land is constrained and highly valuable. In that setting, there is little choice over some aspects of design because the need to place a large number of apartments on a small piece of land determines that a mid-rise, interior hallway building is a necessity. Outside of the downtown core of Vancouver, most of Clark County is suburban with some rural areas. This allows for greater choice in building design. Outside of downtown Vancouver, garden-style apartments predominate in Clark County. These buildings are two to three stories and have exterior hallways. Tenants can go directly from being outside to inside their apartment. Since this is the dominant style of apartments locally, most scattered-site supportive housing tenants live in these garden-style apartments.

In designing Lincoln Place, local leaders toured supportive housing buildings in Seattle and Portland and used a similar design. The developer chose a single-entry point to provide more control over guest access. The first floor has offices and common spaces to provide space for on-site staff and community activities. The unintended consequence to this design is that Lincoln Place has more of an institutional feel than a typical apartment building. Tenants do not have a lot of choice over interactions with other tenants, as the entryway

and hallways provide for forced mingling. It may be that in an attempt to provide a more safe, controlled environment, the design actually contributes to a more chaotic environment. A garden-style supportive housing development could still have on-site staff and common areas, but could also give more choice to tenants about when they would like interaction and with whom and increase sense of personal space.

In designing Lincoln Place, local leaders toured supportive housing buildings in Seattle and Portland and used a similar design.

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In supportive housing, not everyone living in the building has a shared experience (e.g. substance use recovery), and people can be in very different places in their lives. Thus, the SRO-style is not used as part of the service delivery model in supportive housing. This leaves the question of one-bedroom vs. efficiency apartments vs. SRO to be more a matter of financing, which we will revisit in that section.

The tiny home model is a relatively new addition to the built environment options for site-based supportive housing. Opened in 2013, Quixote Village in Olympia was the first tiny home supportive housing development.[17] Proponents of the tiny home model cite lower development costs as one of the model's benefits. Whether tiny homes actually cost less to develop is highly dependent on the particular project. However, some local providers[18] believe that there is a population that is currently ill-served in other supportive housing environments that would benefit from a tiny home model. Some people in need of supportive housing have mental health challenges that make it very difficult to live in an apartment building where walls are shared with neighbors. This could be due to Post Traumatic Stress Disorder or psychosis that leads to behaviors such as banging on walls, constant yelling, etc. For this population the tiny home model arguably provides

the needed private space of an apartment, but with greater distance between neighbors. It also can provide a sense of community and diminish the isolation that could happen, for example, in a scattered-site single-family home environment. Having this model as an option would increase consumer choice and may help a small percentage of the population stay stably housed that would struggle in other built environments.

Service Delivery

Supportive services are the most important and perhaps most difficult aspect of supportive housing. The population served in supportive housing often has significant mental health, substance use, and physical health conditions. Supportive housing programs are faced with the challenge of needing to provide comprehensive cross-sector services that are customizable to individual needs. Further, service delivery requires balancing between assertive and persistent engagement and the housing first framework's voluntary services model. The professionals that are needed for the comprehensive cross-sector team (nurse, mental health professional, substance use counselor, prescriber, peer, housing support) must have the skills needed to engage people in a voluntary environment (relationship/trust building, motivational interviewing, trauma-informed care, harm reduction).

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The two pioneers of the supportive housing/housing first model, DESC and Pathways to Housing, have similar service delivery models even though DESC primarily uses a site-based approach and Pathways uses a scattered-site approach. Both agencies use integrated, multi-disciplinary teams that provide crisis intervention, treatment (including medication monitoring/prescribing), basic skills support (i.e., how to keep apartment clean, pay rent, etc.), and activities that foster community in site-based or community inclusion in scattered-site.[19] Incumbent within this service delivery model is the recognition that because tenants are at different places in their lives they need approaches that are tailored to meet them where they are, utilizing a harm reduction approach. Both agencies have the benefit of working across the housing, behavioral health, and physical health disciplines so that these multi-disciplinary team members all work for the same agency and therefore share a common philosophy and approach.

Scattered-site supportive housing programs have the additional need for housing navigation services. Not only do the program participants often have barriers to renting (e.g. past evictions, poor credit or lack of credit history), participants are often unable to conduct a search for an apartment without a high level of assistance. Program

participants who have been homeless for years and/or have severe behavioral health challenges may have hygiene or behavior issues that are counter productive when attempting to convince a property management company to rent them an apartment. One or more team members must have the skills to market the supportive housing program to skeptical property managers, as well as help the participant through the application process.

Many communities, including Clark County, do not have large integrated organizations that work across the physical health, behavioral health, and housing domains[20] that can employ all the services needed for a successful supportive housing program. In their stead, partnerships must be formed to create the network of services needed. These partnerships can result in onsite services or a referral network that ensures that tenants are able to quickly access the help that they need. The partnership approach brings the added strength of multiple organizations, but also the challenge of communication and coordination across separate entities that may not all share the same philosophy and approach. A lead organization is crucial in the partnership approach to ensure that there are no gaps, and that team communication and culture are working.

The last crucial piece of the service delivery model is ensuring that the comprehensive, multi-disciplinary services are funded in a way that everyone in the supportive housing program has access to what they need, regardless of health insurance status or other barrier. This often takes braiding funding sources like Medicaid with other more flexible dollars. When piecing together a partnership there is often an effort to use existing community resources. Resources are limited and communities do not have the luxury of duplicating. However, in using existing community resources providers must pay close attention to eligibility rules and funding sources to ensure that no gaps are left. An example would be using the Forensic Assertive Community Treatment (FACT) model. FACT teams closely resemble the multi-disciplinary teams needed for a successful supportive services approach. FACT teams also have specific eligibility requirements that determine who they can serve. These eligibility requirements overlap with the supportive housing population, but are not entirely the same. The recommendation section below suggests using a FACT team with braided funding to provide the supportive services needed for this population without leaving any gaps in service coverage. There is local precedent for this type of approach. For three years beginning in 2007, the Clark Housing and Engagement Collaboration (CHEC) used a multi-disciplinary team named H-PACT to perform street outreach and provide

services to people in scattered-site supportive housing. Clark County Community Services funded the program through a grant from the Washington State Homeless Grant Assistance Program (HGAP). CHEC succeeded in providing stable housing for people exiting chronic homelessness, but after the grant ended only pieces of the effort continued.

Local Review

Locally, Clark County's homelessness system has a network of site-based and scattered-site supportive housing programs. Lincoln Place is the one site-based location. Several scattered-site programs are operated by Share, Community Services NW, Impact NW, and Janus Youth Programs. Some of these scattered-site programs operate as rental assistance programs, in which a participant rents an apartment using a voucher. Others are operated as master leasing programs, in which a nonprofit rents an apartment and sub-leases it to a participant.

The Council for the Homeless Housing Solutions Center (HSC) coordinates entry for all of these programs. The HSC works with homeless outreach teams, the sobering center, jail, and others to maintain a list of people with long histories of homelessness and a disabling condition that score high on the Vulnerability

Assessment Tool (VAT). DESC developed the VAT as a tool to determine those who are most likely to die on the street if they are not housed. When Lincoln Place or one of the scattered-site programs has an opening, staff at the HSC connects the person with the highest VAT score to the agency with the supportive housing opening. The HSC also has some ability to help providers move people between the scattered-site programs and Lincoln Place when a move would create a better housing environment for the tenant. These moves are easier to do from scattered-site to Lincoln Place; the other direction is more difficult due to eligibility restrictions on the scattered-site programs. These scattered-site eligibility restrictions stem from the HUD Continuum of Care funding source, which requires people to be chronically homeless at time of entry. A person who is currently living at Lincoln Place is housed and ineligible, regardless of whether the person had been chronically homeless before entering Lincoln Place.

There are a couple of additional site-based supportive housing programs that are specifically for veterans: Central Park Place and Freedom's Path. Also, Columbia Non-Profit Housing, a local nonprofit affiliated with the Vancouver Housing Authority, has two projects in the development pipeline: Meriwether and Rhododendron. Both will be supportive housing for people with behavioral health challenges.

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Although the need still greatly outweighs the supply, the community has made good progress in creating a network of supportive housing over the past five or so years. There is a mix between site-based and scattered-site, rental assistance vouchers, and master leasing. Soon there will be a mix between programs that are operated as part of the homelessness system, which prioritizes people who are chronically homeless with the highest vulnerability, and the behavioral health system, which prioritizes those with behavioral health challenges. Despite recent progress, significant challenges remain. The remainder of this section will review the challenges and recommend how to address them.

Locally, we struggle with immediate options for people who are exiting psychiatric hospitals or inpatient facilities. When appropriate support is not provided when someone exits a psychiatric hospital, it is very likely that they will end up right back in an institutional setting. There is rarely an opening in supportive housing the same day that a person is exiting a mental health facility and with scattered-site supportive housing it can take months to find an apartment to rent.

Lincoln Place has succeeded in accepting the most vulnerable, chronically homeless members of our community, but it has

struggled to always provide a supportive, stable environment. There have been issues with role clarity across the multiple partners involved, and concerns that some tenants need a higher level of care than is possible in the supportive housing setting. The housing retention rate at Lincoln Place has not been as high as national averages, nor our local scattered-site programs. The Vancouver Housing Authority is contracting with a consultant to do an assessment of Lincoln Place and make recommendations. We do not yet know the results of this assessment, but there are some lessons we have already learned:

- As discussed earlier, the built environment may be contributing to a chaotic, institutional feel.
- Although the array of services has been increased since Lincoln Place opened, there is not a full multi-disciplinary team that is able to work with all tenants of Lincoln Place to provide crisis intervention, treatment (including medication monitoring/prescribing), and 24/7 housing support.
- The owner, property management, housing services agency, and behavioral health agency do not share a common vision and approach for how Lincoln Place should operate.
- Some tenants at Lincoln Place need round-the-clock assistance from a home health aid, and may also need community-based residential services, but are not receiving these services due to barriers.

- While the recommendations in the following section would address some of these issues, addressing the lack of a common vision and approach across partners will be left to the consultant that is doing a deep dive into Lincoln Place's operations.

The scattered-site programs also lack access to multi-disciplinary teams that cover the full range of supportive housing services and are fully accessible to all participants. These programs also have a number of unique challenges. The local housing market conditions remain such that it is very difficult to find landlords/property management companies that are willing to rent to people in supportive housing programs. As such, a program participant often remains homeless for long periods of time while the provider attempts to locate an apartment. Sometimes a provider never finds housing for a participant. Additionally, even though the overall housing retention rates in our scattered-site programs are high, participants often have to move apartments after receiving no-cause notices to vacate from their landlords. This is often due to behaviors that are related to the tenant's behavioral health conditions.

Some providers have moved to master leasing in order to address some of these challenges. Master leasing has had mixed

success. Some landlords will pass down screening criteria as part of the master lease (e.g. no violent felonies), which then means the provider may have an apartment that the highest priority person cannot use. Other landlords have ended the master lease after seeing tenant's behaviors.

Recommendations

Continue to increase availability of site-based, scattered-site, and master leased supportive housing.

- For site-based supportive housing, explore garden-style, exterior hallway design.
- Create a tiny home supportive housing development specifically for people who struggle in an apartment setting due to mental illness, but who also seek community support.
- For scattered-site supportive housing, ensure that services include a focus on housing search and maintaining landlord relationships.
- For master leased supportive housing, explore partnerships with mission-driven ownership entities.[21]

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Create a 24/7 multi-disciplinary supportive housing team that is specifically funded and trained to work with people who are in, or moving into, supportive housing.

- Members of the team would be similar to a FACT team (psychiatrist, nurse, mental health professional, substance use counselor, prescriber, peer, housing support).
- Funding would be braided to allow the team to work with any person in, or moving into, the supportive housing network, regardless of insurance status or primary diagnosis.
- The team would work across the site-based and scattered-site programs with tenants or prospective tenants whose issues were acute and who needed extra support. The caseload would change over time as people became more stable. The team would coordinate closely with the housing case managers in each program.

Develop a network of supportive housing for people with behavioral health challenges that use common standards and prioritizes people exiting psychiatric hospitals or inpatient facilities.

- As supportive housing programs that operate outside of the homeless system (Meriwether, Rhododendron) increase, it is important that these programs operate as a network rather than in isolation.

- The coordination in the homeless system network of supportive housing around eligibility, prioritization, and tenant moves should also be created for the behavioral health focused supportive housing programs.
- Priority should be given to those exiting psychiatric hospitals or inpatient facilities to prevent people from cycling through institutions.
- Several apartments should be used as shelter in a site-based supportive housing program for people exiting psychiatric hospitals or inpatient facilities who will be moving into site-based supportive housing in the near future or who are in a scattered-site program, but need a place to stay while they find an apartment.
- This could either be accomplished through the HSC by having two sets of standards or a behavioral health agency.

RECOVERY HOUSING

Recovery housing's primary intent is to support people in recovery to address the problem of substance use. The models within this category recognize that homelessness and housing instability are significant barriers to people being able to manage a substance use disorder and sustain recovery.

A typical criticism of recovery housing from the perspective of a

homeless services provider is that recovery housing only works well for the people who are able to maintain their recovery, since people who relapse are kicked out of the program. This criticism acknowledges that the supportive recovery environment helps people stay in recovery and that people who are able to stay in recovery will have much better outcomes in housing stability and beyond. However, it is critical of a type of housing that removes housing stability when someone relapses, a time when they arguably need more support. The central question at the heart of this tension is whether recovery housing hurts those that relapse in order to help those who do not.

Meriwether Place, provides supportive housing for people with behavioral health challenges.

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Definition

There is not a universal definition of recovery housing, but there are consistent themes across the different models. This section will review those commonalities and the overall philosophy of recovery housing.

According to HUD, "recovery housing . . . uses substance use-specific services, peer support, and physical design features to support individuals and families on a particular path to recovery from addiction, typically emphasizing abstinence."[22] Put simply, everything about recovery housing is focused on recovery. The goal of this housing model is to create an environment that increases a participant's likelihood of remaining in recovery.

A supportive community environment is essential in recovery housing. This environment is achieved both through the use of peer mentors and the built environment. A common theme that is present throughout the various models of recovery housing is intentional shared space that helps create a sense of community and provides support and accountability for participants. There are differences in built environments within recovery housing, but all programs are site-based in order to create the supportive community environment. In order to

protect the community environment and create a safe space for those in recovery, another common theme is that recovery housing is alcohol and drug free.

The National Association of Recovery Residences (NARR) considers recovery housing/residences to be a continuum that ranges from peer-run homes to residential treatment facilities.[23] NARR categorizes this continuum into four levels of support and governance present in these recovery settings: democratically peer-run, house manager/supervisor, organizational hierarchy, and clinical setting.[24] This section will focus on the first three levels of the continuum as defined by NARR. Clinical recovery settings such as residential treatment facilities are outside the scope of this report.

There is a strong body of evidence that recovery housing increases the chances a person with a substance use disorder has for long-term recovery compared to a non-recovery oriented environment.[25] For example, one study showed that 87.5% of people who used a twelve-step program and lived in an Oxford House (democratically run peer house) remained clean and sober after twenty-four months compared to 52.9% who only participated in the twelve-step program.[26] Seventy-four percent of Central City Concern's (CCC's) short-term recovery housing

participants exited clean and sober with permanent housing and ninety-two percent remained housed twelve months later.[27] Beyond increased chances of long-term recovery and housing stability, recovery housing has also been shown to increase income and employment and to improve family dynamics.[28]

Populations

The continuum of recovery housing serves people who are in recovery from substance use. Short-term recovery housing focuses on serving people exiting detoxification or inpatient programs. Programs that are non-time limited serve a range of people in recovery. The range includes those newly in recovery to people who have been in recovery for a long-time but continue to desire the sense of community and support provided in recovery housing. Most recovery housing programs are open to any housing status. However, some are limited to serving people who are homeless, generally due to restrictions on a funding source. Virtually all recovery housing programs require people to be clean and sober before program entry and many require people to be clean and sober for a certain number of days before entry (commonly between 30 and 90 days). It varies whether recovery housing programs consider people using medically assisted treatment, such as methadone, to be clean and sober.

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Models

There are commonalities and variations across recovery housing models with regard to the built environment, service delivery model, and populations served.

Built Environment

There are two main types of built environments within recovery housing: shared single-family residencies and apartments (usually SROs) with shared spaces. Shared single-family homes are the most common built environment in the recovery housing category, with Oxford Houses being the most well-known example. Typically, these are large homes with four or more bedrooms and two or more bathrooms.[29] If the bedrooms are large enough, most programs have two or more people in each bedroom. This shared space approach is intentional to decrease isolation and promote peer-to-peer connection and mentorship. It also allows for shared common spaces that can be used for group activities. Finally, the single-family home provides a residential environment rather than an institutional or clinical one.

There are two main challenges to the single-family home built environment. The first challenge is that it is hard to have the scale to deliver on-site services, unless it is a very large house.

Behavioral health organizations struggle to provide supportive services for less than twenty-five to thirty people. Programs that have no staff, such as an Oxford House, do not have this problem. The other challenge is that a shared living environment, especially shared bedrooms, can be difficult for people with certain types of mental illness. Approximately thirty-nine percent of people who have a substance use disorder also have a mental illness.[30]

Apartment-style recovery housing is mostly designed as SROs.[31] The SRO-style allows participants to have their own personal space and still have shared kitchens, bathrooms, and common areas that can be used for group activities. When done well, this design promotes the supportive community environment that is essential to recovery housing while avoiding the interpersonal conflict that sometimes is associated with shared living. The challenge in this design is to avoid an institutional or clinical feel.

Service Delivery

There are major variations in service delivery across the different types of recovery housing. This section reviews the service delivery in the Oxford House model, a non-profit house model, and CCC's short-term recovery housing model.

Oxford Houses are a democratically run, self-supporting environment. The residents of an Oxford House rent a single-family home and manage the house themselves. The first Oxford House was established in 1975. Today, there are approximately 2,000 Oxford Houses.[32] The six to fifteen people that live in an Oxford House determine who can move in, distribute house chores, and ensure rules are being followed. There are three main rules in an Oxford House: pay rent, abstain from drugs and alcohol, and avoid disruptive behavior.[33] The democratic self-governance is the only service delivery that occurs in the Oxford House, although Oxford House residents likely are in twelve-step programs or other outside services. The peer self-governance helps residents form a sober social network and build leadership skills. As noted earlier, Oxford Houses significantly increase residents' chances of long-term recovery.[34]

There are two significant limitations to the Oxford House model. The first is that the residents of Oxford Houses can be very quick to evict someone from the house if they relapse. Although some recovery housing programs work with people to re-engage them in recovery, Oxford Houses have the reputation of taking immediate action to remove someone who has violated the abstinence rule. With little time to find an alternative, residents who are evicted often end up homeless. The second limitation

is that Oxford Houses do not work nearly as well for people with co-occurring behavioral health issues, due to the shared living environment, aversion to disruptive behaviors, and lack of services for people with mental illness.[35]

The non-profit house model of service delivery is much less defined than an Oxford House or CCC's model. This report is using the term "non-profit house model" to group together programs where an organization is running recovery housing in a single-family home setting. The level of services provided varies significantly within this model. Services may be faith-based or secular in nature. Locally, there is a large network of faith-based recovery housing providers that are part of this model. Lifeline Connections has been working on creating this model from the secular non-profit perspective.

In contrast to the Oxford House model, the non-profit houses are operated hierarchically and have staffs that provide recovery related services in the house. At a minimum services include peer support, case management, and a staff lead for the house. There may also be substance use professionals that work directly with the people who live in the house. Most likely these staff members work across several homes and are not site-based. As with the Oxford House model, most programs in

this model would evict participants who relapse. Whether that occurs, how quickly it occurs, and if there is a chance for further engagement, depends on the specific organization. Faith-based non-profits often add bible study or other religious components into the house environment. Unlike Oxford Houses where there is no time limit, non-profit houses are more short-term in nature (six months to two years), with an emphasis on finding permanent housing.

It is difficult to assess this model because of the diversity of approaches within it. Further, although there have been several studies of the Oxford House model, the reviews of recovery or sober houses more generally often mix together the wide range of housing from peer-run to organizational-run.[36] The National Association of Recovery Residences (NARR) classifies the non-profit housing model as level 2 services on their range of 4 levels, and has created standards for each level.[37] This may lead to future evaluations that compare the efficacy of each level, but until that time, the data collected by each non-profit recovery house will be the best way to measure if the program is effective. From general provider experience, the sense is that these programs have similar benefits and challenges to the Oxford House model. Participants often share a room, which can be a benefit from a peer mentorship/coaching

perspective, but is a difficult environment for people with certain mental illnesses. Depending on the scale of the house and the nonprofit organization, these concerns could be mitigated by providing a level of staffing (including peers) that helps create a supportive environment for a broader range of people.

CCC is a large non-profit located in Portland, Oregon, that offers an array of housing, recovery, employment, and health care services. CCC is a Federally Qualified Health Center (FQHC) and is a national leader in integrating physical and behavioral health services with housing and employment services. CCC operates several different types of housing, including supportive housing, short-term recovery housing, and permanent recovery housing. This section will review CCC's short-term recovery housing model.[38]

CCC's short-term recovery housing uses SROs with shared kitchens, bathrooms, and community spaces. The SROs may be located in larger buildings (e.g. Richard Harris Building) that also contain other programs, such as permanent housing or health clinics; however, the SROs are grouped together to create a sense of community. The short-term recovery housing serves people exiting detoxification or inpatient services and who are homeless.[39] The services delivered within the short-term recovery housing are non-clinical. The services focus

on peer support through housing case management and mentoring. All residents are engaged in outpatient treatment and may choose any provider and location. The environment within the housing focuses on providing the support and home environment that people need in order to successfully continue in recovery and prepare for leaving the recovery housing.

The services are provided in three successive phases, going from engagement to retention to transition. The engagement phase lasts forty-five days. During this phase a needs assessment is conducted for both immediate needs (food, clothes, linens, cooking utensils) and longer-term needs (employment), and an individualized plan is created. Residents are referred to CCC's Employment Assistance Center or Community Volunteer Corps, depending on need. In addition to one-on-one meetings, residents attend five group meetings per week on resource management, peer support, and recovery. The retention phase lasts from day forty-six to the six-month mark, focusing on exploring permanent housing options, seeking employment or benefits, and building support network in the community. The resident attends three group meetings per week. The transition phase focuses on celebrating what the resident has achieved and finalizing housing and

employment opportunities. The resident attends two group meetings per week.

The overall goal of CCC's short-term recovery housing is to create a comfortable and supportive home environment from which residents can engage in outpatient services while at the same time working to increase income, create a support network, and find permanent housing. To help create the environment, CCC provides a personal room with a door that locks to each resident so that they have their own, safe space. Shared living areas and community rooms serve to avoid isolation and create a supportive atmosphere.

CCC's data demonstrates the success of its model, and it has received local and national recognition and awards. Seventy-four percent of residents exited CCC's short-term recovery housing clean and sober with permanent housing, and ninety-two percent of those residents remained in housing twelve months after exit. Additionally, the built environment and the level of staffing made possible by scale enable CCC to serve people who have co-occurring mental illness who tend to be left out of other models.

One challenge in the CCC model is that CCC receives some HUD Continuum of Care dollars for the service delivery. These funds have conditions on them that restrict eligibility and create tensions with certain aspects of the program. Creating a financing package that fully supports the model would alleviate this challenge. This will be discussed further in the financing section of this report.

Local Review

Clark County has a strong foundation of recovery housing from which to build. It has thirty-nine Oxford Houses.[40] Each is operated independently within an umbrella network that uses a shared website to list vacancies. At the time of this writing, there are over forty vacancies in Clark County.[41] Compared to so many other affordable housing options where demand far exceeds supply, it appears that the County's network of Oxford Houses meets the demand for this model of recovery housing. Clark County also has more than ten faith-based recovery housing providers, some of whom operate multiple recovery houses. Community Services' Access to Recovery (ATR) program assists people in recovery in accessing recovery housing by providing a short-term rental subsidy and additional services.

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The challenge that Clark County faces is a lack of recovery housing that is non-profit run and secular. The Oxford House model and the faith-based recovery house model work well for a lot of people, but there are many for whom neither model is well-suited. The Oxford House model is difficult for people who do not do well in a shared living environment, including people with certain types of mental illness. The local faith-based options are only a good fit for people who want Christianity to be part of their recovery path. We do not currently have good options for people who have multiple challenges, need additional support, and are not seeking a faith-based approach.

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Recommendations

Develop a Central City Concern (CCC) model short-term recovery housing program.

- Engage an affordable housing developer and behavioral health or peer organization to work with CCC to bring its model to Clark County.
- Build a forty to sixty apartment single room occupancy (SRO) building with shared kitchen, bath and common areas, learning from CCC's experience.
- Ownership can either remain with the affordable housing developer or shift to the behavioral health or peer organization.
- Engage CCC to train the behavioral health or peer organization on CCC's model of service delivery in short-term recovery housing.

Until the SRO is developed, explore master leasing single-family homes for secular nonprofit recovery housing to address the immediate need.

- Master leasing would allow a program to quickly scale up and down.
- Engage CCC to help implement the model and begin training the service provider that will ultimately operate the SRO.
- Collect and evaluate data to determine the efficacy of this model and whether it should remain in addition to the SRO.

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Engage CCC to do a series of shared learning activities with the recovery and housing communities.

- CCC possesses unique perspective as an operator of both housing first style supportive housing and recovery housing.
- CCC's policies have evolved over time and have been informed by its range of services. CCC would be able to speak peer to peer, housing provider to housing provider, and recovery organization to recovery organization about what it has learned, as well as the benefits of comprehensive options for people with behavioral health challenges.

RESIDENTIAL CARE

Residential care's primary intent is to serve people who need assistance with daily living in the least restrictive and most integrated setting possible. This category is part of the legal and political effort that started in the 1950s to deinstitutionalize settings that help people with disabilities.

A typical criticism of residential care from the perspective of either behavioral health or homeless services providers is that many residential care providers do not work well with people who have severe behavioral health challenges. This criticism acknowledges the very important role that this type of housing has in supporting people with disabilities who need daily

assistance with basic living, but is critical that either by eligibility requirements or otherwise this type of housing excludes people who need daily assistance with basic living primarily because of behavioral health challenges, but who also have physical health challenges. The central question at the heart of this tension is whether there is a place in residential care settings for people whose untreated serious mental illness, cognitive disability, and substance use makes it so they struggle to care for themselves in a supportive housing environment.

Definition

Residential care is a broad category that covers nursing homes, assisted living facilities, and adult family homes. Residential care settings are part of the continuum of community-based assistance that has replaced large-scale institutionalization. Residential care settings serve people who need help with daily activities such as cooking, cleaning, medication assistance, and bathroom use.

Populations

Residential care settings are for people who need a higher level of assistance with daily living than can be accommodated in their home with the assistance of a home health aid, but who do not need an institutional setting, such as a psychiatric hospital. Additionally, people who are

homeless or have housing instability sometimes do not have the ability to receive in-home services due to their lack of appropriate housing.

Models

In Washington State there are four types of licensed residential care settings: adult family homes, assisted living facilities, nursing homes, and enhanced services facilities.

The only difference between an adult family home and an assisted living facility is the number of people living there. An adult family home is licensed to serve up to six people in a home and an assisted living facility is licensed to serve seven or more people in a home or facility.[42] In both models, staffs are responsible for the safety and well being of the resident, and the home or facility includes laundry, meals, and supervision.[43] Individual adult family home and assisted living facilities may provide additional levels of care. Some homes and facilities specialize in specific areas, such as working with people with dementia, developmental disabilities, or mental illness. A nursing home provides an increased level of care from the adult family home or assisted living facility. In the nursing home setting residents have access to “24-hour supervised nursing care, personal care, therapy, nutrition management, organized

activities, social services, room, board and laundry."[44]

Enhanced Services Facilities (ESFs) are a new addition to residential care settings in Washington State. ESFs were developed for people who have "complicated personal care and behavioral health challenges," but do not need a psychiatric institution. ESFs offer very low staffing to resident ratios (one staff for every four residents), and provide intensive on-site physical health, behavioral health, and personal care services.[45] ESFs serve up to sixteen people at a facility and offer private rooms for each resident, usually with shared bathrooms. Washington State Department of Social and Health Services (DSHS) rules allow people to receive a referral to an ESF if they are exiting a psychiatric hospital or if they have "no other placement option due to their complex behavior, medical, chemical dependency and/or mental health needs."[46] However, it appears that DSHS is currently only referring people exiting psychiatric hospitals.[47]

Local Review

There are over 150 adult family homes,[48] fourteen assisted living facilities,[49] and six nursing homes[50] that accept Medicaid insurance in Clark County. There is one ESF located in Clark County, Orchards Highlands.

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A concern among some supportive housing, homeless, and behavioral health providers is that there is not meaningful access to residential care facilities in our community for people with serious mental illness and/or active substance use disorders.

To understand the access concern it is helpful to examine an example. At Lincoln Place, a local site-based supportive housing development, there have been several tenants who have struggled with daily living and who support staff felt needed a higher level of care. A typical tenant in this category would have severe mental illness, active substance use, a cognitive disability, and various physical health issues. They would struggle with daily activities like eating, clothing, and using the bathroom. Lincoln Place staff first attempt to access in-home assistance for these tenants. Even with agencies like Adult Protective Services assisting, Lincoln Place staff report having difficulty navigating the tenant through the application process and finding an in-home health provider. For some tenants this process took upwards of six months. Home health providers are also hard to come by for this population and are not always well suited for working with people with severe mental illness or active substance use. This results in home health provider turnover and makes it more likely that the

tenant will need to seek a higher level of care.

When Lincoln Place staff feel that a tenant needs a residential care setting, the first barrier is that the tenant often refuses. Lincoln Place uses a housing first philosophy, which means tenants have the freedom that people would have in any apartment building. Residential care settings are highly regulated environments. If a tenant receives social security income, all but a small amount would go toward the expense of the residential care setting. Further, the tenant knows that their freedom to come and go, actively use substances, and see friends will be greatly curtailed. If Lincoln Place staff is able to overcome this hurdle and convince a tenant that it is in his or her best interest, it is very difficult to get someone through the application process. There are parts of the assessment where third-party information is not accepted and the questions are asked directly to the potential resident.

Finally, even if the person is accepted into a residential care setting, they tend not to be successful. One provider gave an example of someone with severe mental illness who had been to over a dozen different adult family homes. Clark County has an Enhanced Community Support team operated

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by Lifeline Connections that provides additional behavioral health support to people in residential care settings through a contract with the state, but this only helps people who are able to get in to such a setting.

Residential care's primary intent is to serve people who need assistance with daily living in the least restrictive and most integrated setting possible.

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Currently, DSHS is only referring people exiting Western State Psychiatric Hospital to Orchard Highlands, our local Enhanced Services Facility. Even though the tenants at Lincoln Place appear to meet the definition of "complicated personal care and behavioral health challenges," they are not able to access the ESF.[51] Western State Psychiatric Hospital is transitioning to a forensic only hospital and the state is replacing it with community-based psychiatric hospitals. However, we do not currently have a local psychiatric hospital.

Recommendations

Convene taskforce that includes DSHS, Lincoln Place staff, crisis services, and residential care providers to discuss ways to improve access to in-home and residential care settings for people with severe mental illness and/or active substance use.

- Explore using ESF to keep people from needing psychiatric hospitals, in addition to helping people exiting those institutions.
- Explore the need for a local community-based psychiatric hospital that would serve Clark County now our residents will not have access to a state hospital.
- Analyze feasibility of creating a residential care setting that utilizes a housing first philosophy to serve those who need the level of care provided, but who reject the structure

and cannot overcome barriers to entry in more traditional programs.
- Look into providing specialized assistance for people in supportive housing to apply for in-home assistance and residential care.
- Explore feasibility of creating home health aid program specifically for people with severe mental illness, active substance use, and personal care needs.

Concluding Remarks and Additional Recommendations

Clark County has the foundation from which to build a robust network of housing options for people with behavioral health challenges. Two main obstacles exist to meeting the need: the lack of an agreed upon convener that can bring all necessary partners together and ensure continued momentum over the years ahead, and a lack of capacity among local providers.

The first obstacle must be overcome to make any progress in the areas outlined in this report. Clark County Community Services is the best-suited entity to play this role. Community Services' mission and activities already touch the most important sectors for this work, including affordable housing development, homeless services, supportive housing, and behavioral health. Community Services has also worked

closely on the issues of behavioral health and physical health integration for Medicaid, and has a strong relationship with state, regional and local funders.

To overcome the second obstacle, building capacity needs to be an intentional part of the work from the beginning. The most respected supportive housing and recovery-housing providers (i.e., DESC, Pathways to Housing, CCC) are very large organizations that work across multiple disciplines. For example, CCC is an affordable housing developer, a supportive housing provider, a recovery housing provider, a federally qualified health center, an employment agency, a peer agency, etc. To intentionally build capacity, Community Services needs to convene the appropriate partners and have the community choose which entities or which partnerships are best-suited to develop the expertise in each area outlined in this report. By investing in and holding accountable these entities or partnerships, rather than spreading a small amount of money around to multiple efforts, the capacity building will be more efficient and effective.

Develop learning opportunities and linkages between supportive housing, recovery housing, and residential care in order to strengthen each service delivery model.

- Create prioritized referral pathways between the categories

of housing so that someone who relapses is not evicted to homelessness and a person in supportive housing who wants a recovery setting can quickly reach the right program.

Community Services should assume a convening role to ensure that all of the needed partners are participating and to provide accountability.

- A convener is necessary to make progress both because of the amount of partners needed and the length of time the effort must be sustained.

Intentionally build community capacity from the beginning of the effort.

- Have a selection process to determine which agency or partnership is best suited for each model of housing.
- Invest in, and hold accountable, that agency or partnership to more quickly build capacity, rather than having multiple providers work on each model.

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Construction of Meriwether Place with equipment in the foreground. Photo provided by Vancouver Housing Authority.

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Part Two

Review of Funding Sources

This part of the report reviews potential funding sources for construction and acquisition of housing, rental assistance, and supportive services. Each category is analyzed separately because some funding sources can only be used for one of those categories. However, for an individual housing development, these categories are intertwined. For example, the amount of rental assistance a housing development needs to be sustainable is dependent on how the construction of a housing development is financed and the level of equity versus debt.

This part will then review the local funding landscape, identify gaps in funding, and make recommendations on how best to finance the types of housing and accompanying services discussed in Part One.

NEW CONSTRUCTION AND ACQUISITION

This section is relevant to the housing options discussed in Part I that involve a site-based approach, such as site-based supportive housing, non-master leased recovery housing, and many types of residential care facilities. If a housing provider is going to own a physical structure, it will need to finance either the construction of a new building or the acquisition of

an existing one.

New Construction

There are a number of costs associated with a new development, including land, site work, construction, permitting, architectural and engineering. In the private market, a developer estimates the total costs and then compares those costs to the projected income the development will generate. This allows the developer to determine the amount of debt the income could support and what level of return could be paid to the developer's investors. If these numbers compare favorably, the developer has a viable project.

In the affordable housing sector, developments generate lower income.[52] The affordable housing developer must find a way to correspondingly reduce the cost of debt. This can be done by increasing the amount of equity in the project, decreasing the overall cost of the project, or securing financing at below market rates.

Low-Income Housing Tax Credits

Created by the Tax Reform Act of 1986, the Low-Income Housing Tax Credit program[53] (LIHTC) is the primary mechanism for developing affordable housing today. The federal

government allocates tax credits to state and local authorizing agencies, such as the Washington State Housing Finance Commission (WSHFC). These agencies then allocate tax credits to projects. The project sells[54] the tax credits to an investor who provides equity to the project in exchange for the benefits of the tax credits, which accrue to the investor over ten years as long as the project continues to meet the requirements of the program. The investor is typically a company that has a high tax burden and utilizes the credits to lower that burden.

There are two different parts to the LIHTC program: the four percent tax credit and the nine percent tax credit. The four percent tax credit provides approximately thirty percent of the cost of the development. The nine percent tax credit provides approximately seventy percent of the cost.[55] The four percent tax credits are paired with tax-exempt bond financing, which provides a below-market interest rate on a portion of the construction and permanent financing. The four percent tax credits are sometimes referred to as “non-competitive” tax credits because projects that qualify for tax-exempt bond financing can automatically access the four percent tax credits.[56] However, each state has a bond cap that cannot be exceeded, and bond financing becomes competitive when that cap is close to being reached. The nine percent tax credits are distributed by a competitive process, which

is conducted in Washington State by the WSHFC. The WSHFC has an extensive point system that it uses to prioritize and select nine percent tax credit projects.[57]

Numerous federal and state regulations govern LIHTC properties. The federal affordability requirement for all LIHTC properties mandates that either forty percent of the apartments are affordable for people who make less than sixty percent of the area median income or twenty percent of the apartments are affordable for people who make less than fifty percent of the area median income.[58] This requirement applies both to the level of rent that can be charged (i.e., the rent must be affordable at that income) and to who can rent those apartments (i.e., the tenant's income must be below that level). These affordability requirements must be in place for at-least fifteen years.

Beyond the baseline requirements for all LIHTC properties, the WSHFC application process rewards projects that meet additional criteria. Four percent tax credit projects must score a threshold number of points through the WSHFC application. Projects earn points that have longer affordability periods, deeper affordability, affordability across a higher percentage of apartments, and that serve special needs populations.[59] The nine percent tax credit application also awards points for

these and other categories. Since it is a competitive process, the projects that are awarded tend to have deep affordability (i.e., all apartments at thirty to fifty percent area median income), long affordability periods, and serve people exiting homelessness (this is currently the highest point category).[60]

Housing Trust Fund

The Washington State Housing Trust Fund allocates funding for affordable housing projects for new construction and preservation through a competitive process that the Washington State Department of Commerce administers.[61] The Housing Trust Fund provides up to $3,000,000 per project for affordable rental housing in the form of below-market loans or recoverable grants, depending on the specifics of the project.[62] Recipient projects must serve households that are under eighty percent of the area median income and maintain affordable rents for at least forty years. Allocations to the Housing Trust Fund are located in the capital budget. Recently, the allocations have been accompanied by additional criteria focused on special needs populations, such as people exiting homelessness or who have mental illness. Projects often combine Housing Trust Fund and LIHTC funding to build affordable housing.

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HOME Investment Partnerships Program

The HOME Investment Partnerships Program is the largest federal block grant exclusively for affordable housing.[63] The HOME program provides funding to entitlement communities that then award funds to specific projects. Clark County and the City of Vancouver are both HOME entitlement communities. HOME funds can be used for new construction, acquisition, or rehabilitation of affordable housing.[64] Affordable housing developed with HOME funds must rent twenty percent of apartments at a rent affordable to people at fifty percent of the area median income or below. The remaining apartments must be rented at or below fair market rent for a period of at least twenty years.[65] Local jurisdictions often add additional time to the affordability period.

City of Vancouver Affordable Housing Fund

In November 2016, the City of Vancouver voters passed an affordable housing levy that raises six million dollars a year for seven years. These dollars constitute the City of Vancouver Affordable Housing Fund, which the City grants to nonprofits and developers to acquire or construct affordable housing. In 2017, the City awarded four million dollars to seven projects for new construction of affordable housing.[66] Apartments assisted with the Fund's dollars must be affordable to people

making less than fifty percent of the area median income.

HUD Continuum of Care

HUD's Continuum of Care (CoC) funding is the primary funding source nationally for programs that serve people who are homeless. HUD grants these funds directly to nonprofits and agencies that operate housing programs that assist people who are exiting homelessness. The Council for the Homeless applies on behalf of the local CoC for funding each year, and the local CoC selects individual projects to be included as part of the application. Locally, this funding source is currently used for rental assistance and supportive services, but new construction is an eligible use. HUD CoC funding could be used to construct supportive housing that serves people exiting chronic homelessness. The drawback to using this funding source for new construction is that other uses are considered "renewable" when determining the amount of funds our community can annually apply for, but new construction is not. This means that the total funding the local CoC receives the following year would be reduced by the amount used on new construction.

Emerging or Innovative Funding Sources

As the need for affordable housing options has increased and the awareness of the need has spread across different sectors, new potential funding partners and options are emerging. In

Portland, six healthcare organizations partnered with Central City Concern to invest twenty-one million dollars to help develop 382 supportive housing apartments and an integrated health center.[67] Foundations have also started investing directly in affordable housing through grants and impact investments. Locally, the Community Foundation for Southwest Washington approved its first impact investment in affordable housing to the Pacific Apartments, which will include eight supportive housing apartments. Last year, Clark County Community Services began using flexible mental health property tax funds to invest in housing for people with behavioral health challenges. There is also an emerging local model of using socially motivated equity partners to help finance new construction of affordable housing. Finally, Washington State recently increased the document recording fees that fund homeless services and gave local jurisdictions the ability to bond against the revenue. This allows local jurisdictions to use all or some of the money for capital purposes.[68]

Acquisition and Rehabilitation

Another strategy for site-based housing is to acquire an existing building. This strategy is often combined with the need for improving or changing the structure (rehabilitation). The benefits of the acquisition/rehabilitation strategy are that can be quicker and more cost-effective than new construction. The

challenge is that the less rehabilitation the building needs, the more likely that the building is currently being used as housing. If the acquired building is full of tenants, there are myriad legal, moral, and political considerations to take into account.

All of the funding sources described in the New Construction section above can be used for acquisition. Additionally, the Community Development Block Grant Program (CDBG) can be used to acquire affordable housing. The CDBG program is similar to the HOME program described above. Both the City and Clark County have combined processes for CDBG and HOME awards.

RENTAL ASSISTANCE

Rental assistance is an essential part of both site-based and scattered-site housing. Even if a site-based housing development is financed without debt, sufficient rental income is still needed to pay for property management as well as normal maintenance and repairs.[69] In developments that carry debt, the rental income must be sufficient to pay costs as well as debt payments. Often the tenants who need supportive or recovery housing have very limited or no income to pay rent. Rental assistance allows a site-based housing development to have sufficient rental income to remain sustainable, while serving people who are paying thirty percent of their income

in rent (even if that is no rent at all). In scattered-site housing, rental assistance is what allows a private market rental apartment to be affordable for someone who needs supportive housing. The rental assistance voucher pays the landlord the difference between the rental cost of the apartment and the amount that is affordable to the tenant.

There are two broad categories of rental assistance: project-based rental assistance and rental assistance vouchers. Project-based rental assistance is connected to a specific housing development. It cannot be used for scattered-site housing. When a tenant moves out of an apartment with project-based rental assistance, the assistance stays with the apartment. All or some of the apartments in a development might have project-based rental assistance. Rental assistance vouchers stay with a tenant as long as that tenant remains in the rental assistance program. The tenant chooses where to use the voucher. Site-based housing developments sometimes rely on a mix of project-based vouchers that stay with the development and tenant-based rental assistance vouchers that come and go.

Master leasing is a hybrid of these two categories. Like project-based rental assistance, the subsidy stays with the specific

apartment that is being master leased. However, the program provider might have master leased apartments in multiple locations and may move where the apartments are either in response to opportunities or at the request of a landlord.

Housing Choice Voucher Program and other Housing Authority Programs

The Housing Choice Voucher Program (HCVP) is the largest national rental assistance program. Often referred to as "Section 8," HUD allocates HCVP funding to local public housing authorities that operate the program. The Vancouver Housing Authority (VHA) operates HCVP in Clark County. VHA has the flexibility to use HCVP funding for both rental assistance vouchers and project-based assistance.[70] There are a plethora of regulations that govern HCVP. However, because VHA is part of HUD's Moving to Work program, which allows housing authorities to waive HUD regulations under certain conditions, subject to HUD's approval. VHA currently has two population preferences for its HCVP rental assistance: 1) families that are homeless (including doubled-up) that have a child enrolled in a local school district, and 2) people who are homeless and enrolled in the health home program. VHA has used HCVP project-based vouchers in an array of affordable housing developments, including supportive housing

developments. The VHA has used its Moving to Work program to also create a rent-buy down program that is a streamlined version of the HCVP project-based voucher. Finally, the VHA has a couple hundred public housing operating subsidies from previous public housing conversions that can operate similarly to project-based HCVP. The biggest difference is that the public housing operating subsidies do not provide as high a level of rent as HCVP does.

Section 811 Supportive Housing for Persons with Disabilities

HUD's Section 811 Supportive Housing for Persons with Disabilities program historically funded development, operations, and project-based rental assistance for affordable housing serving persons with disabilities.[71] However, Congress has not appropriated money for anything other than the project-based rental assistance component for almost a decade. The Washington State Department of Commerce administers the 811 project-based rental assistance. Commerce contracts directly with affordable housing providers who want to use this funding source for a portion of apartments within a development to serve non-elderly people with a disability who are both Medicaid eligible and are exiting DSHS funded institutional or community-based settings.[72]

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Access to Recovery

Clark County Community Services created the Access to Recovery program in 2004 through a grant with SAMHSA and the Washington State Division of Behavioral Health and Recovery.[73] The program is designed to remove barriers that commonly prevent people from succeeding in recovery, such as lack of housing stability. Access to Recovery vouchers can provide short-term rental assistance to help a person in recovery access recovery housing.

HUD Continuum of Care

See discussion at Part II, Section 1.a.v. above. This funding source is currently used primarily to fund supportive housing programs that utilize either a rental assistance or master-leasing model. CoC-funded supportive housing programs must serve people who are exiting chronic homelessness and prioritize those with the highest needs. The Council for the Homeless Housing Solutions Center does this locally using the Vulnerability Assessment Tool.

Document Recording Fees

When certain documents are legally recorded, Washington State charges fees that are used to fund homeless services. A portion of these funds are kept by the County and administered directly. The State administers the remaining portion as the Consolidated

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Homeless Grant (CHG). Locally, Clark County Community Services administers both the local document recording fees (DRF) and the CHG funds, which Clark County receives from the state and then sub-grants. The local funds are more flexible than the CHG funds, but both can be used for rental assistance, project-based rental assistance, or master leasing. This funding source requires programs to utilize the coordinated entry and assessment system for the homeless CoC.

Aging and Long-Term Support Administration

The Washington State Department of Social and Health Services Aging and Long-Term Support Administration (ALTSA) has a short-term (up to two years) rental assistance program for people exiting Western State Hospital. ALTSA contracts with the Spokane Housing Authority to administer the rental assistance statewide. The program is designed to reintegrate people into their communities that have been in the psychiatric hospital but no longer need that level of care. The rental assistance is time-limited with the hope that tenants receive other ongoing rental assistance at the end of the time period.

HOME Tenant-Based Rental Assistance

The HOME Tenant-Based Rental Assistance (TBRA) is part of the larger HOME Investment Partnership Program referenced

earlier. The TBRA program offers short-term (up to two years) rental assistance vouchers. The TBRA program serves people who are at sixty percent or below of the area median income and allows local jurisdictions flexibility on what populations to prioritize.[74] Clark County serves people who are homeless in their TBRA program and the City of Vancouver serves people who are homeless or at-risk of homelessness.

City of Vancouver Affordable Housing Fund

See discussion at Part II, Section 1.a.iv. Vancouver is earmarked a portion of these funds for homelessness prevention (including rental assistance) and a rental buy-down (similar to project-based rental assistance) of the housing production funds.[75] The funds must serve households earning fifty percent of the area median income or less.

Clark County Mental Health Sales Tax

Clark County passed a countywide one tenth of one percent sales tax in 2007 to provide flexible funding for people with behavioral health challenges. Clark County uses these funds for a wide-range of services, including rental assistance.

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SUPPORTIVE SERVICES FUNDING

Supportive services are a necessary component of all recommended housing options for people with behavioral health challenges. The types of supportive services will vary across supportive housing, recovery housing, and residential care settings and the recommendations section of this report will discuss which funding sources and types match with which housing options. This section reviews supportive services funding options in two broad categories: housing support services and health services.

Housing Support Services

Housing support services are focused on housing stability – from finding housing to staying housed. Since there are so many factors that affect housing stability, such as health, income, resiliency, etc., these services include helping make the appropriate connections in the community so all of a tenant's needs are met.

HUD Continuum of Care

See discussion at Part II, Section 1.a.v. above. This funding source is currently used primarily to fund supportive housing programs. CoC funds can either be used to pay for housing support services that are combined with CoC funded rental assistance or master-

leasing programs or CoC funds can pay for housing support services in a program with other funding. Regardless, CoC-funded supportive housing programs must serve people who are exiting chronic homelessness and prioritize those with the highest needs. This is currently done locally using the Vulnerability Assessment Tool with a priority list administered by the Council for the Homeless Housing Solutions Center.

Document Recording Fees

See discussion at Part II, Section 2.e. above. The local DRF funds are more flexible than the CHG funds, but both can be used for housing support services. These funds can either be used to pay for housing support services that are combined with DRF and CHG funded rental assistance or master-leasing programs, or they can pay for housing support services in a program with other funding. This funding source requires programs to use the coordinated entry and assessment system for the homeless CoC.

Medicaid Foundational Community Support

The Washington State Health Care Authority, through the State's 1115 Medicaid waiver, recently created a Medicaid benefit for supportive housing. The supportive housing benefit provides funding for services to help people obtain and maintain stable housing.[76] This includes "housing assessments,

identifying housing resources, support obtaining a lease, independent living skills development, landlord relations, and crisis management."[77] To be eligible to receive this benefit, Medicaid recipients must be chronically homeless, had frequent or lengthy institutional or adult residential care stays, frequent turnover of in-home caregivers, or have a PRISM[78] score of 1.5 or higher[79]. Amerigroup is administering this benefit statewide and will contract with local agencies to provide the services.

Care Coordination

There are several current and future programs that are designed to coordinate care for people who have complex health conditions. These programs often work to link people with community supports, such as housing, that they need in order to support their health goals. Examples of these types of programs include the Medicaid Health Home program, the Pathways model, and numerous other programs and efforts that are provider-specific. These programs do not provide housing support services directly, but there is overlap. Some of the programs provide housing search assistance and all of them help people connect to other services.

Health Services

Health services refer to a full spectrum of physical and

behavioral health services that range from engagement and crisis intervention to specialty care. Not all housing programs will need these services.

Health Insurance – Medicaid and Medicare

The primary way that health services are financed is through health insurance. The main insurance programs that people in these housing programs use are Medicaid and Medicare (some folks are dually eligible). These programs are enormous in size, regulation, and nuance. It is beyond the scope of this report to review the details of what Medicaid and Medicare will fund, but the basic principle held by many other funding sources is that health insurance should be looked to first for funding and other sources only when a person does not have insurance or the insurance will not pay for the needed service.

Behavioral Health Block Grant

The Substance Abuse and Mental Health Services Administration (SAMHSA) administers a Substance Abuse Block Grant (SABG) and a Mental Health Block Grant (MHBG). In Washington State, DSHS receives the block grants from SAMHSA and contracts with Beacon Health Options to administer the block grant funds. The block grants can be used for four main purposes: 1) treatment and support

for people without insurance, 2) successful treatment and support models that are not covered by Medicaid, 3) primary prevention activities, and 4) data collection and performance evaluation.[80]

Clark County Mental Health Sales Tax

See discussion at Part II, Section 2.h. Clark County uses these flexible dollars for an array of supportive services and treatment options for people with behavioral health challenges.

Accountable Community of Health

Regional Accountable Communities of Health are part of Washington State's plan to transform Medicaid. These entities receive funding through the 1115 Medicaid Waiver. With a portion of this funding, the Southwest Accountable Community of Health (SWACH) is creating a Community Resiliency Fund (CRF). The CRF will work at the intersection of health care and social determinants of health and could be used to fill gaps in health-related supportive services.

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LOCAL REVIEW

There are several local factors that significantly impact the opportunities and challenges regarding the funding of housing options for people with behavioral health challenges. This section reviews the current local landscape. Where possible, the likelihood of these factors changing, and the timeframe for such changes are also discussed.

The cost of new construction and acquisition has increased significantly over the last few years. Net migration to the region, limited available land, an inadequate construction workforce, and natural disasters that have driven up the price of materials, have all combined to almost double the cost of new construction in the last three to five years. Market-rate housing has been able to absorb these cost increases due to the rapid increase in rental costs. The rental increases have in turn raised the value of the existing multifamily housing stock. The cost of materials is expected to return to more normal levels after rebuilding efforts in Texas and California are complete. However, the outlook on the labor shortage is uncertain. It is probably safer to assume that the rate of labor cost increases will slow (or stop) in the next year or so, rather than assume that labor costs will return to past levels.

Cost increases mean that affordable housing developments need more equity in order to be sustainable while collecting affordable rents. This has caused more dependence on the LIHTC program because it is the only funding source that determines funding as a percentage of overall project costs.[81] As the cost of construction increases, so does the amount of equity available for a development from LIHTC. Other funding sources provide a flat amount of funding or provide below-market financing. Other funding sources are still essential pieces of the financing package, but they are less likely to be able to finance a development that does not also use LIHTC funding.

Four percent tax credits must have sufficient rental income to carry a significant amount of debt or must have a high level of equity from other funding sources. Nine percent tax credits are ideal for affordable housing developments that have very low rents and need to have little or no debt. Since funding for nine percent is limited and there is a competitive process, the Clark County area can expect to receive one to two nine percent tax credit awards annually. Overall, the value of tax credits has diminished since the tax reform legislation earlier this year, which means the amount of equity provided by the tax credits have decreased by about ten to fifteen percent. Developments that are located in qualified census tracts[82] receive additional

funding, but this even further limits land options in an already very competitive environment for developers.

There are two noteworthy alternatives to relying on LIHTC to finance new construction or rehabilitation while construction costs remain high: smaller housing developments that piece together enough equity and below-market debt from other funding sources, and affordable housing developments that have project-based rental assistance that allows higher debt levels. The Pacific Apartments is a local example at the intersection of these two alternatives. It is a Housing Initiative LLC[83] development that is currently in permitting. The construction of its eighteen one-bedroom apartments will be financed with loans from Columbia Bank, the VHA, and the Community Foundation for Southwest Washington, as well as a grant from the City of Vancouver Affordable Housing Fund. Eight of the eighteen apartments will be master-leased by Share and serve people exiting chronic homelessness in its supportive housing program. The VHA is buying down the rents on the remaining apartments so that tenants will pay around $350 a month in rent while the total rent collected each month is about $950. The $250,000 grant from the City's Affordable Housing Fund is able to make a larger difference in the financing because of the modest size of the project, while the rental assistance from

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Share and VHA allow the project to carry conventional debt.

The lack of readily available project-based rental assistance in our community complicates the challenge of rising construction costs. Locally, VHA is the largest provider of rental assistance through the HCVP. Due to rising rents and flat funding on the federal level, VHA has frozen access to the program until costs are lowered through attrition. Federal funding is hard to predict, but it is likely that this situation could last for a few years. This means that VHA has very limited ability to provide project-based rental assistance for affordable housing developments for the foreseeable future.

Construction on the The Rhododendron Apartments is expected to begin in the fall 2018. Architectural drawing of proposed design.

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In addition to the challenges, there are also several significant local funding opportunities. The Community Foundation for Southwest Washington is interested in growing its ability to provide grants and loans for affordable housing development. The Washington State Finance Commission currently prioritizes supportive housing for people exiting homelessness for nine percent tax credits. The VHA has about 200 public housing operating subsidies available that can be used as project-based rental assistance. Although these subsidies are less valuable than HCVP because they are limited to paying a lower rent, they can still help make a development sustainable. The Washington State Legislature passed an increase in the document-recording fee, which will increase local funding for homeless services. The Medicaid supportive housing benefit is coming online, which will be a brand new funding source for supportive services. Finally, there is a lot of interest from the health sector in increasing access to affordable housing.

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RECOMMENDATIONS

Develop goal for amount of site-based supportive housing and a complete funding package.

- Use the nine percent tax credit as the primary method for new construction of site-based supportive housing.
  - Get an agreement from housing development partners to apply for at least one nine percent tax credit project for a supportive housing development annually until the goal is met.
  - Locate developments in the best locations regardless of whether they are in qualified census tract. Use Housing Trust Fund, HOME, City of Vancouver Affordable Housing Fund, local behavioral health funding, and foundation/health system funding to fill gaps.
  - Prioritize Clark County mental health property tax and foundation/health system dollars for projects that can lower costs or move more quickly by avoiding HOME or Housing Trust Fund dollars.
- Use public housing operating subsidies, CoC funding, and 811 Supportive Housing funding for rental assistance.
  - 811 Supportive Housing funding should be used when possible; otherwise, the funding would not enter the region.
  - Prioritize CoC funding for projects that need a higher rental income than public housing operating subsidies.

  - Public housing operating subsidy should be the main source of rental assistance until project-based HCVs are an option again.
- Use health insurance, Medicaid supportive housing benefit, document recording fees, behavioral health block grant, and Clark County mental health sales tax for supportive services.
  - It is necessary to create a package of braided funding to support site-based supportive housing so as to entice affordable housing developers to take the financial risk.
  - Funding sources must be braided so that any person in the program can receive needed services regardless of health insurance status or medical necessity.
  - Regular health insurance and Medicaid supportive housing benefit should be used first and whenever possible, but other funding sources must be available to fill gaps.

Expand master-leased supportive housing in partnership with non-LIHTC financed affordable housing.

- Use CoC funding, document recording fees, and local behavioral health funds to master-lease supportive housing.
  - CoC funds should be used when available.
  - Document recording fees could be used, but must be weighed against other priority uses.

    - Local mental health sales tax or property tax should be used when CoC requirements are too limiting for intended population.
- Pair master leasing with mission-driven affordable housing, rather than private sector housing, to increase stability for tenants.
    - These affordable housing developments should be financed with as much conventional debt as rental income allows, with remainder of financing from non-LIHTC sources.

Develop scattered-site supportive housing model that combines VHA rental assistance, Medicaid supportive housing benefit, and braided flexible dollars to fill gaps.

- The VHA currently has a preference for Medicaid Health Home participants for HCVs. Medicaid Health Home participants are eligible for the Medicaid supportive housing benefit.
- Take advantage of the period of time that VHA is not accepting new HCVP recipients to create a scattered-site supportive housing program that reduces barriers and requirements for HCVP for Health Home participants through the Moving to Work program and then utilize Medicaid supportive housing benefit to help participants find housing and maintain housing.

- Encourage VHA to expand Health Home preference to cover full eligibility of the Medicaid supportive housing benefit to take advantage of the additional resources.
- Use behavioral health block grant, local mental health sales tax, or document recording fee dollars to fill any gaps in services that the benefit will not cover.

Develop Central City Concern model short-term recovery housing

- If possible, use nine percent LIHTC program for main construction funding source.
  - It is unclear if this housing model would fit in the highest point category under the current Washington State Housing Finance Commission point system. Engage the Washington Housing Finance Commission to determine if it is viable under current scoring system; if not, advocate for its inclusion.
  - If unable to access nine percent LIHTC program use four percent LIHTC program. Pair funding with all other available traditional and emerging funding sources for new construction.
- Create a locally funded project-based version of Access to Recovery Vouchers to fund rental assistance utilizing the mental health sales tax.

- Use behavioral health block grant, mental health sales tax, and Southwest Washington Accountable Community of Health funding to pay for support services.
- If possible, avoid use of homeless services funding for rental assistance or services to avoid limitation on who may be served and tensions between model and funding source.

Part Three

Conclusion and Combined Recommendations

This report identifies models within each category of housing that Clark County either needs to expand or create and reviews funding sources that can be used to do so. In order to successfully follow these recommendations, there must be an entity that can bring the necessary partners together, track progress, and hold people accountable. This is especially important in Clark County, because of a lack of current capacity among necessary partners. Clark County Community Services will need to build consensus on how to intentionally build the capacity of key partners. The following recommendations seek to address what housing options we need to increase or create, how to finance it, what entity should be the central convener, and how to build community capacity.

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SUPPORTIVE HOUSING

Increase type and amount of site-based supportive housing. Develop goal for total number of site-based apartments and a complete funding package.

- For site-based supportive housing, explore garden-style, exterior hallway design.
- Create a tiny home supportive housing development specifically for people who struggle in an apartment setting due to mental illness, but who also seek community support.
- Use the nine percent tax credit as the primary method for new construction of site-based supportive housing.

    - Get an agreement from housing development partners to apply for at least one nine percent tax credit project for a supportive housing development annually until the goal is met.
    - Locate developments in the best locations regardless of whether they are in qualified census tract. Use Housing Trust Fund, HOME, City of Vancouver Affordable Housing Fund, local behavioral health funding, and foundation/health system funding to fill gaps.
    - Prioritize Clark County mental health property tax and foundation/health system dollars for projects that can lower

costs or move more quickly by avoiding HOME or Housing Trust Fund dollars.

- Use public housing operating subsidies, CoC funding, and 811 Supportive Housing funding for rental assistance.
  - 811 Supportive Housing funding should be used when possible; otherwise, the funding would not enter the region.
  - Prioritize CoC funding for projects that need a higher rental income than public housing operating subsidies.
  - Public housing operating subsidy should be the main source of rental assistance until project-based HCVs are an option again.
- Use health insurance, Medicaid supportive housing benefit, document recording fees, behavioral health block grant, and Clark County mental health sales tax for supportive services.
  - It is necessary to create a package of braided funding to support site-based supportive housing so as to entice affordable housing developers to take the financial risk.
  - Funding sources must be braided so that any person in the program can receive needed services regardless of health insurance status or medical necessity.
- Regular health insurance and Medicaid supportive housing benefit should be used first and whenever possible, but other funding sources must be available to fill gaps.

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Increase amount of scattered-site supportive housing model by creating a program that combines VHA rental assistance, Medicaid supportive housing benefit, and braided flexible dollars to fill gaps.

- For scattered-site supportive housing, ensure that services include a focus on housing search and maintaining landlord relationships.
- The VHA currently has a preference for Medicaid Health Home participants for HCVs. Medicaid Health Home participants are eligible for the Medicaid supportive housing benefit.
- Take advantage of the period of time that VHA is not accepting new HCVP recipients to create a scattered-site supportive housing program that reduces barriers and requirements for HCVP for Health Home participants through the Moving to Work program and then utilize Medicaid supportive housing benefit to help participants find housing and maintain housing.
  - Encourage VHA to expand Health Home preference to cover full eligibility of the Medicaid supportive housing benefit to take advantage of the additional resources.
  - Use behavioral health block grant, local mental health sales tax, or document recording fee dollars to fill any gaps in services that the benefit will not cover.

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Increase amount of master-leased supportive housing in partnership with non-LIHTC financed affordable housing.

- Use CoC funding, document recording fees, and local behavioral health funds to master-lease supportive housing.
  - CoC funds should be used when available.
  - Document recording fees could be used, but must be weighed against other priority uses.
  - Local mental health sales tax or property tax should be used when CoC requirements are too limiting for intended population.
- Pair master leasing with mission-driven affordable housing, rather than private sector housing, to increase stability for tenants.[84]
  - These affordable housing developments should be financed with as much conventional debt as rental income allows, with remainder of financing from non-LIHTC sources.

Create a 24/7 multi-disciplinary supportive housing team that is specifically funded and trained to work with people who are in, or moving into, supportive housing.

- Members of the team would be similar to a FACT team (psychiatrist, nurse, mental health professional, substance use counselor, prescriber, peer, housing support).
- Funding would be braided to allow the team to work with any person in, or moving into, the supportive housing

network, regardless of insurance status or primary diagnosis.

- The team would work across the site-based and scattered-site programs with tenants or prospective tenants whose issues were acute and who needed extra support. The caseload would change over time as people became more stable. The team would coordinate closely with the housing case managers in each program.

Develop a network of supportive housing for people with behavioral health challenges that use common standards and prioritizes people exiting psychiatric hospitals or inpatient facilities.

- As supportive housing programs that operate outside of the homeless system (Meriwether, Rhododendron) increase, it is important that these programs operate as a network rather than in isolation.
- The coordination in the homeless system network of supportive housing around eligibility, prioritization, and tenant moves should also be created for the behavioral health focused supportive housing programs.
    - Priority should be given to those exiting psychiatric hospitals or inpatient facilities to prevent people from cycling through institutions.

    - Several apartments should be used as shelter in a site-based supportive housing program for people exiting psychiatric hospitals or inpatient facilities who will be moving into site-based supportive housing in the near future or who are in a scattered-site program, but need a place to stay while they find an apartment.
- This could either be accomplished through the HSC by having two sets of standards or a behavioral health agency.

RECOVERY HOUSING

Develop a Central City Concern (CCC) model short-term recovery housing program.

- Engage an affordable housing developer and behavioral health or peer organization to work with CCC to bring its model to Clark County.
- Build a forty to sixty apartment single room occupancy (SRO) building with shared kitchen, bath and common areas, learning from CCC's experience.
- Ownership can either remain with the affordable housing developer or shift to the behavioral health or peer organization.
- Engage CCC to train the behavioral health or peer organization on CCC's model of service delivery in short-term recovery housing.

- If possible, use nine percent LIHTC program for main construction funding source.
  - It is unclear if this housing model would fit in the highest point category under the current Washington State Housing Finance Commission point system. Engage the Washington Housing Finance Commission to determine if it is viable under current scoring system; if not, advocate for its inclusion.
  - If unable to access nine percent LIHTC program use four percent LIHTC program. Pair funding with all other available traditional and emerging funding sources for new construction.
- Create a locally funded project-based version of Access to Recovery Vouchers to fund rental assistance utilizing the mental health sales tax.
- Use behavioral health block grant, mental health sales tax, and Southwest Washington Accountable Community of Health funding to pay for support services.
- If possible, avoid use of homeless services funding for rental assistance or services to avoid limitation on who may be served and tensions between model and funding source.

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Until the SRO is developed, explore master leasing single-family homes for secular nonprofit recovery housing to address the immediate need.

- Master leasing would allow a program to quickly scale up and down.
- Engage CCC to help implement the model and begin training the service provider that will ultimately operate the SRO.
- Collect and evaluate data to determine the efficacy of this model and whether it should remain in addition to the SRO.

Engage CCC to do a series of shared learning activities with the recovery and housing communities.

- CCC possesses unique perspective as an operator of both housing first style supportive housing and recovery housing.
- CCC's policies have evolved over time and have been informed by its range of services. CCC would be able to speak peer to peer, housing provider to housing provider, and recovery organization to recovery organization about what it has learned, as well as the benefits of comprehensive options for people with behavioral health challenges.

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RESIDENTIAL CARE

Convene taskforce that includes DSHS, Lincoln Place staff, crisis services, and residential care providers to discuss ways to improve access to in-home and residential care settings for people with severe mental illness and/or active substance use.

- Explore using ESF to keep people from needing psychiatric hospitals, in addition to helping people exiting those institutions.
- Explore the need for a local community-based psychiatric hospital that would serve Clark County now our residents will not have access to a state hospital.
- Analyze feasibility of creating a residential care setting that utilizes a housing first philosophy to serve those who need the level of care provided, but who reject the structure and cannot overcome barriers to entry in more traditional programs.
- Look into providing specialized assistance for people in supportive housing to apply for in-home assistance and residential care.
- Explore feasibility of creating home health aid program specifically for people with severe mental illness, active substance use, and personal care needs.

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ADDITIONAL RECOMMENDATIONS

Develop learning opportunities and linkages between supportive housing, recovery housing, and residential care in order to strengthen each service delivery model.

- Create prioritized referral pathways between the categories of housing so that someone who relapses is not evicted to homelessness and a person in supportive housing who wants a recovery setting can quickly reach the right program.

Community Services should assume a convening role to ensure that all of the needed partners are participating and to provide accountability.

- A convener is necessary to make progress both because of the amount of partners needed and the length of time the effort must be sustained.

Intentionally build community capacity from the beginning of the effort.

- Have a selection process to determine which agency or partnership is best suited for each model of housing.
- Invest in, and hold accountable, that agency or partnership to more quickly build capacity, rather than having multiple providers work on each model.

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Footnotes

1 https://www.usich.gov/solutions/housing/supportive-housing

2 https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf

3 https://www.desc.org/what-we-do/housing/housing-first/

4 https://www.usich.gov/resources/uploads/asset_library/Housing_First_Checklist_FINAL.pdf

5 DESC, one of the founders of the housing first philosophy, describes “robust support services” as an “obligation” of the housing provider in the housing first setting (https://www.desc.org/what-we-do/housing/housing-first/)

6 https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf (page 2)

7 http://whatworksforhealth.wisc.edu/program.php?t1=109&t2=126&t3=89&id=349

8 https://www.ncbi.nlm.nih.gov/pubmed/24148035

9 https://www.desc.org/housing-first-reduces-use-of-emergency-medical-services/

10 https://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2011.300403

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11 https://www.kingcounty.gov/~/media/health/MHSA/documents/130828_PSH_impact_final_6_17_13.ashx

12 https://onlinelibrary.wiley.com/doi/abs/10.1002/jcop.21763

13 https://oregon.providence.org/~/media/Files/Providence%20OR%20PDF/core_health_in_housing_full_report_feb_2016.pdf

14 https://www.usich.gov/solutions/housing/supportive-housing

15 https://www.hudexchange.info/resource/5108/notice-cpd-16-11-prioritizing-persons-experiencing-chronic-homelessness-and-other-vulnerable-homeless-persons-in-psh/

16 https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3969126/

17 http://www.communityframeworks.org/ws-main/docs/FINAL%20Tiny%20Homes%20White%20Paper%20March%202015.pdf

18 Staff from Community Services NW, Share, and Council for the Homeless have expressed this position.

19 See https://www.desc.org/wp-content/uploads/2017/10/2015.12.single-site-HF-case-study-2015.Emerald-Insight.pdf; and https://pathwaystohousingpa.org/mental-health-substance-abuse

20 We have some organizations that come close, such as Community Services NW (CSNW). However, CSNW does not have the depth and expertise in all of the domains (housing, physical health) that an organization like Central City Concern or Pathways to Housing has.

21 The Pacific Apartments, a project of the Housing Initiative (CFTH's housing development company), will be master leasing eight of its eighteen apartments to Share's supportive housing program. The concept is that a mission-driven owner will remove screening criteria barriers and will be less likely to end relationship based off of behaviors. This could be a model to expand if it is successful.

22 https://www.hudexchange.info/resource/4852/recovery-housing-policy-brief/

23 http://narronline.org/wp-content/uploads/2013/09/NARR-White-Paper-111006-final.pdf

24 See page 19, http://narronline.org/wp-content/uploads/2013/09/NARR-White-Paper-111006-final.pdf

25 https://www.thenationalcouncil.org/wp-content/uploads/2017/05/Recovery-Housing-Issue-Brief_May-2017.pdf

26 https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2888149/

27 Data provided by Central City Concern

28 https://www.thenationalcouncil.org/wp-content/uploads/2017/05/Recovery-Housing-Issue-Brief_May-2017.pdf

29 https://www.oxfordhouse.org/userfiles/file/questions_and_answers.php#q4

30 https://www.samhsa.gov/disorders

31 The exception to this is non-time limited recovery housing programs that use efficiency apartments such as Central City Concern's permanent recovery housing.

32 https://www.oxfordhouse.org/userfiles/file/oxford_house_history.php

33 https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2888149/

34 https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2888149/

35 This is based off of perspectives of homeless service and behavioral health providers. This is an area where there seems to be a lack of evidence to either confirm or dispute this perspective.

36 For example: https://ps.psychiatryonline.org/doi/full/10.1176/appi.ps.201300243

37 Page 19-23, http://narronline.org/wp-content/uploads/2013/09/NARR-White-Paper-111006-final.pdf

38 The information in this section is based on CCC's materials and interviews with CCC staff.

39 The HUD definition of homelessness is followed, because of one of the funding sources used. Ideally, Central City Concern would use a more flexible definition of homelessness.

40 http://www.oxfordhouse.org/directory_listing.php?state=WA

41 https://www.oxfordvacancies.com/

42 https://www.dshs.wa.gov/sites/default/files/ALTSA/hcs/documents/22-707.pdf

43 https://www.dshs.wa.gov/altsa/residential-care-services/long-term-care-residential-options

44 https://www.dshs.wa.gov/altsa/residential-care-services/long-term-care-residential-options

45 See "FAQ for Potential ESF Providers" available at: https://www.dshs.wa.gov/altsa/residential-care-services/long-term-care-residential-options

46 https://www.dshs.wa.gov/altsa/residential-care-services/long-term-care-residential-options

47 This is the understanding of local officials and provider and appears to be confirmed by the "FAQ for Potential ESF Providers" available on the DSHS website.

48 https://www.adultfamilyhomecouncil.org/locator/business-place/county/clark/

49 https://fortress.wa.gov/dshs/adsaapps/Lookup/BHAdvResults.aspx

50 https://fortress.wa.gov/dshs/adsaapps/Lookup/NHAdvResults.aspx

51 https://www.dshs.wa.gov/altsa/residential-care-services/long-term-care-residential-options

52 If the affordable housing development is benefiting from rental assistance (i.e., the total rent collected is higher than the portion of rent the tenant is paying), it will generate more income. This will be discussed further in the rental assistance section.

53 To learn more about this program: https://www.occ.gov/topics/community-affairs/publications/insights/insights-low-income-housing-tax-credits.pdf

54 This is referred to as syndication in LIHTC parlance. Projects often use a third-party syndicator to broker a relationship with an investor.

55 Several variables affect the actual percentage of equity provided, including the amount of total development costs that are eligible costs for the LIHTC calculation; whether the project is located in a qualified census tract, which would give the project a 30% boost in funding; and the rate the investor pays for the tax credits, which depends on the
overall market and the level of risk assessed in the individual project.

56 http://www.wshfc.org/mhcf/4percent/index.htm

57 http://www.wshfc.org mhcf/9percent/2018application/c.policies.pdf

58 https://www.occ.gov/topics/community-affairs/publications/insights/insights-low-income-housing-tax-credits.pdf

59 http://www.wshfc.org/mhcf/4percent/2018BondTCPolicies.pdf

60 For current scoring see: http://www.wshfc.org/mhcf/9percent/2018application/c.policies.pdf. For list of 2018 projects, their affordability, and who they serve see: http://www.wshfc.org/mhcf/9percent/2018list.pdf

61 http://www.commerce.wa.gov/building-infrastructure/housing/housing-trust-fund/

62 See page 8, http://www.commerce.wa.gov/wp-content/uploads/2015/12/hfu-htf-handbook-version-3-28-2017.pdf

63 https://www.hud.gov/program_offices/comm_planning/affordablehousing/programs/home

64 Funds can also be used for tenant-based rental subsidies, which will be discussed in the rental assistance section of this report.

65 If less than four apartments are HOME-assisted in the apartment building the requirements are slightly different, see: https://www.hudexchange.info/programs/home/home-rent-limits/

66 https://www.cityofvancouver.us/sites/default/files/fileattachments/community_and_economic_development/page/28951/ahf_2017_allocation_list.pdf

67 http://www.centralcityconcern.org/_blog/recent-news/post/housing-is-health/

68 This would mean the money would not be available for ongoing operations, rental assistance, and supportive services.

69 If additional supportive service funding is not enough to cover all the supportive service needs, rental income will need to cover the gap as well.

70 https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/project

71 https://www.hud.gov/program_offices/housing/mfh/progdesc/disab811

72 http://www.commerce.wa.gov/serving-communities/homelessness/hud-section-811-rental-assistance/

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73 https://www.clark.wa.gov/sites/default/files/2014saab_bocc_worksession.pdf

74 https://www.hud.gov/sites/documents/19790_TBRA.PDF

75 https://www.cityofvancouver.us/sites/default/files/fileattachments/community_and_economic_development/page/28951/ahf_administrative_and_financial_plan_-_final_amended_10.2.17.pdf

76 https://www.hca.wa.gov/assets/program/medicaid-demonstration-i3-factsheet.pdf

77 https://www.hca.wa.gov/assets/program/foundation-community-supports-faq.pdf

78 PRISM is the Predictive Risk Information System and the 1.5 level is the same as the eligibility for health home care coordination services.

79 https://www.hca.wa.gov/assets/program/foundation-community-supports-faq.pdf

80 https://www.samhsa.gov/grants/block-grants

81 Not all project costs are part of the eligible basis to calculate the tax credits, but most are.

82 These are census tracts that have high rates of poverty.

83 The Housing Initiative LLC is an affordable housing company owned by the Council for the Homeless.

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84 The Pacific Apartments, a project of the Housing Initiative (CFTH's housing development company), will be master leasing eight of its eighteen apartments to Share's supportive housing program. The concept is that a mission-driven owner will remove screening criteria barriers and will be less likely to end relationship based off of behaviors. This could be a model to expand if it is successful.

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