

ANNUAL REPORT

**NC Interagency Council for Coordinating Homeless Programs
(ICCHP)**



November 2008

ANNUAL REPORT TO THE GOVERNOR
Interagency Council for Coordinating Homeless Programs
(ICCHP)
November 2007 – November 2008

Executive Summary and Recommendations

The Interagency Council for Coordinating Homeless Programs (ICCHP or Council) is an advisory group originally created by executive order in 1992 to advise the Governor and the Secretary of the North Carolina Department of Health and Human Services on issues affecting persons who are homeless or at risk of becoming homeless. The Council is charged with providing recommendations for joint and cooperative efforts to better meet the needs of the homeless residents of North Carolina.

ICCHP research has documented that homelessness is a substantial issue in North Carolina. In January 2008 communities across our state identified a minimum of 12,425 people who were homeless on a given night. The point in time count and grant reports document that the majority of people experiencing homelessness are single individuals, yet families with children make up a significant percentage. Indeed, 2,288 children were identified on January 30, 2008. The next federally required point in time count will occur in January 2009.

The ICCHP continues to use its work group structure to research and identify best practices to prevent homelessness and to bring quick resolution for those who do experience homelessness. To date these work groups have focused on discharge planning, employment, assistance with development of local plans, access to public benefits and training. While additional research needs to be done, in some cases recommendations have already been made for policies and programs that are ready for implementation.

Although there are many issues involved, permanent housing with appropriate support services is the antidote to homelessness. Given that almost all homeless people are very low income, permanent housing must have subsidies to make it affordable. Services must also be provided – sometimes short term and sometimes ongoing – and not all needed services fall into traditional treatment models. What is abundantly clear is that a lack of affordable housing with appropriate support services not only leads to the chaos and trauma of homelessness, but also extensive health care and criminal justice costs. ***Indeed, research is showing that over time the cost of providing housing and services is off-set by the savings in local and state health care and criminal justice programs.*** Therefore, strategic investment in housing and services not only benefits people who would be homeless, but also assures citizens that their tax dollars are being spent wisely.

Cost Benefit – A North Carolina Example

The ICCHP, contracting with UNC-Chapel Hill's Jordan Institute, has completed a preliminary assessment of the cost effectiveness of supportive housing for formerly homeless residents living in Lenox Chase in Wake County. The report shows that total two-year, prior to housing costs for 21 persons was \$377,141.66, while two-year, post housing costs were \$265,785.20, a reduction of 30%. The annual cost for inpatient substance abuse treatment fell from more than \$127,000 prior to entry into supportive housing to zero after housing. Out-patient mental health services fell from close to \$85,000 to \$4,000. Costs for incarceration fell from \$3,486 to zero.

Recommendations

Federal Funding for Housing and Services

The Council requests that the Governor advocate for housing and support services funding at the federal level, particularly with Community Development Block Grants, Public Housing and the (Section 8) Housing Choice Voucher Program.

Rental Assistance

The Council applauds the direct budget appropriation associated with the 400 Initiative in the FY2008 budget and recommends that the Governor support expansion of the program to a level that will support an additional 400 units of operating assistance each subsequent year.

Housing Creation

The Council requests that the Governor support increased appropriations for the Housing Trust Fund.

Support Services

The Council asks that the Governor work with the Secretary of the Department of Health and Human Services to identify funding to meet the service needs of homeless persons moving into permanent supported housing.

Homeless Management Information System

The Council requests that the Governor support use of state or federal funds to offset the cost of the federally required Homeless Management Information System to local homeless service agencies.

Continued Support for the ICCHP

The Council requests that the Governor support continued funding for the ICCHP in future years.

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Background

The Interagency Council for Coordinating Homeless Programs (ICCHP or Council) is an advisory group originally created by executive order in 1992 to advise the Governor and the Secretary of the North Carolina Department of Health and Human Services on issues affecting persons who are homeless or at risk of becoming homeless. The Council is charged with providing recommendations for joint and cooperative efforts to better meet the needs of the homeless residents of North Carolina. The ICCHP is staffed by the NC Department of Health and Human Services (DHHS). In addition, a Homeless Policy Specialist works with the Council and its member agencies on special initiatives aimed at ending homelessness in North Carolina.

The ICCHP consists of 29 members who are appointed by the Governor and represent non-profit agencies serving the homeless, county and city government, public housing authorities, the private sector, the state departments of Administration, Commerce, Correction, Health and Human Services, Juvenile Justice and Delinquency Prevention, Public Instruction, State Planning, the Community College System, the NC Housing Finance Agency and the North Carolina General Assembly. A seat on the Council is also reserved for a representative of homeless and/or formerly homeless persons.

In addition to its appointed members, the Council also benefits from the participation of a number of agencies and organizations that attend Council meetings as "interested parties." The representatives of these agencies and organizations provide valuable input to the Council in its deliberations and often supply staff assistance with Council sponsored or endorsed activities. Current interested parties include representatives of the Department of Health and Human Service's Division of Aging, Division of Child Development, and Division of Vocational Rehabilitation Services, the Governor's Policy Office, the NC Coalition against Domestic Violence, the Employment Security Commission, The Coalition to Prevent Child Abuse, and the United Way of North Carolina.

Homelessness in North Carolina

At its root, homelessness in rural and urban communities is associated with poverty and the lack of decent affordable housing and access to services. Housing data helps clarify the challenges of ending homelessness in North Carolina.

Housing Wage - The Housing Wage is the hourly wage needed to afford a modest apartment so that housing costs do not exceed 30% of household income. In North Carolina, the Housing Wage needed to rent a two bedroom apartment in 2008 was \$13.09 and required an annual income of \$27,229. The fair market rent for a two-bedroom apartment was \$681. As a result, 44% of renter households in North Carolina are not able to afford a two-bedroom apartment.

Median Home Price – The average price of a home in North Carolina increased from \$141,000 in 1999 to \$193,000 in 2005. In Raleigh, the median priced home is \$195,000 and requires an annual income of \$61,840.

Cost Burden – According to the 2000 Census, there are 447,835 homeowners and 277,955 renters with housing cost burdens. A housing cost burden exists when a household is paying more than 30% of their income on housing costs. The populations with the most severe housing cost burden are the elderly and non-elderly persons with disabilities.

SSI Income – For individuals with income derived solely from Supplemental Security Income, the housing cost picture is most severe. The SSI payment for an individual in 2008 is \$637. Based on SSI income, an affordable rent could not exceed \$191 per month. However, the 2008 average fair market rent for a one-bedroom apartment in North Carolina was \$595.

Homeless Shelters – Over 20 North Carolina counties have no homeless shelters, forcing people experiencing homelessness to double up, live in places not suitable for human habitation or to leave their communities.

Barriers to Housing – Local ordinances and zoning decisions put an increasing burden on new affordable housing developments, especially for developments targeting people with disabilities.

Against this backdrop, many households in North Carolina are not successful in obtaining and maintaining housing. The most common definition of homelessness (based on the U.S. Department of Housing and Urban Development's (HUD) McKinney-Vento Homeless Assistance Act) includes only those persons who are on the streets or in shelters – and persons who face imminent eviction (within a week) from a private dwelling or institution and who have no subsequent residence or resources to obtain housing. Homeless service providers in North Carolina find that this definition works best in large, urban areas but has limitations in many communities, especially in rural areas. Communities without shelters find that households are more likely to live with relatives in overcrowded or substandard housing. Yet clearly, lack of decent affordable housing is at the center of both rural and urban homelessness.

In January, 2008, the ICCHP coordinated a statewide point-in-time count of homeless persons. The Council asked willing homeless service agencies to enumerate the numbers of persons served by their programs on January 30, and several communities augmented this information with a street count of persons sleeping outside. In addition, when critical demographic or descriptive information was known, agencies were asked to report this information in aggregate form. The survey found that there were 12,425 people identified as homeless, including 3,706 persons in families, 2,288 of which were children. This is a significant increase from the December 2003 count which identified 9,867 people, including 1,287 children. (Some of the increase is likely attributable to increased community participation in the count itself.) The Council will coordinate another federally required point-in-time count in January 2009.

Working to end homelessness

Although there are many issues involved, permanent housing with appropriate support services is the antidote to homelessness. Since almost all homeless people are very low income, permanent housing must have subsidies to make it affordable. Services must also be provided – sometimes short term and sometimes ongoing – and not all needed services fall into traditional treatment models. What has been made abundantly clear is that not ensuring affordable housing with appropriate support services not only leads to the chaos and trauma of homelessness, but also extensive health care and criminal justice costs.

Indeed, research is showing that over time the cost of providing housing and services is off-set by the savings in local and state health care and criminal justice programs. Therefore, strategic investment in housing and services not only benefits people who would be homeless, but also assures citizens that their tax dollars are being spent wisely.

Under contract with the ICCHP, the Jordan Institute of UNC-Chapel Hill has conducted the first North Carolina based cost-benefit report that compares costs prior to housing versus costs after a homeless person has been placed in permanent supportive housing. The report provides a preliminary assessment of the cost effectiveness of supportive housing provided by the Lennox Chase development in Wake County. Lennox Chase is a Low Income Housing Tax-Credit housing complex for formerly homeless individuals. The complex was developed by the Downtown Housing Improvement Corporation. The development provides 36 efficiency apartments, each with a kitchen, bath, bedroom, and living area. Each apartment is designed for single room occupancy. All residents pay rent which is based on the individual's income. The complex opened in 2003 and is staffed by a full time case manager funded by Wake County.

Interviews were conducted with 31 Lennox Chase residents. Only 21 of those residents had been living in the complex for two years or longer. The preliminary cost analysis is based on the experiences of these 21 individuals.

The report shows that total two-year, prior to housing costs for 21 persons was \$377,141.66, while two-year, post housing costs were \$265,785.20, a reduction of 30%.

The preliminary cost analysis indicates that cost for inpatient substance abuse treatment has fallen from more than \$127,000 prior to entry to zero after they moved into Lennox Chase. Out patient mental health services for these individuals fell from close to \$85,000 to \$4,000. Costs for incarceration fell from \$3,486 to zero. Not all costs have fallen. The cost for medical treatment has risen from around \$110,000 to close to \$201,000. Two individuals account for 64% of the spending in the two year period after entry.

Increasing Stock of Permanent Affordable Rental Housing:

Increasing the stock of permanent affordable rental housing, including supported housing, is the primary building block of any effort to end homelessness. The Targeting Program, a creative partnership between ICCHP member agencies the N.C. Housing Finance Agency and the Department of Health and Human Services, is one initiative that has been successful in meeting this need. Beginning in FY03-04 the N.C. Housing Finance Agency required Low Income Housing Tax Credit (LIHTC) Developments to include a 10% set aside targeting households with disabilities at the SSI income level. The N.C. Housing Finance Agency

and the Department of Health and Human Service's Division of Mental Health, Developmental Disabilities and Substance Abuse Services combined resources to create an operating assistance fund called the Key Program to ensure the affordability of targeted units for the target population. Developers partner with lead support service agencies in communities who agree to refer appropriate households to the targeted units, and to assure coordination of appropriate services to those households. Since its inception the LIHTC Targeting Program has created 1,178 units for people with disabilities at an SSI income level.

In FY06-07 the NC General Assembly expanded this effort by creating the 400 Initiative: \$10.9 million in capital funding was appropriated to the N.C. Housing Finance Agency to develop supported housing units and \$1.2 million, recurring, was appropriated to the Department of Health and Human Services in operating subsidy funds for the Key Program. With the passing of the 2007-2008 state budget, the NC General Assembly continued its support for persons with disabilities and the 400 Initiative by appropriating \$7.5 million in capital funding for the development of independent and supportive living apartments. The NC General Assembly also increased recurring funding for the Key Program by \$3.5 million in FY 07-08. An additional \$1.0 million was appropriated for FY 08-09 bringing total recurring funding for the Key Program to \$5.7 million.

The housing finance funds of the 400 Initiative were appropriated as part of the Housing Trust Fund. The Housing Trust Fund is a flexible source of funds that has been used to finance many units of affordable housing, including supported housing. In addition to the 400 Initiative units the NCHFA Supportive Housing Development Program has funded 209 units of permanent supportive housing for homeless persons through the regular Housing Trust Fund appropriations.

The ICCHP supports additional funding for the Housing Trust Fund as an excellent, flexible tool that can be used to leverage additional resources needed to meet the state's supported housing needs.

Maximizing Existing Stock:

Given the current shortage of affordable housing, it is crucial that homeless and at-risk households are able to access any existing affordable units. To that end, the N.C. Housing Finance Agency, with support from ICCHP members the Department of Health and Human Services and the Department of Correction, has taken the lead agency role in creating NCHousingSearch.com. This online housing search tool allows persons seeking housing to identify affordable units that are currently available. Furthermore, using protected passwords, agency staff will be able to identify available units with landlords that are willing to rent to special populations, including ex-offenders and victims of domestic violence. This project went live in October 2006 and as of September 2008 had over 4,750 listed units available to rent, over 6800 landlords actively using the system and over 64,000 units in the system. This represents a 16% increase in listed units since September 2007.

Technical Assistance:

North Carolina must strive to access all available federal funds to create housing and services for homeless people. To that end, the Council has engaged in extensive technical assistance to communities applying for federal funds. For two years the Council has implemented Peer-to-Peer Technical Assistance opportunities for approximately a dozen local Continuums of Care, the community coalitions responsible for applications for the U.S. Department of Housing and Urban Development's Homeless Assistance Grants. The Council also provided direct technical assistance to eight rural Continuums of Care. As a result, North Carolina communities accessed an average of almost 20% more in federal FY 2004 and FY2005 than in FY2003. In addition, from 2006 the Council facilitated the first Balance of State Continuum of Care, an 61 county collaboration that assisted rural North Carolina communities to apply for federal funds that had previously been un-requested and, therefore, given to other states. The ICCHP continued this work in 2007. 2007 Awards to the Balance of State Continuum of Care totaled \$5,718,802 and an additional \$12,166,905 was awarded across North Carolina, a 15% increase over 2006 awards. The ICCHP continued the role of

Balance of State Continuum of Care coordination in 2007, bringing together 781 counties. Awards from the 2008 application should be made this winter.

Local Plans:

The Council recognizes that many strategies for ending homelessness will have to be implemented at the local level. To that end, the Council has been encouraging the development of local 10 Year Plans across North Carolina. As of October 2007, mayors and/or county executives from thirteen North Carolina communities have made commitments to developing local plans. These communities include Asheville/Buncombe, Chapel Hill/Hillsboro/Carrboro/Orange, Charlotte/Mecklenburg, Durham/Durham, Fayetteville/Cumberland, Greensboro/High Point/Guilford, Raleigh/Wake, Winston-Salem/Forsyth, Gastonia, Henderson, Shelby, Rockingham County, and Wilmington. Council representatives have been providing technical assistance to these communities, and continue to work with other communities that have not yet made official planning commitments.

Accessing Mainstream Benefits:

In 2006 North Carolina was chosen to participate in the Federal Policy Academy's SSI/SSDI Outreach, Access, and Recovery (SOAR) Initiative. In September 2006 four representatives from the ICCHP participated in a four day train-the-trainers session in Baltimore. Beginning January 2007 caseworkers in communities across our state have been trained on how to facilitate timely SSI/SSDI approvals for homeless persons who are eligible. As of October 2008 seventeen trainings have been conducted. A subcommittee of the Benefits Work Group is developing strategies to maximize the benefits of this training for people at risk of homelessness who are also receiving other state administered services. For example, as of October 2007 over 34% of the adult caseload (over 2900 adults) for Work First are persons determined by the Division of Social Services as adults not eligible for work. The federal TANF formulas penalize North Carolina for each of these households that are receiving Work First instead of SSI or SSDI. A concerted effort to assist these individuals with their SSI/SSDI application will not only benefit those individuals with a dependable source of income, but will bring additional federal dollars into our community and improve local Division of Social Service Office's outcomes related to TANF, thereby increasing their federal draw.

Meetings

Since November of 2007, the ICCHP has held meetings in January, March, May, July, and October.

Recommendations to the Governor

Federal Funding for Housing and Services

Permanent affordable housing with appropriate support services is the foundation for ending homelessness. The significant majority of funding available in our state, for both housing and support services, comes from the federal government. Events of recent years have made these funds increasingly vulnerable to reductions, particularly with Community Development Block Grants, Public Housing, and the (Section 8) Housing Choice Voucher Program. ***The Council requests that the Governor advocate for housing and support services funding at the federal level.*** Strategic increases and an overall maintenance of effort at the federal level in areas including, but not limited to, rental assistance, housing operating assistance, and Medicaid will facilitate successful implementation of the N.C. 10 Year Plan to End Homelessness as well as local plans developed in communities across our state.

Rental Assistance

Federal resources for rental assistance are diminishing, and North Carolina will not be able to meet the need for permanent housing for homeless people without rental assistance provided by the State. Without

rental assistance many available housing units remain unaffordable and therefore, un-accessible. For three years the N.C. Housing Finance Agency has administered a pilot rental assistance project, the Key Program, funded by the Department of Health and Human Services and the N.C. Housing Finance Agency. This year the State's budget included the 400 Initiative, funded at just under \$10.9 million, assuring that the N.C. Housing Finance Agency can finance 400 supported housing units for people with disabilities at SSI income levels. In addition, the State's budget included \$1.2 million in recurring operating support to ensure that those units are affordable to the target population. ***The Council applauds this direct budget appropriation and recommends that the Governor support expansion of the program to a level that will support an additional 400 units of operating assistance each year.***

Housing Creation

The Housing Trust Fund is a flexible source of funds that have proven effective at leveraging federal, local and private funds for affordable housing. The Housing Trust Fund is the mechanism by which the above named \$10.9 million was appropriated to the N. C. Housing Finance Agency for the 400 Initiative. These funds will be used to create new units and rehabilitate existing units. ***The Council requests that the Governor support increased appropriations for the Housing Trust Fund.***

Support Services

In addition to housing assistance, many of the households moving into permanent housing will need support services. In some cases their service needs will be temporary, and in other cases, particularly for those with long term disabilities, it will be permanent. Some of the needed behavioral health support services fall outside of eligible reimbursable Medicaid expenses. Furthermore, some tenants will not meet the target population definitions, may not be eligible for Medicaid, or may be eligible for Medicaid but not yet receiving it. Medicaid eligibility is also a crucial issue for health care services needed by many in the homeless population. The existing gaps in services funding for formerly homeless or at risk individuals and families living in permanent housing will continue to result in an expensive cycle between homelessness and our health care and criminal justice systems. ***The Council asks that the Governor support the Secretary of the Department of Health and Human Services in efforts to identify funding to meet the service needs of homeless persons moving into permanent supported housing.*** Costs of these strategic services linked to housing will prevent the State and local governments from spending other monies on ineffective interventions in other systems.

Homeless Management Information System

Homeless agencies across North Carolina, almost exclusively nonprofits, are struggling to meet Congressional requirements that they participate in a Homeless Management Information System (HMIS). Once in place and fully used, HMIS will provide much needed data to help in establishing benchmarks and evaluating program effectiveness. The Council has funded start-up costs for a balance of state HMIS to help homeless agencies comply with the mandate, and thereby remain eligible for federal funding. The Balance of State HMIS project, the Carolina Homeless Information Network (CHIN) went live in May 2006. In FY 2008 the Department of Health and Human Services provided \$100,000 to support HMIS costs and in the same year North Carolina drew down over \$17M in competitive federal funding for homeless programs. More than 100 agencies across the state have been trained and are beginning to enter data into that system. To remain competitive, North Carolina must continue to comply with the HMIS mandate. ***The Council requests that the Governor support use of state or federal funds to offset the cost of HMIS to local homeless service agencies.***

Continued Support for the ICCHP

For four consecutive years the ICCHP has received funding through the Department of Health and Human Services to support its activities. These funds have been used to fund initiatives that directly or indirectly lead to our state's improved capacity to access federal and local funding for homeless programs. ***The Council requests that the Governor support continued funding for the ICCHP in future years.***

MEMBERS
INTERAGENCY COUNCIL FOR COORDINATING HOMELESS PROGRAM
(As of November 2008)

<u>Member</u>	<u>Representing</u>
Linda Povlich, Chairperson	NC Department of Health and Human Services
Harrison Shannon	Housing Authorities
Vacant	NC House of Representatives
Loretta Braswell	City Government (Rocky Mount)
	NC Association of Community Development Corporations, Inc.
Senator Charlie Smith Dannelly	NC Senate
Denise Neunaber	NC Coalition to End Homelessness
Ed Pope	NC Department of Juvenile Justice and Delinquency Prevention
Senator Katie Dorsett	NC Senate
Representative Beverly M. Earle	NC House of Representative
Chris Estes	NC Low Income Housing Coalition
Lori H. Jones	County Government (Pitt County)
Vacant	NC Senate
Sandra Coley	AIDS Care Unit, DHHS
Roshanna Parker	NC Department of Correction
Pam Kilpatrick	Office of State Budget and Management
Debra King	Community Alternatives to Supportive Abodes, Inc.
Zack Hamlett	Office of Economic Opportunity, DHHS
Teresa Smith	NC Department of Public Instruction
Michael Kelly	Program Consumers
Mel Chilton	NC Department of Administration
Lane Sarver	Private Sector
Angela Harper	Division of Mental Health, Developmental Disabilities and Substance Abuse Services, DHHS
Gloria Nance- Sims	NC Department of Commerce
Sillar G. Smith	NC Community College System
Patricia Amend	NC Housing Finance Agency
Representative Edith Warren	NC House of Representatives
Reginald Speight	Martin County Community Action Inc.
Lance Edwards	United Way of Buncombe County
Vacant	Nonprofit

<u>Interested Parties</u>	<u>Representing</u>
Sara Allen	Boards and Commissions, Office of the Governor
Martha Are	Office of the Secretary, DHHS
Julia Bick	Office of the Secretary, DHHS
Dan Bradford	Robert Wood Johnson Clinical Scholar
Jill Cox	United Way of North Carolina
Lane Dyer	Employment Security Commission
Nancy Evans	Division of Aging and Adult Services, DHHS
Janeen Gingrich	NC Coalition Against Domestic Violence

Michael Leach
Sam McLean
Amy Sawyer
Iris Payne

Leslie Staroneck
Brenda Williamson
Jennifer Epperson

Office of Economic Opportunity, DHHS
Homeless/Formely Homeless
Asheville-Buncombe Homeless Initiative
Division of Community Assistance, Dept. of
Commerce
Prevent Child Abuse
Division of Vocational Rehabilitation Services
Office of the Governor

Council Staff

Katherine M. Davis

Office of the Secretary, DHHS