



a home  
for all  
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**Charlotte-  
Mecklenburg's  
Strategy To  
End And Prevent  
Homelessness**

**IMPLEMENTATION PLAN**

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## **OUR VISION FOR THE FUTURE**

**A community where homelessness is rare, brief, and non-recurring, and every person has access to permanent, affordable housing and the resources to sustain it.**

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for all**

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# ACRONYMS & ABBREVIATIONS

<b>ADU</b>	Accessory Dwelling Unit
<b>AMI</b>	Area Median Income
<b>BC</b>	Brilliant Corners
<b>CMHHS</b>	Charlotte-Mecklenburg Housing & Homelessness Strategy
<b>CE</b>	Coordinated Entry
<b>CDBG</b>	Community Development Block Grants
<b>CDFI</b>	Community Development Financial Institutions
<b>CFTH</b>	Coalition for the Homeless
<b>CHOIF</b>	Charlotte Housing Opportunity Fund
<b>CoC</b>	Continuum of Care
<b>CSH</b>	Coalition for Supportive Housing
<b>DHCD</b>	Department of Housing and Community Development
<b>ESG</b>	Emergency Solutions Grant
<b>FII</b>	Family Independence Initiative
<b>HMIS</b>	Homeless Management Information System
<b>HTF</b>	Housing Trust Fund
<b>HUD</b>	U.S. Department of Housing and Urban Development
<b>IHOPE</b>	Improving Health Outcomes for People Everywhere
<b>JPA</b>	Joint Powers Authority
<b>LIHTC</b>	Low Income Housing Tax Credits
<b>LIIF</b>	Low Income Investment Fund
<b>LISC</b>	Local Initiatives Support Corporation
<b>LRSP</b>	Local Rent Supplement Program
<b>NCDHHS</b>	North Carolina Department of Health and Human Services
<b>NOAH</b>	Naturally Occurring Affordable Housing
<b>NOFA</b>	Notice of Funding Availability
<b>PIT</b>	Point in Time Count
<b>PSH</b>	Permanent Supportive Housing
<b>RAMP</b>	Rent and Mortgage Assistance Program
<b>TOPA</b>	Tenant Opportunity to Purchase Act

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**A Giving Heart**

**A Way Home**

**Alliance Health**

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**Ascent Capital**

**Atrium**

**Avid Exchange**

**Barings**

**Block Love Charlotte**

**Care Ring**

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**Charlotte Center City Partners**

**Charlotte Community Health Clinic**

**Charlotte Family Housing**

**Charlotte Mecklenburg Schools**

**Charlotte Works**

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**City of Charlotte**

**Common Wealth Charlotte**

**Communities in Schools  
of Charlotte-Mecklenburg**

**Community Link**

**Crisis Assistance Ministry**

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**Leon Levine Foundation**

**LISC**

**Lotus Campaign**

**Mecklenburg County**

**Novant**

**Promise Resource Network**

**Rebuilding Together  
of Greater Charlotte**

**Roof Above**

**Safe Alliance**

**Samaritan House**

**Supportive Housing Communities**

**The Relatives**

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# EXECUTIVE SUMMARY

## OVERVIEW OF HOUSING AND HOMELESSNESS CHALLENGES

**Housing instability and homelessness have been rapidly increasing in Charlotte-Mecklenburg despite a broad ecosystem of service providers and among the highest production of market rate housing in the country.**

Economic and population growth have put pressure on the regional housing system. Since 2010, the number of starter homes available for \$150,000 or less has dropped dramatically. Similarly, low-cost rental apartments are disappearing. All of this has contributed to an increase in people experiencing homelessness to more than 3,000 in 2022. While most people experiencing homelessness are single, the number of homeless families has increased rapidly. The loss of affordable homes also makes it more difficult for people to transition out of emergency shelters. Since 2016, the average length of stay in shelters has increased 63%. Furthermore, even when people transition into permanent housing, they are returning to homelessness at increasing rates. That is, in 2016, 18% of people returned to homelessness compared to 25% in 2021.

## ENGAGEMENT AND PLANNING PROCESS

**In April 2021, the Charlotte-Mecklenburg community came together to address these worrying trends, examine the causes, and coordinate priorities. Their work resulted in the A Home For All Strategic Framework.** The first-ever comprehensive framework – spanning the continuum from shelter beds to affordable homeownership – was the result of an 18-month community engagement effort with input from hundreds of stakeholders through the Charlotte-Mecklenburg Housing & Homelessness Strategy Working Group. The Strategic Framework was organized around nine work areas and 99 key initiatives. This effort created important momentum and focus on the issue of homelessness and housing instability in the Charlotte-Mecklenburg area.

**The Charlotte-Mecklenburg community came together again in October 2022 to develop an implementation plan, identifying which of the strategies to move forward first.** United Way was selected to lead and HR&A Advisors, Inc. was hired to facilitate the process. The full process took place over nearly nine months and involved consultation with more than 150 individuals and organizations. A key centerpiece of the engagement was the convening of a Technical Committee made up of 73 individuals. The committee members, comprised of subject matter experts with professional and lived expertise, brought insight into what supportive services are required and how services should be offered, and how to add supply of all forms of shelter and housing to

meet the current need. Committee members began with 99 initiatives and, through four meetings and countless interim conversations, narrowed down to nine near-term priority initiatives.



# IMPLEMENTATION INITIATIVES

**The overall vision of A Home For All is to create a community where homelessness is rare, brief, and nonrecurring and every person has access to permanent, affordable housing and the resources to sustain it.** A Home For All seeks to create systemic change that will reduce housing instability and homelessness across Charlotte-Mecklenburg by aligning investments in affordable housing and service provision. The overall theory is that connecting services and housing in a more nuanced, person-directed manner will reduce homelessness and make the housing system function for everyone. The idea is to continue building on a Housing First model to ensure that services are tailored to people's immediate needs, and that the services offered evolve over time as people's conditions change. To create the systemic change necessary to achieve A Home For All's vision, public investments must be coordinated, and private philanthropic investment must be leveraged to support the scaling of affordable housing and services throughout the region.

**The engagement process resulted in an innovative approach to implementation. We seek to better integrate service and housing provision by creating public-private partnerships that offer flexible funding sources and result in a more prevention-oriented system.** Building a more robust and farreaching system of homelessness service provision and affordable housing options – from shelters to single-family homes – requires simultaneous action on several fronts. The implementation framework centers action around three key pillars.

These include **1: rethinking service coordination so that it is person-directed** and more individually adapted to people's housing and service needs, **2: building out a prevention system** that is stable and accessible beyond the recent surge related to COVID-19, and **3: expanding housing production tools** to include more support for all types of affordable housing, including shelters and permanent supportive housing. In combination, these actions will be the near-term focus. Successful implementation will lay the foundation for taking on additional initiatives laid out in the A Home For All Strategic Framework in future years.



**Person-Directed Care will help to overcome a currently fragmented system of service provision that makes it difficult for people to connect to critical services.**

The current system patches together a series of programs with agency-based case managers that must operate within their funding and staffing constraints. This leads to many hand-offs and a dizzying mix of services for people experiencing homelessness or housing insecurity and for the case managers supporting them. A new

approach would provide a systems navigator who offers consistent support and helps families connect with and progress through the various systems. This approach would also integrate people with lived expertise on teams of systems navigators. These teams would have access to a flexible services spending account that could help meet basic needs as people transition between programs. The teams would also be able to better navigate people's progress through an integrated data management system that people would opt into as they begin their journey. The information gleaned from such a database could also provide insight into the long-term outcomes of various interventions to better understand the cost efficacy of different public and private investments.

**Prevention will build on highly successful existing programs to create a robust prevention system that helps people stay in their homes and avoid experiencing homelessness.**

The Technical Committee identified four critical initiatives to pilot and/or scale. To support renters staying in their homes, A Home For All suggests cementing the innovations made in providing emergency rental assistance during the COVID-19 pandemic to help households that, absent intervention, could enter into homelessness. It would also expand legal advocacy for people facing eviction to help them stay in their homes. For individual homeowners, Charlotte-Mecklenburg should scale-up the essential funding it already provides to make repairs on homes to keep them habitable and ensure that those funds are being deployed in a manner that maximizes impact. Finally, there needs to be a long-term financing mechanism that provides acquisition financing to help acquire hotels, multi-family and single-family homes to expand shelter options and preserve the existing stock of affordable housing options in Charlotte-Mecklenburg. This comprehensive set of tools will work together to create a prevention system that addresses homelessness before it happens.

**Expanding the supply of affordable housing units will make all types of housing units – from shelter beds to single-family homes for sale – available to people experiencing homelessness and housing insecurity.**

The Technical Committee highlighted two priority initiatives to expand supply, including property provider recruitment and retention and expanding the housing trust fund. To address the backlog in people seeking permanent housing, A Home For All will help bring more units into the system for voucher holders through expanded property provider engagement. This will require two key changes: creating a flexible pool of funding and dedicating staff to bring property providers into the rapid rehousing system by offering to offset the additional costs of holding a unit or waiting for payment. These changes will allow people to be placed in permanent housing. To address the limited supply of affordable housing, Charlotte-Mecklenburg needs to increase the total resources and types of projects that receive gap financing. The City of Charlotte has an innovative and well-functioning housing trust fund that has supported the creation of thousands of low-income multi-family units. A Home For All supports building on this foundation through a joint request for proposals with funding from Mecklenburg County, and other funders, that could be used to support the production of shelters and permanent supportive housing.

## IMPLEMENTATION PILLARS



**Making these initiatives a reality will require a new coalition of public, private and nonprofit organizations to coordinate action.** As A Home For All moves forward, a variety of administrative roles and responsibilities will need to be filled. The basic structure and key actors have already been determined. United Way of Greater Charlotte will continue to convene a smaller Technical Committee of cross-sector stakeholders charged with monitoring progress across initiatives, and various implementation teams charged with overseeing program design for each pilot initiative. United Way will work with community stakeholders to ensure the work is adequately resourced through public-private partnerships that will bring flexible funding to these initiatives to support innovation and allow service providers to move quickly. The City of Charlotte and Mecklenburg County will continue to play a critical role in supporting these initiatives. One key tool to maintain coordination will be tracking community-wide metrics. Targets will be set and agreed upon as funding is identified and initiatives are launched.

**These innovative initiatives will need to launch in sequence beginning with program design.** This will result in clear implementation targets as well as the identification of specific funding for each initiative. Several of the initiatives are entirely new concepts and will require full program design. Then, initiatives will need to be piloted and evaluated so that any initial implementation lessons can be incorporated and program design adjusted. This flexibility will be critical, allowing for the creation of initiatives that are adapted to the realities of funding, human resources and organizational capacity. As evaluation lessons are applied and intended positive outcomes are evident, initiatives will be ready to scale to the broader community. Even as initiatives are scaled, it will be critical to continually evaluate and adjust implementation and design guidelines. Each of the nine initiatives are at different points in this process and will move forward independently over the next four years. For instance, the systems navigation role is entirely new and will require program design. In contrast, there are many successful critical home repair programs that need to be evaluated to determine how they can be scaled to maximize impact.

**The implementation coalition will also need to work together to shift the broader policy environment.**

To both meet A Home For All's goals and implement key initiatives, it will be essential to push forward and generate community-wide awareness of several local and state policy priorities. Initial areas for advocacy include the following:

- 1. Governance:** Policies that create and support institutions that set housing and homelessness priorities, coordinate efforts across individual agencies, provide oversight for the distribution of funds, and other administrative roles.
- 2. Financing:** Policies that provide public funding sources that can be used to increase housing affordability and reduce homelessness in Charlotte-Mecklenburg. These sources range from housing vouchers to gap financing for preservation and development.
- 3. Land Use and Development:** Policies that provide local zoning authority and development approval to increase affordability by lowering development costs. These policies focus on increasing the supply of homes, reducing approval timelines, reducing infrastructure requirements, and similar efforts.
- 4. Legal Protections:** Policies that reinforce tenants and low-income homeowners' rights. These policies advance protection, support, and access during the housing application process, eviction process, and home-buying process, among others.

Additional advocacy priorities will likely emerge over time.

I need





# CHAPTER 1: Theory of Change

## INTRODUCTION

**A Home For All was created to address homelessness and the need for affordable housing in Charlotte-Mecklenburg.** The initial results of the community effort resulted in A Home For All Strategic Framework. The follow up to that work is this Implementation Plan that will guide community-wide efforts over the next four years. The following chapter provides an overview of the theory of change. The plan then examines the challenges with housing and homelessness in Charlotte-Mecklenburg and offers an overview of supportive services provided in the community. With this context, the plan lays out an implementation framework that summarizes the most recent engagement process and identifies priority initiatives to begin implementing immediately. The remainder of the plan details the specifics for each priority initiative, policy advocacy, and overall administration.



## DEFINING THE GOAL

The goal of A Home For All is to create systemic change that will advance the goal of ending and preventing homelessness. A Home For All takes on not only homelessness, but also the broader issue of housing instability. There are many definitions of these terms, but the implementation strategy will draw on the Strategic Framework’s<sup>1</sup> definitions as follows:<sup>2</sup>

**“Housing instability”** is a type of housing status that can occur when an individual or household experiences any of the following: living in overcrowded and/or substandard housing; difficulty paying rent or mortgage; experiencing frequent moves due to economic or affordability reasons; doubling up with family or friends; or living in hotels/motels.

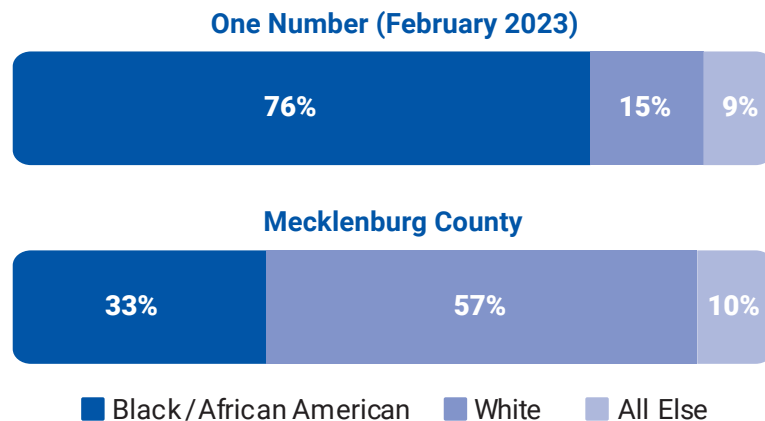
**“Homelessness”** is a type of housing status that, by definition, means the loss of housing. Homelessness can occur when a household lacks a fixed, regular, and adequate nighttime residence. This can include doubling up with family and/ or friends; paying to stay week to week in hotels/ motels; temporarily residing in a shelter and/ or transitional housing facility; experiencing unsheltered homelessness; exiting an institutional setting within a set period after previously experiencing homelessness; and/or fleeing domestic violence.

People experiencing housing instability or homelessness represent those that are not well served by the current system, despite Charlotte-Mecklenburg’s formidable ecosystem of service providers. As of February 28, 2023, there were 2,675 people experiencing homelessness in Charlotte-Mecklenburg, which is down from a peak of nearly 3,500 in December 2020, at the height of the COVID-19 pandemic.<sup>3</sup> As the number of people arriving in emergency shelters rises, it has become increasingly difficult to place them in secure housing. The result is longer periods of waiting to find secure housing, which increased from a median of 44 days in 2016 to 241 days in 2022.<sup>4</sup>

Another defining reality is that homelessness is related to structural inequality for Black men in Charlotte-Mecklenburg. More broadly, 76% of people experiencing homelessness in February 2023 were Black men, while Black men represent just 33% of the total population in Charlotte-Mecklenburg (Figure 1). These numbers reflect broader structural inequities in access to housing, healthcare, employment, and other drivers of economic opportunity in Charlotte-Mecklenburg.

**Figure 1: Population Experiencing Homelessness versus Total Population in Mecklenburg County**

Source: Charlotte-Mecklenburg Housing & Homelessness Dashboard  
One Number by Race and Ethnicity; US Census



<sup>1</sup> “A Home For All: Charlotte-Mecklenburg’s Strategy to End and Prevent Homelessness: Part 1 Strategic Framework,” 2022.

<sup>2</sup> Note that the Strategic Framework aimed to be inclusive so doubling up appears in both housing instability and homelessness because to adapt to McKinney Vento which defines homelessness for children as inclusive of people living in doubled up situations.

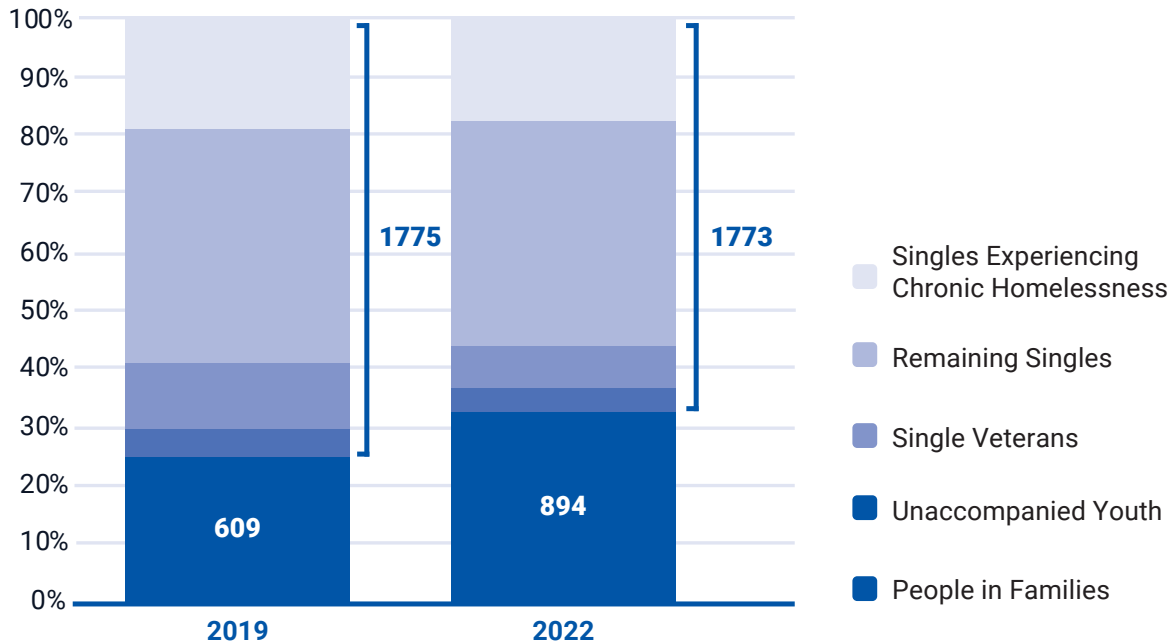
<sup>3</sup> “Housing Data Snapshot,” Charlotte-Mecklenburg Housing & Homelessness Dashboard, 2023.

<sup>4</sup> “Progress Length of Time Homeless,” Charlotte-Mecklenburg Housing & Homelessness Dashboard, 2023.

Historically, most people experiencing homelessness in Charlotte-Mecklenburg are single adult men, unaccompanied by children. Yet, since 2019, the number of families experiencing homelessness has surged (Figure 2). This shift reflects a range of COVID-19 pandemic related pressures from job losses and diminishing access to child care. The shift points to homelessness that is increasingly heterogeneous, with unhoused subpopulations that each have their own unique service needs.

**Figure 2: People Experiencing Homelessness by Population, 2019 and 2022**

Source: *Moving to Work Annual Plan, INLIVIAN (FY 2013, 2019)*



## CURRENT APPROACH TO HOUSING AND HOMELESSNESS

Over the past two decades, homelessness strategies nationwide – including those in Charlotte-Mecklenburg – coalesced around a Housing First approach. This recognizes that homelessness is shaped by individual choices as well as a larger system and structural processes. Housing First, which has been the federal government’s de facto approach since 2013, is rooted in the idea that individuals must have their basic housing needs met before they can overcome mental health, physical health, or substance use disorders. In most cases, this translates into placing individuals in a housing unit with access to supportive services, also known as permanent supportive housing (PSH). The evidence on the effectiveness of PSH is unclear partially because service providers and researchers alike lack a standard definition of services provided, long-term tracking of individual outcomes, standardized funding streams, or national guidance on best practices.<sup>5</sup> This reality leaves policy makers and practitioners in need of a more nuanced model that better connects specific services to housing subsidies. Meanwhile, homeless populations are growing across the country as local governments struggle to weave together a complex set of federal and state funding sources.

Charlotte-Mecklenburg reflects this reality. Despite record housing production and a housing first approach, there is a growing housing affordability crisis and unhoused population. Between 2010 and 2022, the number of unhoused individuals jumped 63%; since 2013, the waitlist of low-income households for public housing and vouchers has increased by 46,500 households; the number of rent-burdened households grew by more than 16,000 between 2007 and 2021, including growth in middle-class families.<sup>6</sup> Moreover, even for renter households not experiencing housing instability, the prospect of advancing towards homeownership has dimmed as home prices increased by 50% in just the last three years alone.<sup>7</sup>

<sup>5</sup> National Academy of Sciences, Engineering and Medicine, *Permanent Supportive Housing: Evaluating the Evidence for Improving Health Outcomes Among People Experiencing Chronic Homelessness*, (Washington, DC: The National Academies Press, 2018).

<sup>6</sup> "Progress," Charlotte-Mecklenburg Housing & Homelessness Dashboard, 2023.<sup>7</sup> "Housing Data Snapshot," Charlotte-Mecklenburg Housing & Homelessness Dashboard, 2023.

<sup>7</sup> "Charlotte Home Values," Zillow, 2023, <https://www.zillow.com/home-values/24043/charlotte-nc/>.





Similarly, Charlotte-Mecklenburg’s supportive service system is fractured and disjointed, reflecting the absence of an overall tracking system, or streamlined funding sources. There are 100-plus programs that provide services for people experiencing homelessness in the county. Yet, despite a well-functioning Continuum of Care (CoC) and a well-developed Coordinated Entry (CE) system, little support exists to help households navigate this decentralized system or help service providers formally coordinate. Once in the CE system, households face multiple “hand-offs” between service providers as they move between housing and care situations. This disjointed system makes it difficult to reduce housing instability despite a robust and capable set of social service providers.

The result of the services landscape and market dynamics is a more costly system that makes it difficult for people to progress towards housing stability. For instance, at the time of eviction, most renter households owe just a fraction of what it costs annually to provide services to an unhoused individual. According to the National Equity Atlas, the average North Carolina household behind on rent owed \$1,054 in December 2022.<sup>8</sup> Meanwhile, the average cost to serve an individual experiencing chronic homelessness,<sup>9</sup> is at least \$35,000 and could reach \$78,000.<sup>10</sup> Beyond the financial burden on society, our failure to rapidly move individuals from homelessness to housing carries a significant human toll. People experiencing homelessness are exposed to the possibility of new mental and physical traumas and diminished economic opportunity through disruption of access to educational services and employment opportunities.

<sup>8</sup> “Rent Debt in America: Stabilizing Renters is Key to an Equitable Recovery,” National Equity Atlas, <https://nationalequityatlas.org/rentdebt>. Estimated total rent debt 12/16/2022 was \$164.5 million with 156,000 households behind on rent.

<sup>9</sup> Chronic homelessness is defined as those repeatedly experiencing homelessness for more than a year while struggling with a disabling condition.

<sup>10</sup> “Ending Chronic Homelessness Saves Taxpayers Money,” National Alliance to End Homelessness, 2016, <http://endhomelessness.org/wp-content/uploads/2017/06/Cost-Savings-from-PSH.pdf>.

## A PREVENTION-CENTERED APPROACH

Recognizing the need for change, in 2021 the Charlotte-Mecklenburg Housing & Homelessness Strategy (CMHHS) Working Group set forth a goal to develop a comprehensive approach that simultaneously addresses housing instability and homelessness. The result of this effort was A Home For All Strategic Framework which seeks to rewrite the housing and homelessness approach as one that is prevention centered, supporting all populations’ – those who are homeless and those who are housing unstable -progress towards housing stability.

The approach starts by assuming that people and households need to access a continuum of housing and services as they progress from unhoused to homeownership. The housing continuum begins with short-term shelter beds and then progresses to either transitional housing, PSH and other low-income subsidized housing (Figure 3). The housing continuum progresses to housing with low-income housing tax credits (LIHTC) which subsidizes housing for households making less than 80% of Area Median Income (AMI). The housing continuum continues with Naturally Occurring Affordable Housing (NOAH), housing units for which there are no housing subsidies. The housing continuum ends with homeownership, where many subsidy programs help first-time buyers afford their first home, and critical home repair programs help longtime homeowners stay in their homes.

The services continuum is less clearly defined, but the intensity of service demand largely declines as people move along the housing continuum.

**Figure 3: Charlotte-Mecklenburg Housing and Services Continuum**

Source: HR&A Advisors, Inc. and the A Home For All Technical Committee

	Unhoused	Extremely Low Income	Low Income	Moderate Income	Middle Income
<b>HOUSING SUBSIDY</b>	Shelters				
		Permanent Supportive Housing			
		Transitional Housing/Rapid Rehousing			
			Emergency Housing Vouchers		
			LITHC Properties		
				Naturally Occuring Affordable Housing	
					Homeownership Assistance
	Homelessness Prevention & Outreach				
<b>SUPPORT SERVICES</b>	Coordinated Entry				
	Basic Needs				
	Street Outreach				
	Same-Day Hotel Placement				
	Housing Placement and Navigation				
	System Navigation				
		Employment Skills			
		Education			
	K-12 Education Supports				
	Child Care				
	Mental Health				
	Substance Use				
	Physical Health (Including Dental & Vision)				
Legal Assistance					

By looking at the full continuum of housing and service provision, prevention is placed at the center of the effort. Progress is then measured by reducing the following: housing instability, homelessness, and demand for additional support services. Enabling this type of progress involves creating a system that stitches together and expands a range of disparate housing tools and services to better match people’s needs.

**A prevention-centered approach recognizes that solving homelessness requires addressing housing instability across the housing continuum.** The system should support not only people that are already experiencing homelessness, but also people that are housing unstable and at risk of entering homelessness, including those of moderate and middle income. Models are emerging across the country to ensure that fewer people face eviction and that more property providers are brought into the systems to provide rapid rehousing and transitional housing units. Other localities seek to transform case management with intensive street outreach and new flexible funding to make sure people have the optimal mix of support. These programs offer insight into the mix of services and rent subsidies needed to create a prevention-centered approach to progressing along the housing continuum. There is no one size fits all solution to meet the goals of A Home For All, but making sure that it is easier to share information between service providers and coordinate care will be critical.

**A prevention-centered approach recognizes that tailoring housing and support services to an individual's needs is essential to helping a person successfully exit the homelessness system.**

The variety and intensity of housing and support services vary based on a person's income and lived expertise. For instance, a recent survey of both sheltered and unsheltered individuals across the nation found that about half of unsheltered individuals reported that their physical health, mental health, or substance use contributed to their loss of housing, compared to 17% of sheltered individuals.<sup>11</sup> This implies different service needs and timelines for progressing along the housing continuum. Moreover, expanding the purview of a housing and homelessness strategy across the full housing continuum will require refining the toolkit of supportive services to determine at what point and for whom specific services are needed. For instance, employment services are needed for a portion of the unhoused and the housed to ensure access to opportunity and well-paying jobs. Furthermore, including moderate- and middle-income residents expands the toolkit of services and support, notably placing more focus on employment training services and down payment assistance. This framing recognizes the risks that the housing affordability crisis places on all types of households.

Through this prevention-centered approach, Charlotte-Mecklenburg envisions becoming a community where "homelessness is rare, brief and non-recurring and every person has access to permanent, affordable housing and the resources to sustain it."<sup>12</sup>



<sup>11</sup> Janey Rountree, Nathan Hess, and Austin Lyke, "Health Conditions Among Unsheltered Adults in the U.S." California Policy Lab, 2019, <https://www.capolicylab.org/wp-content/uploads/2023/02/Health-Conditions-Among-Unsheltered-Adults-in-the-U.S..pdf>.

<sup>12</sup> "A Home For All: Charlotte-Mecklenburg's Strategy to End and Prevent Homelessness: Part 1 Strategic Framework."



# CHAPTER 2: Housing and Homelessness Challenges

## OVERVIEW - NATIONAL CONTEXT

The United States faces an unprecedented housing crisis. Freddie Mac estimates the nation faced a housing deficit of 3.8 million homes in 2020, an increase of more than 50% in just two years. The rapid increase is not only the result of decades of backlog in new construction, but also rapidly increasing construction costs and lack of affordable homes for first-time homebuyers.<sup>13</sup> The past few years have seen this housing shortage spread from expensive coastal regions to places as diverse as Phoenix, Tampa, and Green Bay, Wisconsin.<sup>14</sup> Consequently, home prices have soared, increasing from an average of \$290,000 in January 2020 to a high of \$430,000 in May 2022, a nearly 50% increase.<sup>15</sup> A range of factors are driving the affordability crisis including: construction costs historically low interest rates, new housing investment vehicles and investors. These high prices have, in turn, sidelined would-be buyers, created greater competition for rental homes, and driven up rents.

Households are increasingly finding themselves cost burdened just to maintain access to any housing.<sup>16</sup> The National Low Income Housing Coalition estimates that there were only 33 affordable rental homes for every 100 extremely low-income renter households in 2021. Indeed, 21% of middle-income households were classified as cost burdened in the same analysis.<sup>17</sup>

Households that are cost burdened are vulnerable to minor changes in income, health conditions or other circumstances, which increase the risk of homelessness. Between 2007 and 2016, the United States saw a decline of nearly 15% in homelessness, but progress has since stalled. For both individual adults and families, homelessness increased. According to HUD's Point-In-Time count (PIT), as of January 2022, 580,000 people were experiencing homelessness in the United States, just 10% lower than in 2007 and equal to the last complete count in 2020.<sup>18</sup>

<sup>13</sup> "Housing Supply: A Growing Deficit," Freddie Mac, May 7, 2021, <https://www.freddiemac.com/research/insight/20210507-housingsupply>.

<sup>14</sup> Emily Badger and Eve Washington, "The Housing Shortage Isn't Just a Coastal Crisis Anymore," New York Times, July 14, 2022, <https://www.nytimes.com/2022/07/14/upshot/housing-shortage-us.html>.

<sup>15</sup> "Nationwide single-family home sales," Redfin, 2023. Since January 2023, average home prices have decreased to \$380,000, which still marks a 30% increase.

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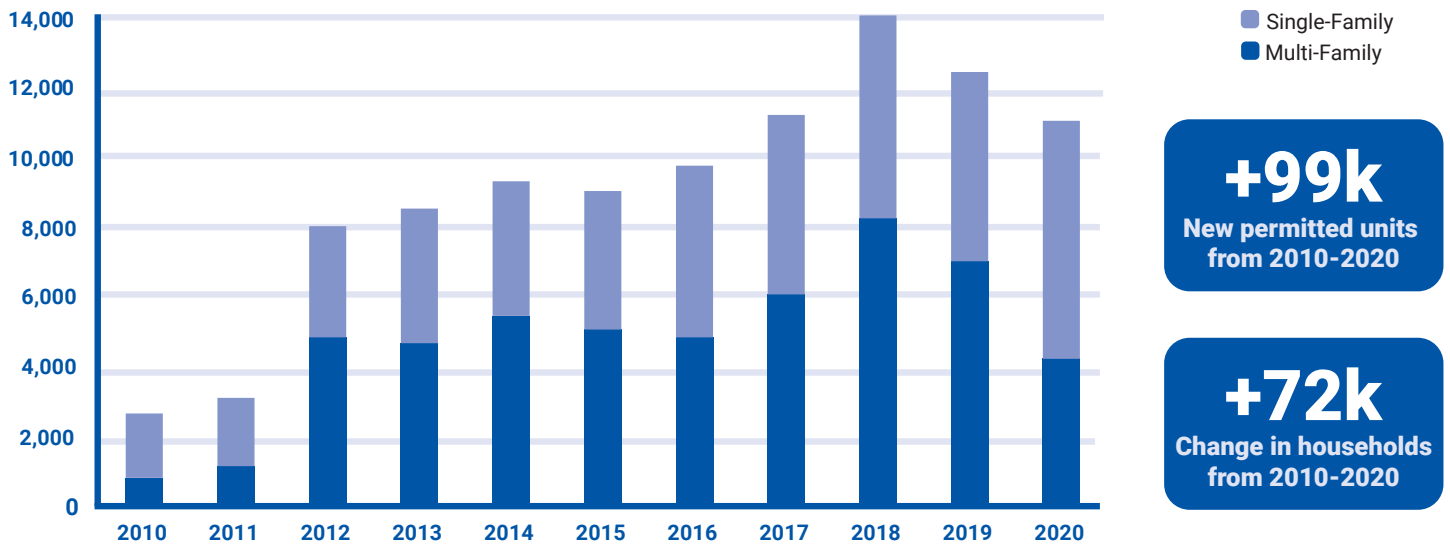


## OVERVIEW - CHARLOTTE CONTEXT

Charlotte-Mecklenburg has not been immune to these national trends. On the surface, unlike many other cities across the nation, Charlotte-Mecklenburg’s housing sector appears to be meeting the needs of its growing population. Between 2010 and 2020, the population grew by 72,000 households,<sup>19</sup> and residential permits for both multi-family and single-family units totaled around 99,000 units (Figure 4).<sup>20</sup> Charlotte-Mecklenburg consistently ranks among the largest producers of housing in the country.<sup>21</sup>

**Figure 4: Charlotte-Mecklenburg Residential Unit Permits, 2010-2020**

Source: U.S. Census Building Permits Survey



<sup>16</sup> The U.S. Department of Housing and Urban Development (HUD) defines “housing burdened” as meaning the household spends more than 30% of its income on housing. Households spending more than 50% of their income on housing are referred to as “severely cost burdened.”

<sup>17</sup> “The Gap,” National Low Income Housing Coalition, 2023, <https://nlihc.org/gap/about>.

<sup>18</sup> “2007 – 2022 Point in Time Estimates by State,” HUD, 2023, <https://www.hudexchange.info/resource/3031/pit-and-hic-data-since-2007/>.

<sup>19</sup> U.S. Census Bureau, 2010 and 2020 American Community Survey 5-year Estimates, Social Explorer, 2010 and 2020.

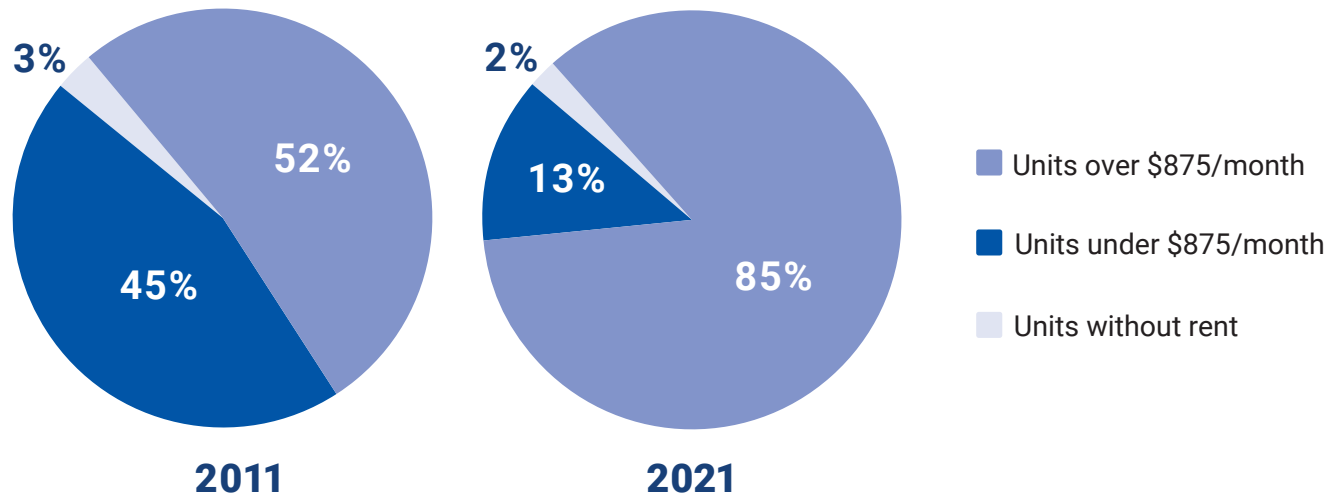
<sup>20</sup> U.S. Census Bureau, 2010-2020 Building Permits Survey, 2022.

<sup>21</sup> “Local Governments Responding: The Housing Crisis in North Carolina,” NC League of Municipalities, 2023. <https://www.nclm.org/resourcelibrary/Shared%20Documents/Housing%20Crisis%20Report.pdf>.

Nonetheless housing costs are increasing rapidly, creating affordability issues for many people. From 2010-2021, average rents in the Charlotte-Mecklenburg region rose 26%, from \$1,175 to \$1,475.<sup>22</sup> The 2022 Charlotte-Mecklenburg State of Housing Instability & Homelessness Report notes that between 2011 and 2021 the region lost 40,000 low-cost rental units affordable to extremely and very low-income households. The share of low-cost units dropped from 45% in 2011 to 13% in 2021.<sup>23</sup> This equates to an average annual loss of 3,600 homes.<sup>24</sup> Alarmingly, another study found that during the five-year period from 2013 to 2017 the region lost over half of its supply of NOAH units.<sup>25</sup>

**Figure 5: Mecklenburg County Rental Unit Cost Comparison, 2011-2021**

Source: 2022 Charlotte-Mecklenburg State of Housing Instability and Homelessness Report



Similarly, home prices increased substantially. The median price of homes increased from approximately \$200,000 in 2014 to above \$300,000 in 2022. The result is that in 2022, a household needs to earn 140% AMI to purchase a median price home, and a household required 86% of AMI to purchase the cheapest 10% of homes. In other words, the number of homes sold for less than \$150,000 dropped from 45% in 2010 to 4% in 2022.<sup>26</sup> These price dynamics are driven by high population growth and limited income growth between 2010 and 2021.<sup>27</sup>

As a result of this mismatch between housing costs and income, Charlotte-Mecklenburg has seen a rise in housing instability. Between 2007 and 2021, the number of severely cost burdened households increased by 44% (Figure 6). Households that make less than \$35,000, are acutely cost burdened, with 90% classified as severely cost burdened.<sup>28</sup> Put another way, only one affordable rental unit exists for every two extremely low-income households (families of four that make \$28,250 or less).<sup>29</sup>

<sup>22</sup> CoStar, Average Rents for Mecklenburg County, 2010 and 2021.

<sup>23</sup> Low-cost rental units include NOAH and subsidized units. Monthly rents are under \$875.

<sup>24</sup> Mecklenburg County Community Support Services' Housing Innovation and Stabilization Services Division (HISS), "Charlotte- Mecklenburg State of Housing Instability & Homelessness Report" 2021 and 2022.

<sup>25</sup> Department of Housing & Neighborhood Services, "Housing Charlotte," 2018.

<sup>26</sup> UNC Charlotte, "State of Housing in Charlotte Report," 2022. Note that the \$150,000 house price is in nominal dollars and therefore the actual decrease is likely smaller.

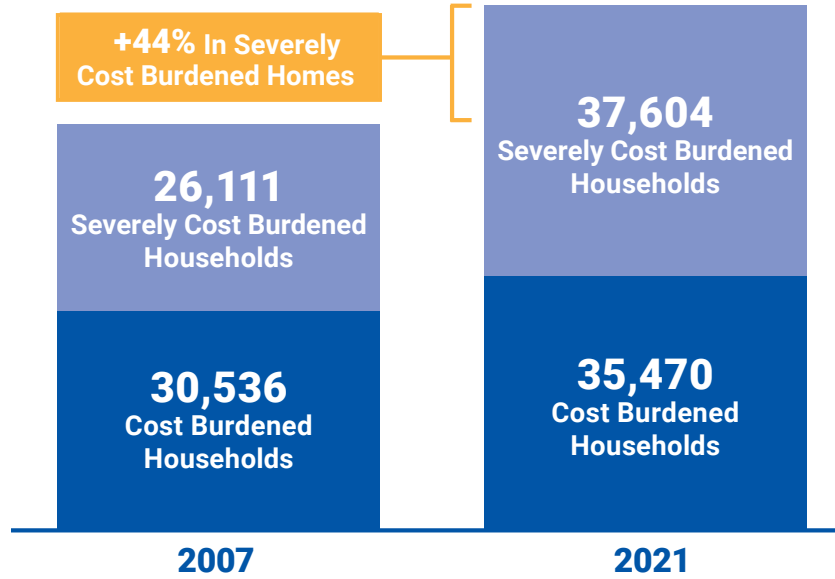
<sup>27</sup> U.S. Census Bureau, 2010 and 2021 American Community Survey 5-year Estimates, Social Explorer, 2010 and 2021.

<sup>28</sup> U.S. Census Bureau, 2007 and 2021 American Community Survey 5-year Estimates, Social Explorer, 2007 and 2021.

<sup>29</sup> HISS, "Charlotte-Mecklenburg State of Housing Instability & Homelessness Report," 2021 and 2022.

**Figure 6: Increase in Rent Burdened Households, 2007-2021**

Source: American Community Survey 5-year Data (2007, 2021)



As with the rest of the nation, these conditions affect a broad segment of the region’s households. Nearly half of rental households making between 50% and 80% of AMI are considered cost burdened. For households making the region’s median income, 15% of renter households find themselves cost burdened.<sup>30</sup> Additionally, a path to homeownership remains out of reach for most rental households who struggle to save for down payments.



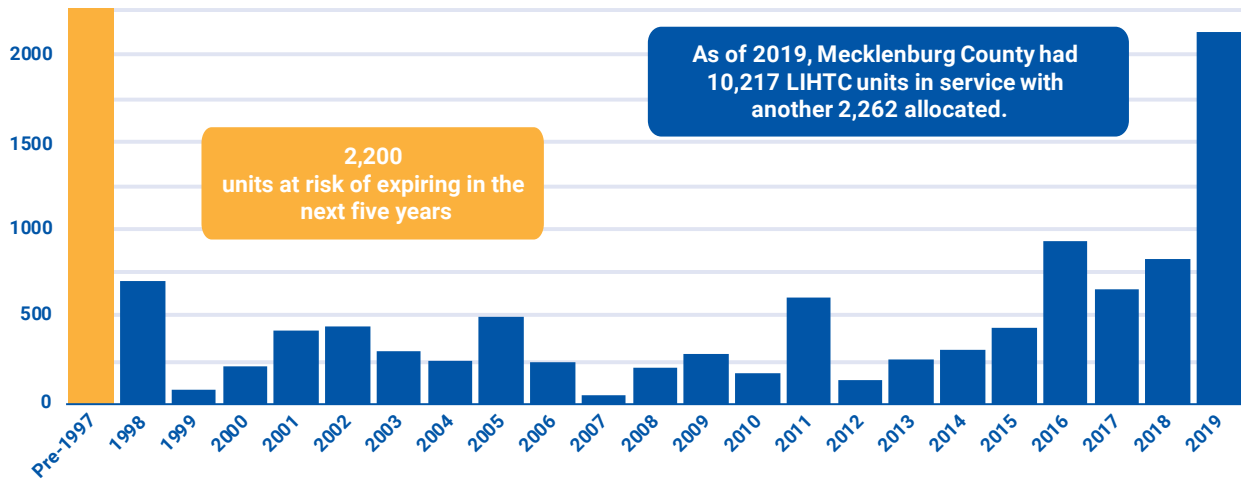
<sup>30</sup> U.S. Census Bureau, 2021 American Community Survey 5-year Estimates, Social Explorer, 2021. Note that for a family of four 50% AMI is \$47,000, 80% AMI \$75,000, and 100% AMI is \$94,000.

# CHARLOTTE-MECKLENBURG AFFORDABLE HOUSING STOCK

The production of new affordable units has not kept pace with demand for affordable units. Charlotte-Mecklenburg saw an allocation of approximately 2,600 LIHTC units between 2013 and 2017.<sup>31</sup> Increased local gap funding made more LIHTC deals feasible in Charlotte- Mecklenburg, with the annual unit allocation increasing to approximately 1,900 units in 2019 (Figure 7).<sup>32</sup> New gap financing sources, like the City of Charlotte’s Housing Trust Fund, have been critical to increasing allocations. However, Charlotte-Mecklenburg continues to have a net loss of affordable units.

**Figure 7: Mecklenburg LIHTC Unit Allocation, Pre-1997 to 2019**

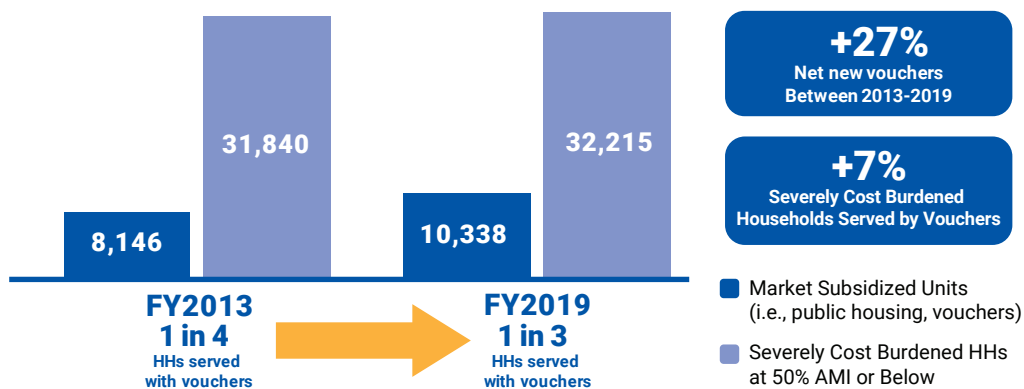
Source: Awarded Projects, North Carolina Housing Finance Agency



Housing vouchers increased but still failed to meet demand. A variety of housing subsidies enable support for short-, medium- and long-term housing. Between 2013 and 2019, INLIVIAN increased the provision of long-term rental subsidies by 27%, largely through Section 8 or Housing Choice Vouchers (Figure 8). Over this same period, INLIVIAN converted all public housing units to project-based vouchers.<sup>33,34</sup> Yet, only one in three severely cost burdened households with income less than 50% of Area Median Income (AMI) could be served by a voucher. This is partially reflected in the waitlist for public housing and vouchers, which grew from 3,500 in 2013 to 50,000 households in 2022.<sup>35</sup>

**Figure 8: Mecklenburg County Change in Vouchers, 2013-2019**

Source: Moving to Work Annual Plan, INLIVIAN (FY 2013, 2019)



<sup>31</sup> LIHTC deals are divided into two categories: 4% and 9% tax credits, which roughly correspond to the percentage of a project’s construction cost which the credits cover. 4% credits are generally awarded to any project that meets the affordability and related requirements in North Carolina while 9% credits are awarded through a highly competitive process.

<sup>32</sup> The Housing Trust Fund was created by the Charlotte City Council in 2001. It has allocated \$210 million in funds as of August 2022.

<sup>33</sup> INLIVIAN, “FY 2013 and FY 2022 (Plan) Moving Forward Annual Report”, 2013, 2021.

<sup>34</sup> Landlord engagement and outreach initiatives to drive uptake in usage of housing choice vouchers were funded through INLIVIAN’s MTW Single Fund Flexibility.

<sup>35</sup> INLIVIAN, “FY 2013 and FY 2022 (Plan) Moving Forward Annual Report.”



**Figure 9: What is Affordable Housing in Charlotte-Mecklenburg?**

Affordability has different meanings depending on a household’s income. Using the HUD definition, housing is affordable when a household’s housing costs (including rent or mortgage and utilities) are less than 30% of the household’s income.

NO SUBSIDY



**Naturally Occurring Affordable Housing (NOAH)**

Market-rate housing (for rent or purchase) that is priced at levels affordable to low - or moderate-income residents. In Charlotte-Mecklenburg, rising rents, home prices, and redevelopment have led to a loss of NOAH units.



*Lake Mist Apartments*

**Low Income Housing Tax Credit Units**

Low Income Housing Tax Credit Units: Rental and ownership housing which has received local, state, or federal subsidy funding to make it affordable to income-qualified residents. The most common form of subsidized housing is through the federal Low-Income Housing Tax Credit (LIHTC) program, which in North Carolina primarily serves households at or below 60% of AMI, or \$56,520 for a family of four in Mecklenburg County, well above the income of a minimum wage-earning household. Other units are funded through HUD’s project-based vouchers (PBV) and housing choice vouchers (HCV) which provide rent subsidy to offset tenant costs. As of 2019, Charlotte-Mecklenburg had approximately 22,500 units of subsidized housing, including over 12,500 LIHTC units, 3,500 PBVs, and 6,500 HCVs.



*Rosewood Commons*

**Public Housing**

Housing owned and managed by public housing agencies with operating and capital funds provided by HUD, typically serving extremely low-income households (a family of four making \$28,250 or less). As of 2019, INLIVIAN operated 151 units of public housing in Charlotte-Mecklenburg with a plan to fully convert these units to PBVs in the future.



*Dillehay Courts*

HIGHEST LEVEL OF SUBSIDY



**Permanent Supportive Housing (PSH)**

Housing that also provides healthcare and supportive services to help individual and families with higher levels of need (e.g., adults with chronic health or developmental difficulties) to remain in housing and lead more stable lives. Charlotte-Mecklenburg has approximately 1,000 units of PSH.



*Moore Place*

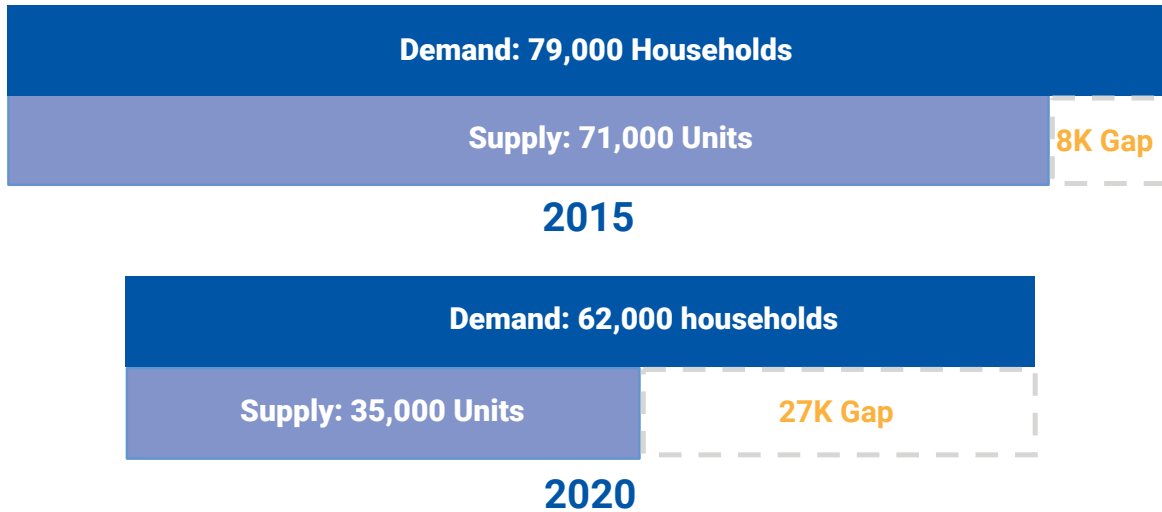
## CHARLOTTE-MECKLENBURG AFFORDABLE HOUSING GAP

The affordable housing gap measures the difference between what people can afford to pay in rent and the available housing options. Households that make less than \$35,000 a year bear the greatest burden in an affordability crisis, requiring monthly housing costs of less than \$875, inclusive of utilities, to avoid being cost burdened.

In 2015, Charlotte-Mecklenburg met the housing needs of these extremely low-income households. There were 79,000 households in the region with an income of less than \$35,000 and 71,000 units available at this price point, not accounting for quality or location.<sup>36</sup> This indicated there was a supply gap for extremely low-income households of just 8,000 units (Figure 10).

**Figure 10: Change in Supply Gap of Affordable Rental Units 2015-2020**

*Source: Moving to Work Annual Plan, INLIVIAN (FY 2013, 2019)*



**Decline in demand** as population attains higher paying jobs or emigrates out of the city.  
**Decline in supply** as rents increase.

By 2020, however, housing affordability dramatically shifted for this income group. Between 2015 and 2020, the number of households within this income bracket dropped 22%, the result of some households moving up the income ladder and some households moving out of the city. Over this same period, the number of units affordable to these households halved, decreasing from 71,000 to 35,000, primarily driven by large rent increases.<sup>37</sup> With the loss in affordable units far outpacing the drop in extremely low-income households, the gap in affordable rental units more than tripled from 8,000 units to 27,000 units.

<sup>36</sup> U.S. Census Bureau, 2015 American Community Survey 5-year Estimates, 2015.

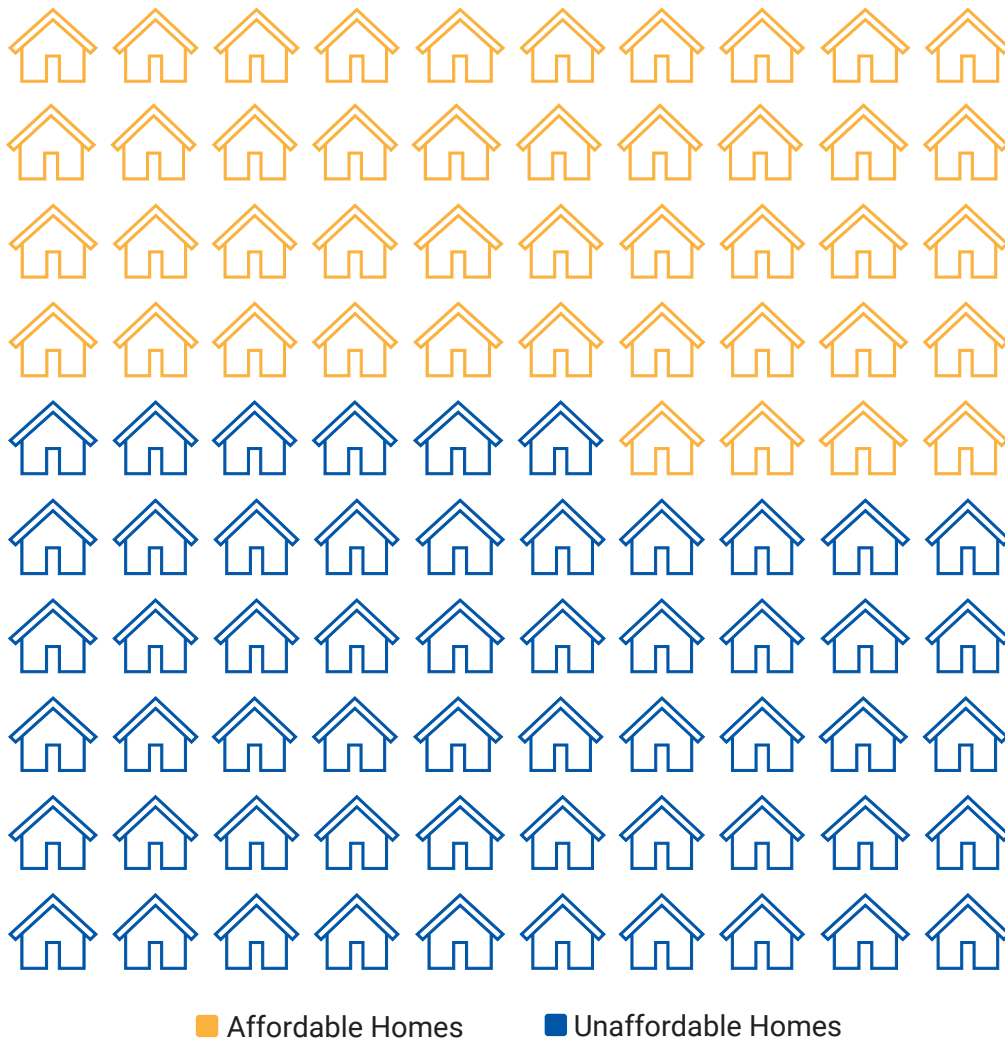
<sup>37</sup> U.S. Census Bureau, 2020 American Community Survey 5-year Estimates, 2020.

Put another way, as of 2020, for every 100 households with an annual income under \$35,000, there are only 56 affordable homes (Figure 11). Nearly one out of every two households in this group are unable to find a unit that would allow them to contribute less than 30% of their income toward housing costs.

**Figure 11: Visualizing the 2020 Affordable Housing Supply Gap**

Source: HR&A Advisors, Inc.

**For every 100 households with an annual income under \$35,000, there are only 56 affordable homes.**



Despite a highly effective housing trust fund in the City of Charlotte, there are limited resources to ensure that additional NOAH and LIHTC units are preserved. In Mecklenburg County 2,200 LIHTC units are at risk of expiring in the next five years. The losses of affordable units and the potential for more affirms that, while housing production remains a critical tool, the region cannot rely on housing production alone to address the affordable housing crisis.



# CHAPTER 3: Overview of Supportive Services

## OVERVIEW

In addition to housing, supportive services are critical to resolving long-term housing instability and homelessness. Many households struggle to maintain stable housing due to service gaps ranging from mental health to child care.

## NATIONAL CONTEXT

In recognition of the importance of coordinating these services, HUD developed a CoC program, which serves specific geographies, promotes community-wide planning, and coordinates strategic use of resources to address homelessness. Each year, HUD provides several billion dollars of competitive funding to nonprofits, states, and local government entities through more than four hundred CoCs serving every region of the country. For example, in 2022 HUD provided \$2.8 billion to nearly 7,000 projects across all 50 states.<sup>38</sup> North Carolina received \$37 million for 145 projects compared to California's \$525 million, the largest state recipient. CoCs are responsible for collecting critical information about the population experiencing homelessness in their communities through an annual PIT count of sheltered and unsheltered people that guides our estimates of the number of people experiencing homelessness. This information supports a community-level Homeless Management Information System (HMIS), which provides data on the provision of housing and services. Each CoC program is tailored to local conditions to improve coordination and evaluation of the service provision system.



<sup>38</sup> HUD Public Affairs, "HUD announces \$2.8 billion in annual funding to help people experiencing homelessness," HUD, March 28, 2023, [https://www.hud.gov/press/press\\_releases\\_media\\_advisories/hud\\_no\\_23\\_062](https://www.hud.gov/press/press_releases_media_advisories/hud_no_23_062).

In addition, CoCs are required to develop a Coordinated Entry system, a centralized process for accessing homelessness and housing services, assessing needs, prioritizing the most vulnerable people, and referring people to service providers in the community.<sup>39</sup> Those experiencing homelessness who lack alternative housing options are directed to short-term emergency shelters. Upon exiting emergency shelter, people may enter a transitional housing program, which provides temporary housing coupled with services as people build independence and stability, or a rapid rehousing program, which offers rental assistance to quickly move people into a permanent housing option, typically coupled with services as well. People that require ongoing supportive services, such as those with disabilities or chronic health conditions, may enter permanent supportive housing. The set of primary support services that complements these housing options varies based on the person’s existing housing situation, household composition, and individual needs, and can cover a multitude of areas including emergency response, health, education, employment service, among others (Figure 12).

**Figure 12: Primary Support Service Examples**

Source: HR&A Advisors, Inc.

<b>EMERGENCY RESPONSE</b>	<b>HOUSING</b>	<b>HEALTH</b>	<b>EDUCATION AND EMPLOYMENT</b>	<b>Other</b>
<b>Basic Needs (e.g., food, clothing, emergency shelter)</b>	<b>Housing Placement / Navigation</b>	<b>Mental Health</b>	<b>GED Certification</b>	<b>Care Coordination</b>
<b>Coordinated Entry</b>	<b>Legal Assistance (e.g., eviction support)</b>	<b>Physical Health</b>	<b>Readiness Training</b>	<b>Child Care Supports</b>
<b>Same-Day Hotel Placement</b>	<b>Rental Assistance</b>	<b>Substance Use</b>	<b>Job Coaching</b>	<b>Income Assistance</b>
<b>Street Outreach</b>			<b>Job Opportunity Identification</b>	<b>Transportation Assistance</b>

Despite the presence of CoCs across the country, service coordination remains a challenge for many communities. Untangling the coordination issue is complicated by overall lack of funding, staffing capacity in CoCs, and the severity and complexity of the factors that result in homelessness. Very few CoCs have fulltime staff, and many successful CoCs rely on the philanthropic community to fill gaps in funding.

Furthermore, competing priorities of individual service providers can make it difficult to innovate or implement change.<sup>40</sup> For instance, one group may be focused on survivors of domestic violence, while others are focused on individuals with substance use disorders. The result is a system built to serve specific subpopulations and adhere to complicated funding requirements, which results in service gaps nationwide. As a result, more and more households are unable to obtain the services necessary to access and maintain long-term affordable housing solutions.<sup>41</sup>

<sup>39</sup> UNC Charlotte Urban Institute, "Charlotte-Mecklenburg Coordinated Entry Interim Evaluation Report", 2022.

<sup>40</sup> Jennifer Mosley, "Cross-Sector Collaboration to Improve Homeless Services: Addressing Capacity, Innovation, and Equity Challenges," *American Academy of Political and Social Science* 639 no. 1 (2021): <https://journals.sagepub.com/doi/10.1177/0002716221994464>.

<sup>41</sup> Meghan Jarpe Jennifer Mosley, and Bikki Tran Smith. "Understanding the collaborative planning process in homeless services: Networking, advocacy, and local government support may reduce service gaps," *Journal of Public Health Management and Practice* 25, no. 3 (2019): 262-269 <https://pubmed.ncbi.nlm.nih.gov/29889180/>.

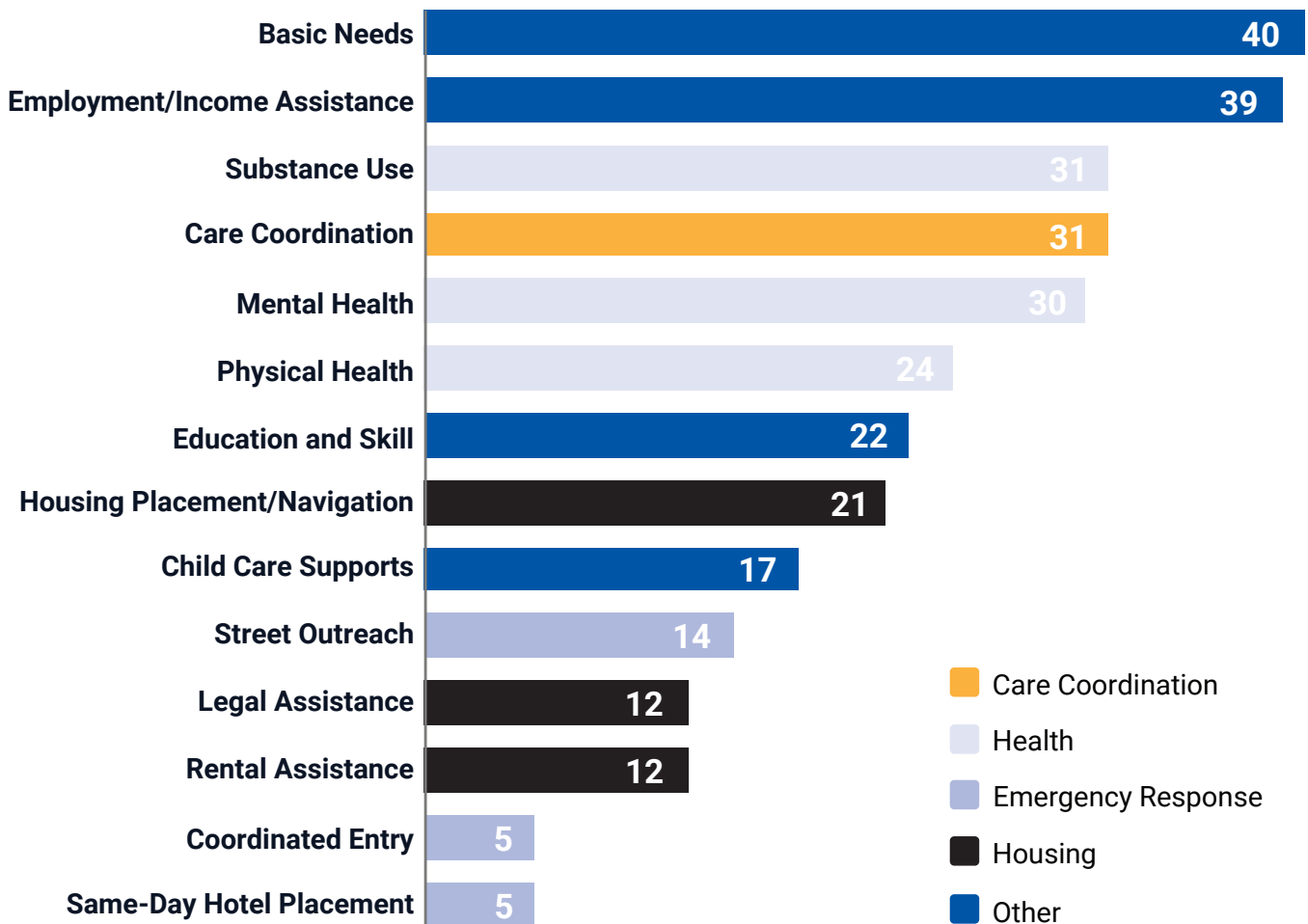
## CHARLOTTE-MECKLENBURG CONTEXT

The range of service options available to people in Charlotte-Mecklenburg is like many homelessness services ecosystems across the country. Charlotte-Mecklenburg offers services connected to housing as well as a wide array of cross-sector support services not connected to a specific housing program or subsidy. The county has over 100 programs serving people experiencing homelessness and housing instability.<sup>42</sup> Many service providers serve people in addition to those experiencing homelessness and housing instability. For example, almost 40 providers offer employment-related services and over 30 provide care coordination/case management services (Figure 13). Some programs are targeted geographically, others serve specific populations, and still others are connected to specific funding sources or eligibility requirements.

The network of providers includes both formal and grassroots actors, which collaborate to some extent, but exhibit different strengths and access to resources. Grassroots groups can provide flexible and highly responsive services and can be effective in reaching underserved populations. Yet grassroots groups often have limited funding and connections to a broader ecosystem of services that are housed in more formal institutions. As a result, clients of the grassroots organizations may be unaware of, or less easily able to access, resources for which they might otherwise qualify.

**Figure 13: Service Provision in Charlotte-Mecklenburg**

Source: HR&A Advisors, Inc.



<sup>42</sup> Through a combination of desktop research and interviews, HR&A developed an inventory of service providers for emergency shelter, transitional housing, rapid rehousing, permanent supportive housing, and cross sector support services.

The number of programs providing a service type does not reflect the extent or quality of service provided. For instance, both substance use and mental health treatment have more than 30 providers each but still cannot meet demand for both services. Providing these services in adequate quantity and quality to meet demand will require additional funding, as well as potential rethinking of how they are offered.

Care coordination is offered by more than 30 organizations, but without a shared database it is difficult to coordinate across providers. Charlotte-Mecklenburg's CE system's assessment and referral support are time-limited. After entering the system there are numerous care coordination "hand-offs" as funding is tied to an individual provider or funding stream. The 2022 Charlotte-Mecklenburg Coordinated Entry Interim Evaluation report highlighted the difficulty of continuing to track and support households following initial assessment and referrals to services; stakeholders reportedly emphasized the need for a designated staff person to "take people across the finish line."<sup>43</sup> This gap limits providers' ability to collaborate on referrals, makes tracking funding streams unclear, and leaves people experiencing homelessness to coordinate a complex array of services independently.

The Charlotte-Mecklenburg care coordination network also lacks a comprehensive method of incorporating formal support from individuals with lived expertise who can help to bridge gaps between households and service providers and offer guidance, clarity, and empathy to households as they navigate housing and services. Although some organizations provide peer support services, not all households engaged in housing and homelessness support services have access to, or are offered, this resource.



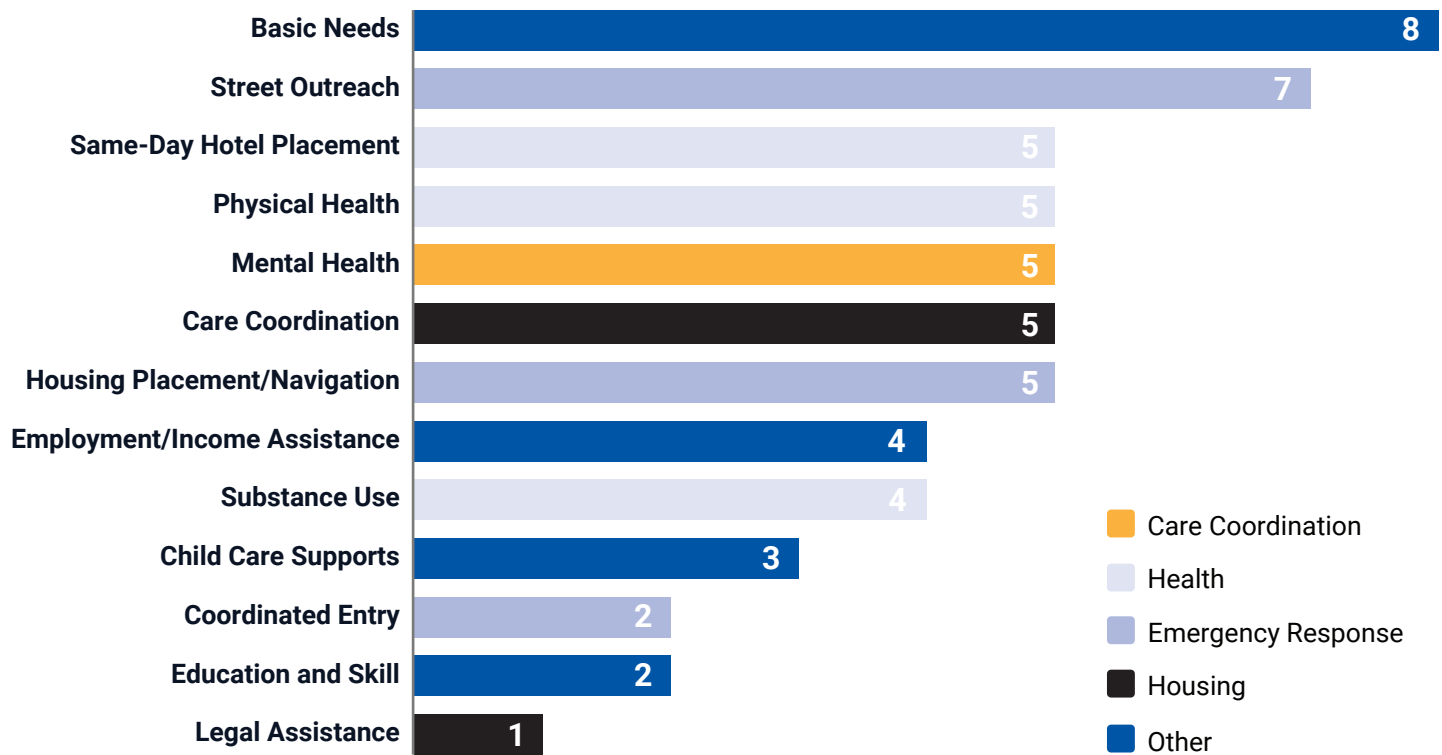
<sup>43</sup> UNC Charlotte Urban Institute, "Charlotte-Mecklenburg Coordinated Entry Interim Evaluation Report", 2022.

## EMERGENCY RESPONSE

Charlotte-Mecklenburg’s emergency response ecosystem contains both community-based grassroots and larger, institutional nonprofits that provide complementary services that would benefit from greater coordination. The ecosystem includes four emergency shelters run by institutional nonprofits that fill their beds through the CE system and offer a wide range of services, including basic healthcare and permanent housing placement services (Figure 14). There are also eight grassroots organizations that undertake street outreach and, in some cases, provide same-day hotel placement, offering a flexible and fast-paced response to crisis situations (Figure 15). Interviews with local government, grassroots organizations, and institutional nonprofits indicated that they work together informally, but collaboration is hindered by CE scoring protocols and limited shared funding streams.

**Figure 14: Emergency Response Services in Charlotte-Mecklenburg**

Source: HR&A Advisors, Inc.





**Figure 15: Emergency Response Providers & Services**

Source: HR&A Advisors, Inc.

EMERGENCY RESPONSE														
Organizations	Grassroots <input type="checkbox"/>	Coordinated Entry	Street Outreach	Same-Day Hotel Placement	Employment Assistance	Physical Health	Substance Use	Mental Health	Basic Needs	Care Coordination	Housing Placement	Legal Assistance	Education and Skill	Child Care Supports
Block Love														
Community Support Services (CSS)														
Erika's Closet														
Florence Crittenton (Crisis Pregnancy)														
Freedom Fighting Missionaries														
Heal Charlotte														
Hearts for the Invisible Charlotte Coalition														
Hearts United for Good														
Just Do It Movement														
Roof Above														
Safe Alliance														
Salvation Army														
The Relatives														

**Both grassroots and institutional nonprofits indicated the need to expand the number of emergency beds, which the temporary increase in capacity driven by the COVID-19 pandemic appears to support.**

Charlotte-Mecklenburg’s shelters have operated near full capacity since 2017 (Figure 16). Utilizing hotels and the addition of a men’s shelter by Roof Above, both in response to the COVID-19 pandemic, expanded capacity in 2021.<sup>44</sup> The subsequent drop in funding lessened the number of beds, but utilization remains near full capacity.<sup>45</sup> The implication of the COVID-related expansion is that demand for shelter beds in Charlotte-Mecklenburg warrants additional emergency shelter capacity.

<sup>44</sup> Nick De la Canal, “Homelessness in Charlotte rises to record levels during pandemic,” WFAE, October 4, 2021, <https://www.wfae.org/charlotte-area/2021-10-04/homelessness-in-charlotte-rises-to-record-levels-during-pandemic>.

<sup>45</sup> HISS, “Charlotte-Mecklenburg State of Housing Instability & Homelessness Report,” 2022.

## TRANSITIONAL HOUSING AND RAPID REHOUSING

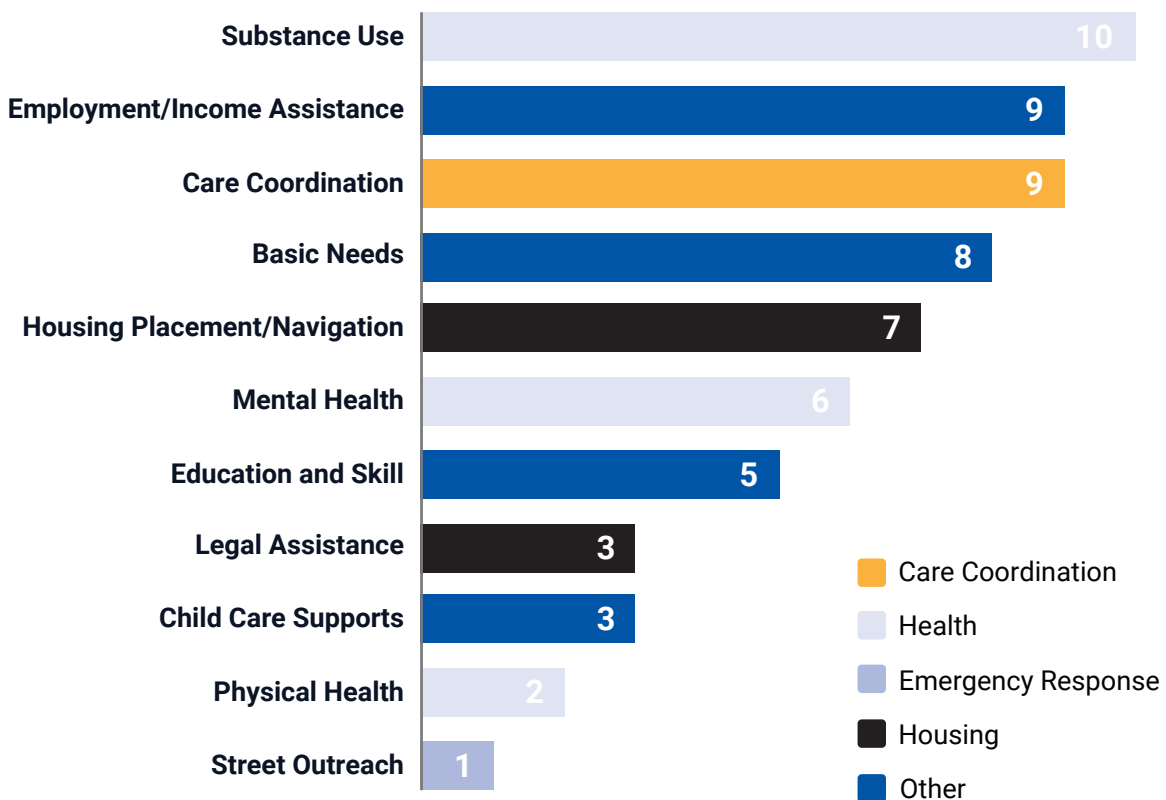
When people exit emergency shelters, they often move into transitional housing or rapid rehousing, which provide short-term rental subsidies. Transitional housing is a temporary housing subsidy that is often paired with supportive services that support people’s transition to be “housing ready.” Rapid rehousing immediately places households into a more permanent or longer-term housing solution, typically also paired with supportive services.

**Charlotte-Mecklenburg has more rapid rehousing units than transitional housing units, which is a trend across the country and reflects HUD priorities.** The number of transitional housing beds in Charlotte-Mecklenburg increased from 318 beds in 2021 to 424 beds in 2022, the highest number of beds offered since 2017. 72% percent of these beds were occupied. Transitional housing typically sees lower utilization rates than emergency shelter due to program eligibility restrictions. Rapid rehousing capacity also increased in recent years, rising from 550 beds in 2019 to 1,105 beds in 2022.<sup>46</sup>

In Charlotte-Mecklenburg, there are many more transitional housing programs than rapid rehousing programs, largely run by smaller, grassroots organizations (Figures 16-19). Across the country, transitional housing is often provided by community-based organizations focused on specific subpopulations such as those with serious mental illness or long-standing substance use. Transitional housing programs in Charlotte-Mecklenburg are frequently focused on “in-house” substance use and mental health treatment, as well as employment supports. The rapid rehousing programs, on the other hand, provide care coordination services to connect clients with other direct services. Future research should examine the cost effectiveness, performance, and relevance of eligibility criteria for transitional housing units.

**Figure 16: Transitional Housing Services in Charlotte-Mecklenburg**

Source: HR&A Advisors, Inc.



<sup>46</sup> HISS, “Charlotte-Mecklenburg State of Housing Instability & Homelessness Report,” 2022.

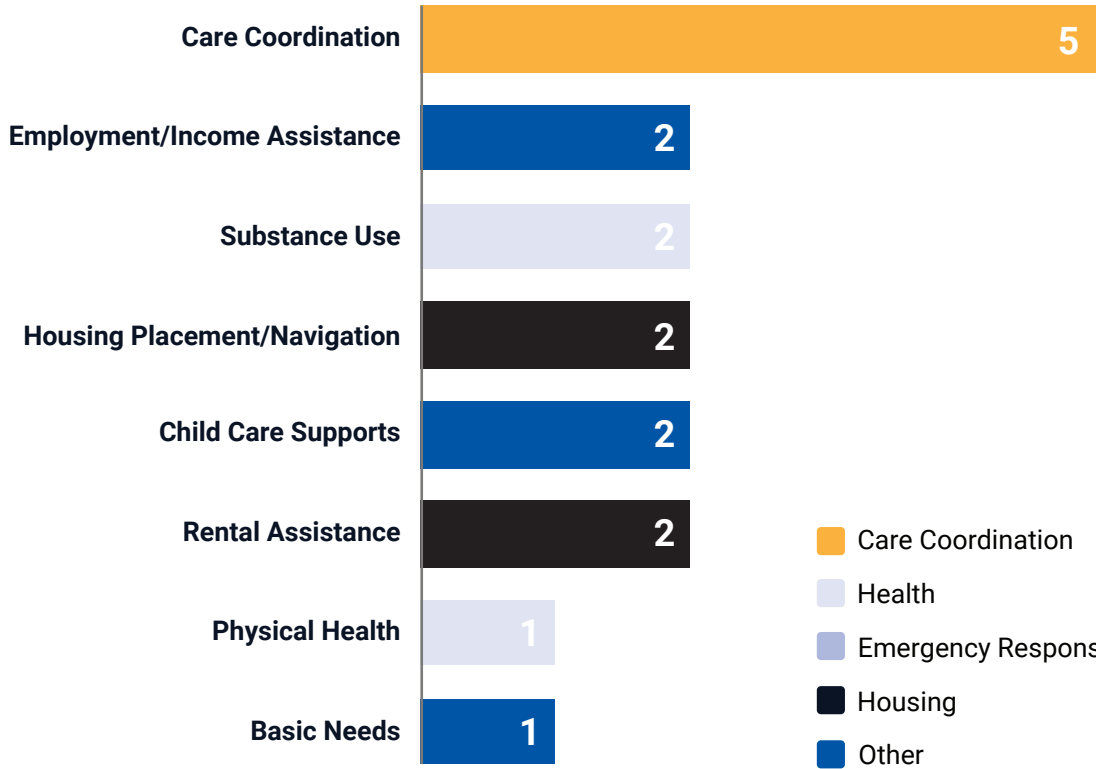
Figure 17: Transitional Housing Providers & Services

Source: HR&A Advisors, Inc.

TRANSITIONAL HOUSING														
ORGANIZATIONS	Grassroots <input type="checkbox"/>	Coordinated Entry	Street Outreach	Same-Day Hotel Placement	Employment Assistance	Physical Health	Substance Use	Mental Health	Basic Needs	Care Coordination	Housing Placement	Legal Assistance	Education and Skill	Child Care Supports
Charlotte Family Housing														
Charlotte Rescue Mission/Dove's Nest														
Criminal Justice Services Dept - Reentry Services														
Family Self-Sufficiency (INLIVIAN)														
Fresh Start (Sober Living)														
Gracious Hands														
Ground 40														
Harvest Center														
Heal Charlotte														
Hearts for the Invisible Charlotte Coalition														
Hope Haven														
Hoskins Park Ministries														
House of Harmony														
Leah's Hopes and Dreams														
My Sister's House														
New Beginnings														
Reentry Housing Alliance														
Roof Above														
Supportive Housing Communities														
The Relatives														
YWCA Central Carolinas														

**Figure 18: Rapid Rehousing Services in Charlotte-Mecklenburg**

Source: HR&A Advisors, Inc.



**Figure 19: Rapid Rehousing Providers & Services**

Source: HR&A Advisors, Inc.

RAPID REHOUSING PROVIDERS & SERVICES											
ORGANIZATIONS	Employment Assistance	Physical Health	Substance Use	Mental Health	Basic Needs	Care Coordination	Housing Placement	Legal Assistance	Education and Skill	Child Care Supports	Rental Assistance
ABCCM - Supportive Services for Veteran Families (SSVF)											
Catholic Charities (also SSVF)											
Community Link											
Housing for Good (CSS)											
Roof Above											
Salvation Army											

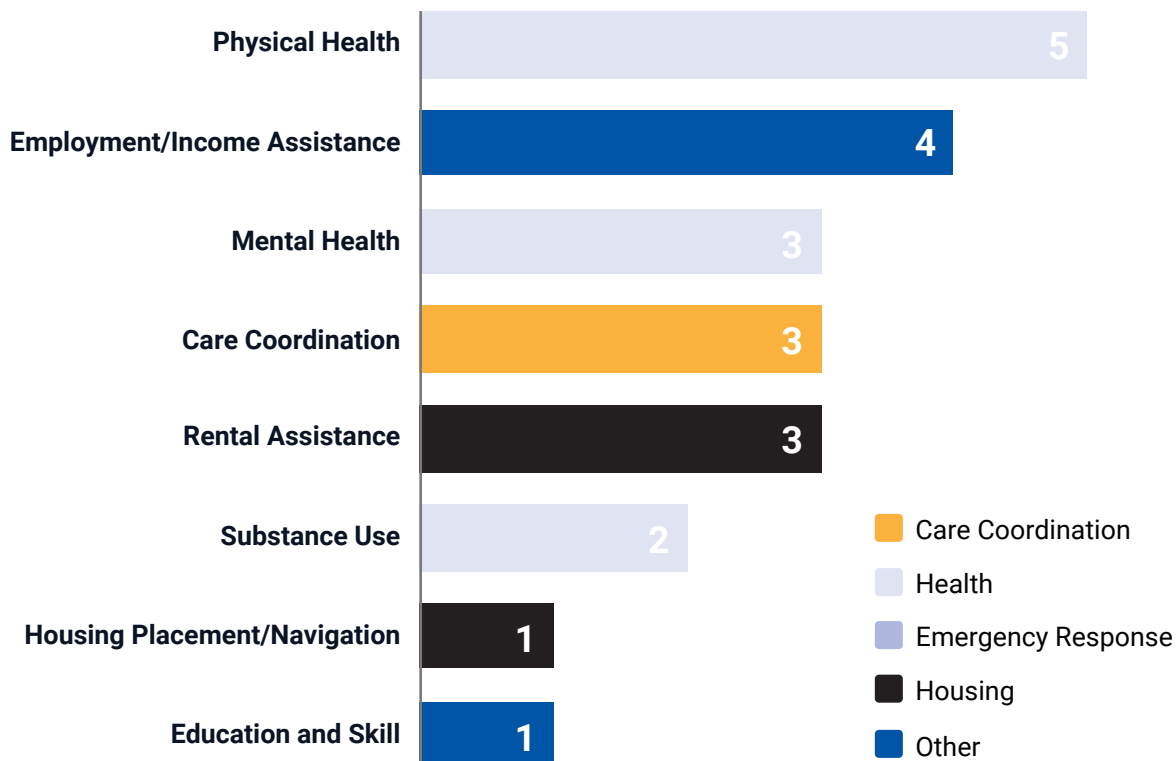
## PERMANENT SUPPORTIVE HOUSING

People who experience multiple barriers to housing, typically individuals with disabilities or acute mental health and/or substance use challenges, are eligible for placement into Permanent Supportive Housing (PSH). PSH units combine an ongoing rental subsidy for three or more years with intensive supportive services to help clients maintain housing.

There are five PSH providers in Charlotte-Mecklenburg, providing a mix of healthcare services and employment support (Figure 20 & Figure 21). In 2022, 97% of those entering PSH successfully retained housing or exited into other permanent housing, indicating that these programs are effective.<sup>47</sup> In the last five years, PSH capacity has increased.<sup>48</sup> In 2017, there were 967 PSH units and by 2022 there were 1,044 units. There were still 552 people experiencing chronic homelessness in the 2023 PIT count. This suggests that there is demand for a 50% increase in the number of permanent supportive housing beds. This was confirmed by interviews with service providers. However, they also indicated that there were limited sources of funding for long-term PSH service provision. Several PSH providers must raise funds for operating costs on an annual basis. If they are unable to raise these funds, they cannot continue providing the supportive services that make PSH effective.

**Figure 20: Permanent Supportive Housing in Charlotte-Mecklenburg**

Source: HR&A Advisors, Inc.



<sup>47</sup> HISS, "Charlotte-Mecklenburg State of Housing Instability & Homelessness Report," 2022.

<sup>48</sup> Chronic homelessness is defined as those repeatedly experiencing homelessness for more than a year while struggling with a disabling condition.

**Figure 21: Permanent Supportive Housing Providers & Services**

Source: HR&A Advisors, Inc.

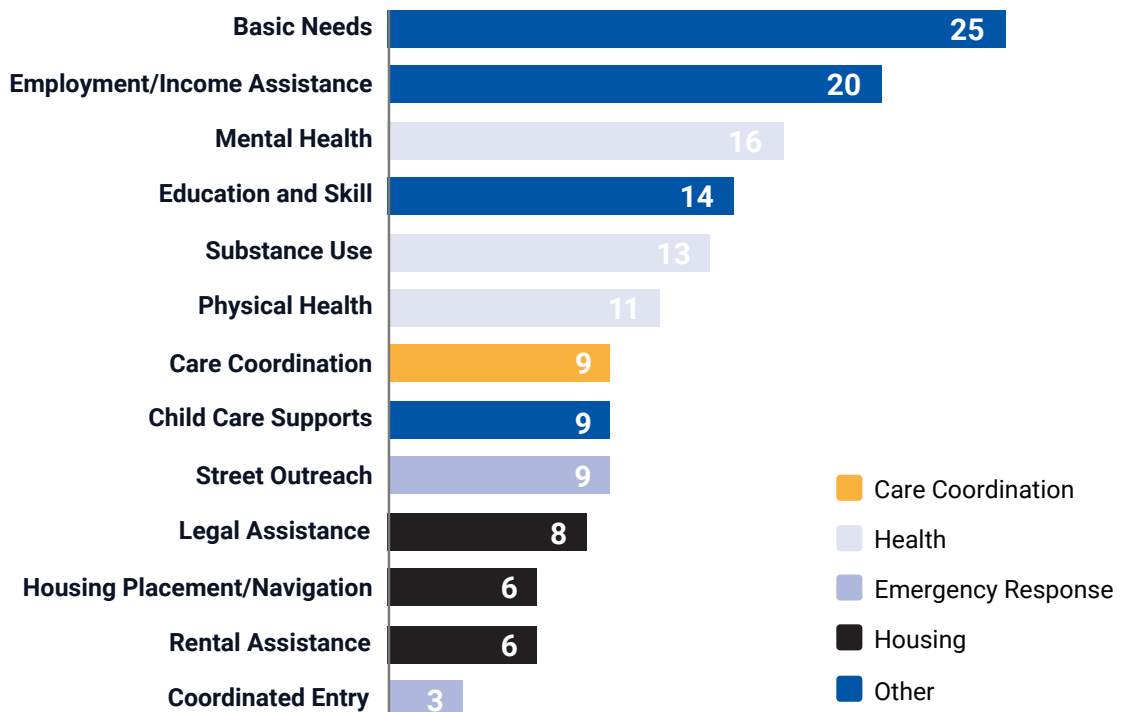
PERMANENT SUPPORTIVE HOUSING											
ORGANIZATIONS	Employment Assistance	Physical Health	Substance Use	Mental Health	Basic Needs	Care Coordination	Housing Placement	Legal Assistance	Education and Skill	Child Care Supports	Rental Assistance
Carolinas Care Partnership/ Regional Housing Partnership											
Community Support Services Shelter Plus Care											
Roof Above											
Supportive Housing Communities											
Veterans Affairs Supportive Housing (INLIVIAN)											

**CROSS-SECTOR SUPPORTS**

Charlotte-Mecklenburg has a robust network of more than 60 organizations providing cross-sector supports, those services not connected directly to a specific housing program or subsidy (Figure 22). Many housing programs offer referrals to these organizations. Basic needs provision and employment support have the greatest number of providers, followed by healthcare and educational support. According to interviews, the cross-sector services share many of the characteristics of the broader housing and homelessness services ecosystem: many providers, including informal grassroots organizations, variation in service approach and population served, and difficulty coordinating information across providers.

**Figure 22: Cross-Sector Supports in Charlotte-Mecklenburg**

Source: HR&A Advisors, Inc.



## NAVIGATING THE SERVICE PROVISION ECOSYSTEM

**Navigating this ecosystem is difficult for people.** The complex landscape of homelessness resources can be difficult for people to navigate independently. Additionally, care coordination services are tied to the shelter system and specific housing programs, which often results in multiple transitions from provider to provider as they move towards housing stability.

**Navigating this ecosystem is also difficult for service providers.** Information management and coordination are fractured among service providers. Charlotte-Mecklenburg does not yet have a comprehensive database of organizations and many connections to direct services are made through informal networks.

**Individuals experience fractured care and funders struggle to target support to areas of high need.**

Care coordination services are tied to the shelter system and specific housing programs, frequently leaving people with insufficient support. Furthermore, without a centralized view of who is providing which services it is unclear where direct funding is needed most—either to increase resources available for an underfunded service, or to accelerate the efforts of the most effective programs.

**Charlotte-Mecklenburg’s outreach efforts are most successful when individuals with lived expertise are engaged.** Multiple support service organizations in Charlotte-Mecklenburg employ people with lived expertise, which is supported by national research that indicates services are more effective when there is trust between clients and providers who have had similar personal experiences.<sup>49 50 51</sup> Many Charlotte-Mecklenburg stakeholders emphasized that outreach from individuals with lived expertise was critical in bridging the gap between people and service providers.



<sup>49</sup> Barile, John, Anna Pruitt, and Josie Parker, "Identifying and understanding gaps in services for adults experiencing homelessness," *Journal of Applied Community and Social Psychology* 30, no. 3 (2019): 262-277, <https://onlinelibrary.wiley.com/doi/abs/10.1002/casp.2440>.

<sup>50</sup> David Ponka et al, "The effectiveness of case management interventions for the homeless, vulnerably housed and persons with lived experience: A systematic review" *PloS one* 14, no. 4 (2020): <https://pubmed.ncbi.nlm.nih.gov/32271769/>.

<sup>51</sup> Christina Carmichael et al, "Exploring the application of the navigation model with people experiencing homelessness: a scoping review," *Journal of Social Distress and Homelessness*, 30, no. 6 (2022): <https://www.tandfonline.com/doi/full/10.1080/10530789.2021.2021363>.



# CHAPTER 4: Implementation Framework

## OVERVIEW OF THE A HOME FOR ALL PROCESS

**The A Home For All Implementation Plan stems from a two-year engagement process, marking the first time that the Charlotte-Mecklenburg community has united to systemically address the entire homelessness and housing continuum.** The process occurred in two phases (Figure 23). First, in April 2021, the Charlotte-Mecklenburg Housing & Homelessness Strategy Working Group convened to develop a Strategic Framework by gathering community input and research. This work resulted in a set of 99 key initiatives around nine work areas. Second, in October 2022, United Way of Greater Charlotte (United Way), with support from HR&A Advisors, Inc. (HR&A), began a nearly nine-month consultation of more than 150 individuals and organizations to develop an Implementation Plan. The Implementation Plan outlines how the recommendations in the Strategic Framework should be prioritized, aligned, funded, and governed over the course of the next four years.

**Between the April 2021 kickoff of the Strategic Framework and the July 2023 launch of the Implementation Plan, the A Home For All process engaged over 250 individuals representing housing and supportive services organizations, people with lived expertise of housing instability and homelessness, political leadership, County and City agencies, and the broader Charlotte-Mecklenburg community.** The result is a clear vision for moving forward with priority initiatives that reflect broad consensus on how to initiate systemic change.

**Figure 23: A Home For All Project Timeline**

*Source: A Home For All Strategic Framework and HR&A Advisors, Inc.*





<b>250+</b> Individuals Engaged	<b>12</b> Lived Expertise Focus Groups
<b>115+</b> Organizations	<b>7</b> Open-Invitation Community Meetings
<b>80+</b> Stakeholder Interviews	<b>5</b> Technical Subcommittees
<b>73+</b> Technical Committee Members	<b>3</b> Briefings with Political Leadership
<b>20+</b> Homelessness Services Providers	<b>2</b> Briefings with County Manager
<b>15+</b> Housing Developers and Property Providers	

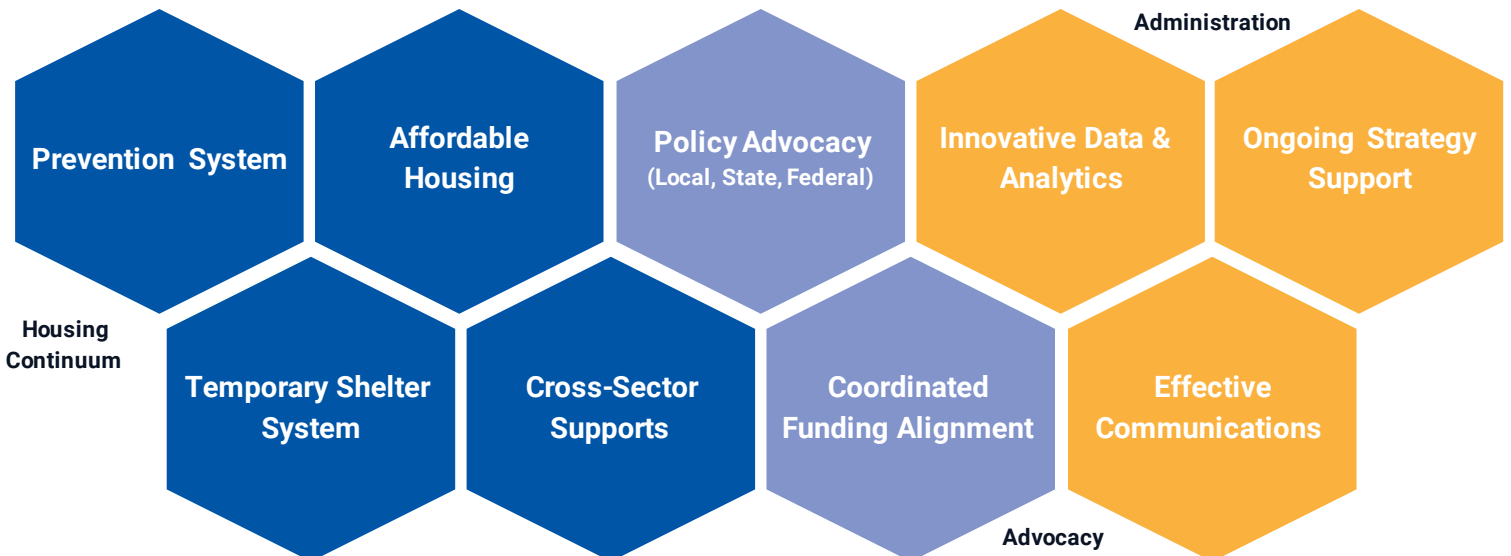
## SUMMARY OF STRATEGIC FRAMEWORK

In April 2021, A Home For All launched the Strategic Framework process, building off an initial analysis provided by McKinsey & Company of the existing housing continuum in Charlotte-Mecklenburg.<sup>52</sup> The Framework gathered a group of representatives from the public, private, and nonprofit sectors to develop a strategy around housing instability and homelessness. Representatives, including people with lived expertise, were divided into nine workstreams, each of which met twice a week for eight months to research and compile recommendations addressing their respective focus areas: Prevention, Temporary Shelter, Affordable Housing, Cross Sector Supports, Data and Analytics, Policy Advocacy, Communications, and Funding.

The result was a set of 99 key initiatives across the nine work-streams. Four workstreams focused on the housing continuum—Prevention, Temporary Shelter, Affordable Housing, and Cross Sector Supports. One workstream focused on policy advocacy that resulted in three levels of initiatives—Local, State and Federal. Another four workstreams focused on coordinated funding, innovative data, effective communication, and ongoing strategy support. The recommended outcomes of each workstream ranged from systematic changes—centering racial equity in all action steps, for example—to more specific efforts, such as eliminating the current Housing Locational Policy Guidelines. The recommendations flowing from the housing continuum workstream and policy advocacy workstream are the starting point from which this Implementation Planning process was launched (Figure 24).

**Figure 24: A Home For All Strategic Framework Workstreams**

*HR&A Advisors, Inc. based on A Home For All Strategic Framework*



<sup>52</sup> "A Home For All: Charlotte-Mecklenburg's Strategy to End and Prevent Homelessness: Part 1 Strategic Framework."

## IMPLEMENTATION PLANNING PROCESS

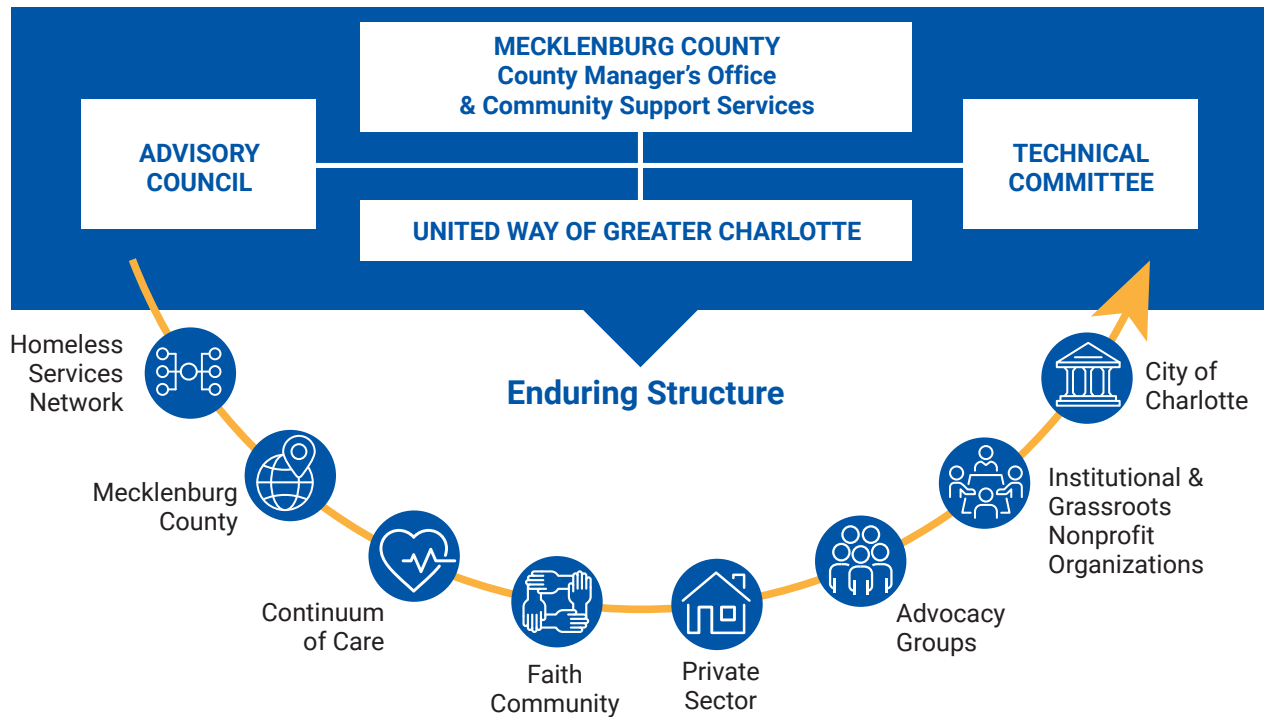
The objective of the next phase of work was to develop an actionable implementation plan that prioritized the extensive recommendations from the Strategic Framework into a clear set of goals and pilot programs. The overall goal was to identify near-term initiatives, develop implementation targets, and identify sources of funding. Mecklenburg County asked United Way to coordinate and execute this process, and United Way in turn selected HR&A to facilitate the work. HR&A began with a series of 40 individual stakeholder interviews from across the public official, service provider, developer, and funder spectrum. These interviews provided key insights into the major implementation, coordination and priority issues facing individual sectors.

With these insights, HR&A conducted an existing conditions analysis of both the housing and supportive services available to people experiencing homelessness or housing instability in Charlotte-Mecklenburg. HR&A's analysis was drawn from a rich series of analysis and reports published regularly on the Charlotte-Mecklenburg Housing and Homelessness Dashboard, including the *State of Housing Instability & Homelessness* reports and *Evaluate Upstream*. HR&A focused on unpacking the causes of the affordability gap and the impact of existing subsidy programs.

United Way then formed a Technical Committee comprised of subject matter experts representing direct housing and supportive service providers as well as people with lived expertise. The Committee's 73 members were broken into five subcommittees with two overall committee chairs. The subcommittees were: prevention, emergency response, affordable housing, cross sector support and policy. United Way and HR&A convened the Technical Committee in four workshops over the course of six months. The enduring structure of A Home For All is comprised of a Technical Committee, Advisory Council, United Way of Greater Charlotte and Mecklenburg County (Figure 25).

**Figure 25: A Home For All Enduring Structure**

*Source: A Home For All Strategic Framework*  
*Note: Additional fundraising advisory function to be provided by existing philanthropic and business coalitions, in partnership with United Way*



## Identifying Highest Priority Initiatives

The Technical Committee convened in four workshops to narrow down priorities and align on how to move forward. The first step was establishing a theory of change of how to reach the goals laid out in the Strategic Framework. Then each of the subcommittees ranked the initiatives from the Strategic Framework within their workstream. Next, each subcommittee further narrowed the initiatives by identifying those that can be achieved in the immediate and medium-term. The results of this process resulted in sixteen initial high priority initiatives spread across the sector-based subcommittees (Figure 26).

**Figure 26: Technical Committee Prioritization of Initial Initiatives**

Source: HR&A Advisors, Inc.

Areas	PREVENTION	EMERGENCY RESPONSE	AFFORDABLE HOUSING	CROSS-SECTOR SUPPORTS
<b>INITIAL PRIORITY INITIATIVES</b>	<p>Create an effective intake and triage system that allows for seamless connection to individuals.</p> <p>Expand prevention assistance.</p> <p>Create a prevention focused, intensive case management model.</p> <p>Employ a person-centered data management platform.</p> <p>Improve coordination with existing partners.</p>	<p>Invest in solutions to increase access to Property Providers for individuals with challenging backgrounds to increase flow out of emergency shelter.</p> <p>Advocate for significant investment in case management.</p> <p>Determine the right capacity for emergency shelter and invest to get to that capacity.</p>	<p>Create hotel/motel acquisition and adaptive reuse strategies for Permanent Supportive Housing and Mixed-Income Housing between 30-60% AMI.</p> <p>Implement a city-wide Accessory Dwelling Unit policy.</p> <p>Identify additional opportunities for infill single-family and multi-family.</p> <p>Expand and create new subsidies.</p> <p>Expand gap financing.</p>	<p>Improve Life Navigation services/establish a single point of contact for navigation across sector supports.</p> <p>Inventory of services available on provider portals, accessible to both Life Navigators and individuals seeking help.</p> <p>Expand access to safe transit.</p>

## Linking Priorities to Costs

To further narrow priorities, the Technical Committee was asked to complete a budgeting exercise. Using cost estimates for various housing and service initiatives provided by HR&A, the Technical Committee broke into five groups to allocate funding across the sixteen prioritized initiatives. The result of this work resulted in the final prioritized list for the Implementation Plan (Figure 27).

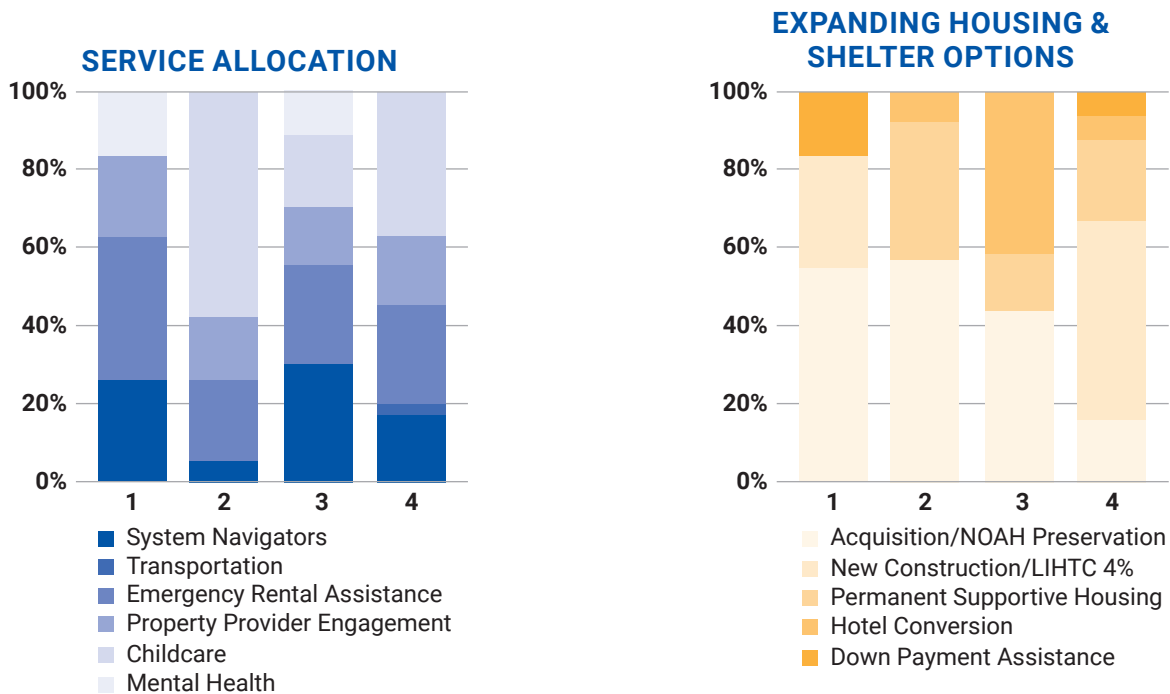
The budgeting exercise revealed consensus around a few key themes. The following chart summarizes how each of the groups allocated their funding. These allocations revealed widespread support for:

- developing a systems navigator role
- continuing emergency rental assistance
- increasing property provider engagement
- providing additional support for mental health, child care and transportation
- expanding NOAH preservation
- increasing the provision of permanent supportive housing

There was moderate support for expanding housing and shelter options and down payment assistance.

**Figure 27: Technical Committee Budgeting Prioritization**

Source: HR&A Advisors, Inc.

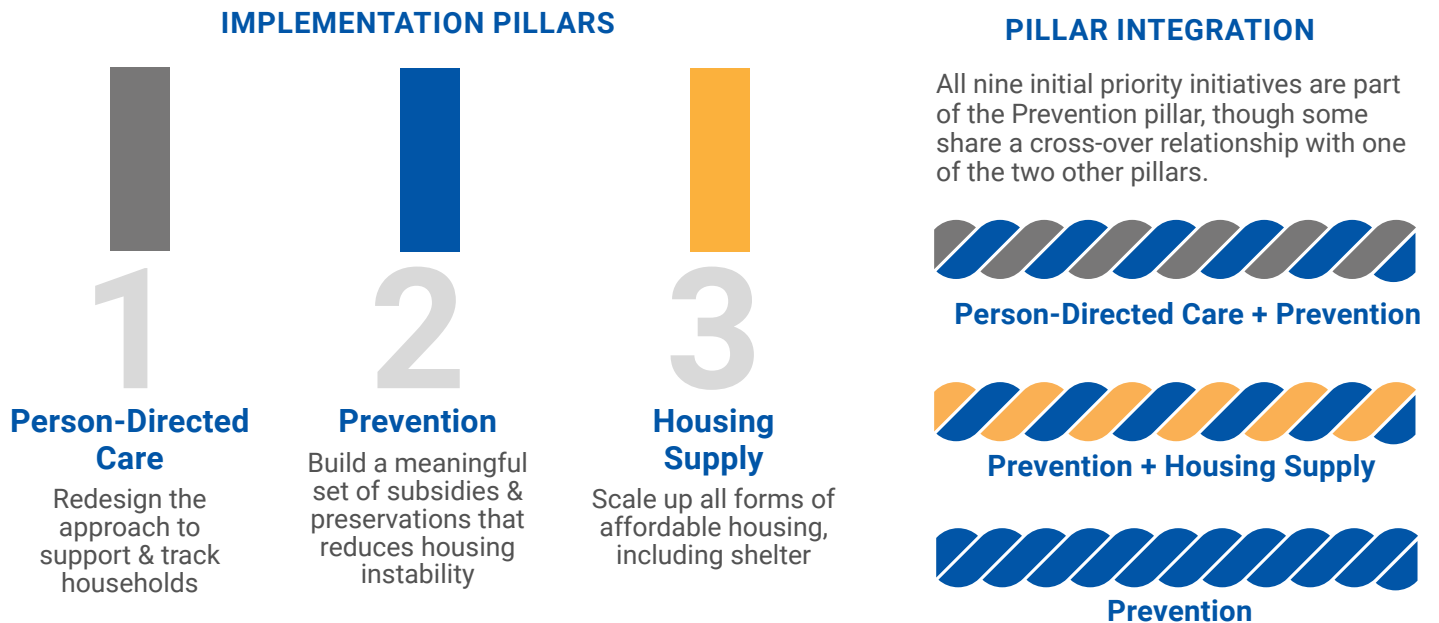


The discussion around these priorities revealed that while individual services such as child care and transportation may be critical, it would be easier to provide these services through a flexible spending approach that did not specify the bundle of services people might require or the funding allocation to each service. Similarly, the committee discussed the importance of supporting homeowners and determined that critical home repairs would be an important prevention tool that could be scaled based on excellent existing programs.

**IMPLEMENTATION FRAMEWORK**

The funding allocation exercise revealed key themes across the prioritized initiatives, which United Way and HR&A synthesized into an Implementation Framework centered around three pillars of systematic change to create a more responsive and resilient housing and homelessness system (Figure 28). At the fourth and final meeting of the Technical Committee in March 2023, the A Home For All planning process took a major step forward when the Technical Committee endorsed the Implementation Framework.

**Figure 28: Three Pillar Implementation Framework**



The Implementation Framework's three pillars are overlapping, yet distinct, and inform the specific short-term priority policy and program initiatives to implement A Home For All.

**1. Person-Directed Care.** The first pillar aims to reorient Charlotte-Mecklenburg's approach to care coordination to create a more efficient and seamless experience by creating a new systems navigator role, developing a responsive data management system, and funding service needs. This reoriented care coordination will be able to track people's navigation through the system and respond with targeted services and housing solutions as people progress on the journey to housing stability.

**2. Prevention.** The second pillar invigorates the tools used to reduce displacement and acute issues that lead to homelessness. The tools include critical home repair, emergency rental assistance and legal advocacy, and the preservation of naturally occurring affordable housing (NOAH). Charlotte-Mecklenburg needs a meaningful set of subsidies and housing preservation strategies that reduce housing instability for the region's most vulnerable residents. This pillar responds to the limited tools currently available to address conditions before individuals become homeless and informs tools and approaches to build on ongoing momentum.

**3. Housing Supply.** The third pillar places focus on production of all types of housing units, including shelter beds. Charlotte-Mecklenburg faces a massive affordable housing gap and a growing homeless population. There is a need to increase the construction of new affordable rental homes - from shelters to deeply affordable units. In addition, the region must develop a system wide approach to onboard private property providers to accept housing vouchers and other subsidies to increase the pool of housing available to low-income households. This production will rely on additional funding for the Housing Trust Fund as well as new incentives to encourage property providers to rent to individuals experiencing homelessness.

For each priority initiative resulting from these pillars, the Implementation Framework employs a racial equity perspective to ground recommendations on performance metrics and measures of success, centering racial equity and justice across the research and data life cycle of the plan. By acknowledging the ways in which systemic racism has historically disadvantaged certain racial groups, the plan can be designed to mitigate these disparities, many of which are underlying causes of homelessness, and strive to ensure that every household can benefit from the plan's outcomes.

The following three chapters explore the three pillars further. This begins with an identification of each pillar's current strengths and weaknesses. Understanding existing conditions in turn, helps identify priority policy and program initiatives. Using case studies, best practices emerge to inform implementation targets and potential sources of funding. Most of these initiatives will advance through four phases of program design: planning, piloting, evaluating, and scaling. It is expected that much of the work of A Home For All will be piloting the initiatives outlined in the following chapters to set Charlotte-Mecklenburg up for long-term success and scaling.





# CHAPTER 5: Prevention

## OVERVIEW

**Both rents and housing prices have consistently increased with continued population, job, and income growth in Charlotte-Mecklenburg.** The Charlotte metropolitan area has experienced persistent and prolonged economic growth but the opportunities that growth brings have not been spread across the community evenly.<sup>53</sup> This is reflected in the housing market by consistently increasing rents, creating pressure to convert both existing affordable apartments and single-family homes to high-end rentals.

**Charlotte-Mecklenburg has seen increased speculative investment in both apartments and single-family homes.** This often includes older residential properties, which may have below-market rents, typically referred to as NOAH, as well as older hotels, which may be used, as long-term residences for people without permanent housing. When new investors purchase these properties, they can create mass displacements, by evicting tenants, increasing rents, refusing to renew leases, or rejecting rental vouchers that some residents rely on to afford their rent. For the last decade, Charlotte-Mecklenburg has been one of the top residential real estate investment markets for both traditional institutional multi-family investors and less traditional single-family investors who convert properties to rentals.<sup>54</sup>

**The result is neighborhoods with high risk of displacement and increasing homelessness.** The City of Charlotte has identified neighborhoods with the highest vulnerability to displacement based on poverty rate, educational attainment, share of renters, race, and age. In particular neighborhoods North, East, and West of Uptown Charlotte, residents are at risk of displacement. While it is difficult to track the exact number of people displaced, a combination of tenants moving and foreclosures on long-term homeowners and seniors is leading to displacement. This then weakens the fabric of neighborhoods and contributes to increasing homelessness. The current homelessness prevention and outreach system is thin.

**To counter these forces, Charlotte-Mecklenburg has taken action.** The City of Charlotte signaled its commitment to anti-displacement with the Equitable Growth Framework that is part of the 2040 Comprehensive Plan. In 2021, the city also committed \$38.5 million to six Corridors of Opportunity that provide infrastructure investments as well as some workforce and business development.<sup>55</sup> The city also launched the Staying In Place initiative that connects residents to a range of city and nonprofit services.<sup>56</sup>

**The effects of increased funding to these programs through the COVID-19 pandemic offer important insights into the efficacy of increasing support.** The COVID-19 pandemic presented both unprecedented challenges as well as federal funding for eviction prevention and emergency rental assistance. This experience demonstrated the importance of these services in keeping residents housed as well as opportunities for innovation and change in the Charlotte-Mecklenburg system.

**At the same time, Charlotte-Mecklenburg is providing innovative support for the preservation of existing affordable housing, both single-family and multi-family.** One of the most effective tools for supporting preservation is a strike fund that provides funding in exchange for affordability covenants that keep housing affordable. The focus of a strike fund should be neighborhoods with high risk of displacement or access to opportunity. The Housing Impact Fund represents one local effort to provide this funding through a partnership with one developer, Ascent Housing, the City of Charlotte, and several other donors.<sup>57</sup> The success of this effort and other NOAH investments can be expanded and refined to scale up these types of innovative partnerships with other developers.

**These realities point to the need to scale up what is working to create a robust prevention system to reduce homelessness and displacement.** Building up the prevention initiatives relies on scaling up existing programs. The key initiatives identified in this pillar all have successful precedent programs and high-capacity service providers that would ease implementation, yet the scale being contemplated by A Home For All is unprecedented. The engagement process identified four key approaches, described in greater detail throughout the rest of this section, which will be important to transforming the prevention system:

- **Critical Home Repair**
- **Emergency Rental Assistance**
- **Legal Advocacy**
- **Acquisition Strike Fund**



<sup>55</sup> "Corridors of Opportunity," City of Charlotte, 2023, <https://www.charlottenc.gov/Growth-and-Development/Doing-Business/Corridors-of-Opportunity>.

<sup>56</sup> "Staying in Place," City of Charlotte, 2023, <https://www.charlottenc.gov/Streets-and-Neighborhoods/Housing/Staying-In-Place>.

<sup>57</sup> "Ascent Housing," Ascent Real Estate Capital, 2023, [ascentrealestatecapital.com/ascent-housing](https://ascentrealestatecapital.com/ascent-housing).

## CRITICAL HOME REPAIR - Vision

Many homeowners, particularly those on fixed incomes, face issues keeping up with the maintenance costs of homeownership. Maintenance issues can lead to health and safety issues that eventually result in homeowners losing their homes. In response, many cities and counties across the country provide small, one-time grants that allow homeowners to make critical home repairs.

Both the City of Charlotte and Mecklenburg County have successful home repair programs. For instance, between City of Charlotte's emergency repair program and six other single-family rehabilitation programs approximately 200 homes were maintained with grants ranging from \$5,000 to \$23,000 per unit in 2022.<sup>58</sup> The rehabilitation programs make more substantive repairs, while emergency repair focuses on smaller repairs. To complete these repairs, both city and county work in close partnership with key nonprofit providers, who raise their own private funds to supplement the available public funding.

To meet the demand of low-income senior homeowners, there would need to be a significant expansion in program funding. Analysis of the 2021 American Community Survey indicates that there are approximately 19,000 houses that are owned by seniors with annual incomes that are less than 50% of AMI. The city and county might target supporting 10% or 1,900 households over the next five years by scaling up and simplifying the existing program.

## Lessons Learned from National Experience and Case Studies

Decades of experience with critical home repair programs across the country reveals a few key lessons learned about implementation. Experiences in Detroit and Philadelphia were closely reviewed as two successful programs with different approaches to implementation (see detailed case studies at the end of this chapter). In general, case studies show that achieving a level of impact that meets the scale of need is challenging due to several key factors.

Reliance on federal funding creates onerous compliance requirements and small-scale programs (e.g., procurement, environmental standards, reporting) which add significant cost through administrative work for each home assisted. A national survey of municipal home repair programs found that two-thirds of the program rely on HUD's Community Development Block Grants (CDBG).<sup>59</sup> Another major source of funding is HUD's HOME funds that come with very specific requirements. Many municipal programs have annual budgets of less than \$500,000 and most offer less than \$20,000 per household.<sup>60</sup> Furthermore, the funding is often spread across several programs designed to meet the specific requirements of the funding source. Critical repair programs in many communities touch only a few dozen homes each year, rarely exceeding a hundred homes in a year.

Despite small budgets, many programs struggle to disperse their full funding because there are many disincentives for contractors to participate. Some of the disincentives are:<sup>61</sup>

- Paperwork associated within a government-funded program
- Long payment processing periods
- Funding caps per home are much smaller than private market projects
- Burdensome licensing, training, and insurance requirements for smaller contractors

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<sup>58</sup> HR&A, "Inventory of Existing Anti-Displacement Programs," 2023, Unpublished.

<sup>59</sup> Taylor Mayes and Carlos Martín, "Home repair programs serve critical needs for low-income and vulnerable homeowners," Joint Center for Housing Studies, June 27, 2022, <https://www.jchs.harvard.edu/blog/home-repair-programs-serve-critical-needs-low-income-and-vulnerable-homeowners>.

<sup>60</sup> Mayes and Martín, "Home repair programs serve critical needs for low-income and vulnerable homeowners."

<sup>61</sup> "Establishing and Running a Local Home Repair Program," National Center for Healthy Housing, 2022, <https://nchh.org/resource/library/establishing-and-running-a-local-home-repair-program.pdf>.



To overcome the scale and funding issues, there are several actions that municipalities have taken to increase disbursements and effectiveness. The first is creating a predictable cash flow by using an intermediary to process payments and paperwork, like Habitat for Humanity. The intermediary is then reimbursed by the municipality through federal sources. Other municipalities use master contracts on one type of work that are bid out annually to avoid issues on individual project repayment and create a predictable cash flow for contractors. Finally, municipalities like Charlotte, subsidize training and equipment purchase.

Finally, other municipalities mix their funding sources to create a more flexible pool of resources. The most effective rehabilitation programs rely on nonprofit partners to combine these funding sources together to touch more homes and make greater repairs and improvements for the homes where work is done.

### **Next Steps for Charlotte-Mecklenburg**

Charlotte-Mecklenburg has a robust set of critical home repair programs between the city, county, and nonprofit funders. The annual impact is much larger than many other municipalities across the country but, given the rapidly changing home prices, these programs require continued support and potentially streamlined operations. A reliance on federal sources has created the same issue seen across the country where funds disperse slowly. A thorough evaluation of the current eco-system, including public and private funders and nonprofit vendors, is required to determine where incentives could be adjusted for contractors and how alternative funding sources could be combined to create more flexible programs. As part of this evaluation, opportunities for greater coordination between city and county programs and nonprofit providers should be explored.



## EMERGENCY RENTAL ASSISTANCE - Vision

COVID-19 demonstrated the importance of providing emergency rental assistance to low-income families to avoid eviction and eventually homelessness. Between 2020 and 2022, Mecklenburg County successfully dispersed \$123 million in emergency rental and utility assistance to 23,000 families through the Rent and Mortgage Assistance Program (RAMP).<sup>62</sup> Rapidly dispersing that level of funding required innovations in administration so that applications and awards could be processed digitally. The administrative changes removed the burden of having to stand in line and provide information in person. The demand and funding for emergency rental assistance will not continue to be as large as it has been, but the experience provides useful operating and scaling information to consider a long-term program in Charlotte-Mecklenburg.

Emergency rental assistance could be scaled to support a larger share of households facing eviction. The operational efficiencies could be made permanent with a digital portal that allows applicants to process their requests remotely. This would require a centralized platform where data can be shared across multiple service providers. The number of people that are evicted in Mecklenburg County varies year to year, but in both 2020 and 2022, there were about 13,000 evictions.<sup>63</sup> People who receive emergency rental assistance should be linked in the HMIS system to see if homelessness has been prevented. This is critical to determining the efficiency and efficacy of emergency rental vouchers so that program design can continue to evolve.

## Lessons Learned

The Coronavirus Relief Fund included \$25 billion in rental assistance, leading to a dramatic increase in programs across the country as well as an opportunity to gain insight on program design and implementation. An initial review of 220 programs and 15 deep case studies suggests a few opportunities to improve program design:<sup>64</sup>

- **Increase Documentation Flexibility:** Most applicants drop out of the process at the documentation phase. This has been overcome by allowing self-certification, increasing the type/format of documents allowed, and helping applicants gather documents.
- **Streamline Tenant Engagement:** Programs disburse funds more successfully when they limit tenant follow-ups. There are a variety of approaches to staying in touch with tenants.
- **Targeting Vulnerable Groups:** To reach the target populations, program outreach methods need to be expanded. In addition, recipient selection can be targeted using demographic and spatial criteria.
- **Partner with Community Organizations:** Community organizations can help with outreach, particularly to vulnerable groups. The partnership should be designed thoughtfully to ensure reimbursements are streamlined.
- **Combine Streams of Funding:** Blending federal funding with less restrictive funding, such as city or county funding and private philanthropy, makes it possible to deploy funds more quickly, and with greater flexibility.

A deeper dive into the experience in Chicago reinforces many of these lessons learned (see case study at the end of this chapter).

## Next Steps for Charlotte-Mecklenburg

Charlotte-Mecklenburg's experience during the COVID-19 pandemic needs to be better understood so that some of the innovations seen across the country can be applied. A stronger emergency rental assistance program would be targeted to Charlotte-Mecklenburg's most vulnerable populations. After understanding recent experience, Charlotte-Mecklenburg should pilot an adjusted program design that combines administrative innovations, working with community organizations, increasing documentation flexibility, and streamlining tenant engagement. After the pilot, the initiative should be scaled to serve a wider range of the Charlotte-Mecklenburg community.

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<sup>62</sup> "Covid-19 Rent and Utility Relief," 2022, <https://rampchameck.com>.

<sup>63</sup> HISS, "Charlotte-Mecklenburg State of Housing Instability & Homelessness Report," 2020 and 2022.

<sup>64</sup> Claudia Aiken et al, "Learning from Emergency Rental Assistance Programs," National Low Income Housing Coalition, 2021, <https://nlihc.org/sites/default/files/ERA-Programs-Case-Study.pdf>.

## LEGAL ADVOCACY - Vision

When facing eviction only 3% of tenants have legal representation compared to 81% of property owners.<sup>65</sup> Studies across the country find that, with representations, tenants are much more likely to stay in their units or have more time to find a new home. Legal representation for tenants is a critical tool to help keep people in their homes and avoid homelessness.<sup>66</sup> Expanding representation is therefore an effective tool for preventing homelessness, particularly in neighborhoods with the highest displacement risk.

In Charlotte-Mecklenburg, legal advocacy for at-risk renters is provided through legal organizations with support from the county. Legal advocacy providers give pro-bono advice and provide representation to tenants facing eviction or other serious housing issues, such as property provider harassment, fair housing discrimination, or unsafe living conditions. Currently, Legal Aid North Carolina also provides a hotline where tenants can access support. The Charlotte Center for Legal Advocacy also provides pro-bono services to tenants. Through the legal advocacy process with either organization, tenants come to understand their rights and can advocate more effectively to remain housed.

To adequately meet the need for advocacy in Charlotte-Mecklenburg, all the individuals who face evictions would need support. The demand for legal advocacy has continually increased with the legal organizations providing as much support as they can. To adequately respond to the need, the current service providers would need expanded capacity, additional resources, and increased training.

## Lessons Learned

As the affordability crisis deepens across the country, some cities have passed specific legislation to ensure legal support. This level of support comes the closest to guaranteeing that low-income tenants have access to necessary legal support. Based on the experience of New York City, San Francisco, Philadelphia, and New Orleans a few key lessons emerge:<sup>67</sup>

- **Differentiate Service Provider by Geography:** Despite mandated access, some tenants still turned down representation. There are many causes, but early implementation results of universal representation showed that legal service providers need to have trust and legitimacy in the community where services are being provided. Thus, there likely needs to be differentiation in approaches or service providers based on the neighborhood or target population.
- **Recruiting and Training Attorneys:** Universal access requires more housing attorneys, which requires recruiting and training a new cohort of practitioners. The training should prepare attorneys for expanding access and potentially the need for more aggressive negotiations.
- **Expanding Court System Capacity:** Expanding legal representation may impact the court system by increasing the number and complexity of pleadings filed. There may also be a need for more space in courthouses to accommodate both the administration of the program and confidential attorney/client conversations.

## Next Steps for Charlotte-Mecklenburg

Charlotte-Mecklenburg has an effective legal representation model that should continue to scale so that more tenants are represented in eviction proceedings. As the initiative scales, Charlotte-Mecklenburg policy makers should provide support to make sure that neighborhoods with high displacement risk are using the service. This might require working with neighborhood groups and other community advocates to improve uptake. As availability of representation expands, there should be effective monitoring to understand that both attorneys and the court system are prepared for increasing appeals.

<sup>65</sup> "The Right to Counsel for Tenants Facing Eviction: Enacted Legislation," National Coalition for the Civil Right to Counsel (NCCRC), 2023, [http://civilrighttocounsel.org/uploaded\\_files/283/RTC\\_Enacted\\_Legislation\\_in\\_Eviction\\_Proceedings\\_FINAL.pdf](http://civilrighttocounsel.org/uploaded_files/283/RTC_Enacted_Legislation_in_Eviction_Proceedings_FINAL.pdf).

<sup>66</sup> "No Eviction Without Representation," American Civil Liberties Union (ACLU) and NCCRC, 2022, [https://www.aclu.org/wpcontent/uploads/legal-documents/no\\_eviction\\_without\\_representation\\_research\\_brief\\_0.pdf](https://www.aclu.org/wpcontent/uploads/legal-documents/no_eviction_without_representation_research_brief_0.pdf).

<sup>67</sup> Vicki Been et al, "Implementing New York City's Universal Access to Counsel Program: Lessons for Other Jurisdictions," NYU Furman Center, 2018, [https://furmancenter.org/files/UAC\\_Policy\\_Brief\\_12\\_11-18.pdf](https://furmancenter.org/files/UAC_Policy_Brief_12_11-18.pdf).

## ACQUISITION STRIKE FUND - Vision

Cities can support the preservation of NOAH properties by providing low-cost funding to nonprofits or affordable housing developers to help them purchase the properties, make needed repairs, and operate them as affordable housing. This funding is made in exchange for commitments to maintain affordability at the property for a specific term, often 20 years or more. In 2020, the City of Charlotte recognized the need to support this type of acquisition funding with initial support for the Housing Impact Fund led by Ascent Housing.<sup>68</sup> This effort expands on the gap financing investments made through Charlotte's housing trust fund.

To address the demand for NOAH preservation, a countywide acquisition strike fund is necessary. The funding would provide financing to acquire properties and operate them as affordable housing until permanent financing for long-term operations is secured, often up to three years. Additional technical assistance would also be available to support predevelopment planning and project closing. The potential scale of the fund stretches into the tens of thousands of rental homes and funding can draw upon mission motivated investments, as opposed to just public funds. There are at least three types of projects that would be critical to provide support for:

- 1. Multi-family:** There are many potential buildings that could qualify but, by using CoStar, HR&A identified 22 buildings with 25,000 units that are either B or C class buildings with existing rents that are less than \$1,000 per month. These buildings should be the focus of the initial support from an acquisition strike fund.
- 2. Single-Family:** According to a UNC Charlotte report, in 2021 there were 11,000 single-family rental units held by corporate owners in Mecklenburg County.<sup>69</sup> These properties are often sold as large portfolios and there may be opportunities to purchase and bring a portion of these units back as affordable housing.
- 3. Hotel Conversion:** There is also a need to support additional provision of permanent supportive and temporary housing to individuals exiting shelters. Several recent efforts demonstrate the potential for this type of project in Charlotte-Mecklenburg. Like other unit types, these projects require initial acquisition and predevelopment support. There may also be opportunities to convert existing buildings to shelters, particularly small shelters for specific subpopulations.



<sup>68</sup> "Ascent Housing," 2023.

<sup>69</sup> Ely Portillo and Justin Lane, "Wall Street-Backed Landlords Now Own More Than 11,000 Single-family Homes in Charlotte," UNC Charlotte Urban Institute, 2021, <https://ui.charlotte.edu/story/wall-street-backed-landlords-now-own-more-11000-single-family-homescharlotte>.

## Lessons Learned from National Experience and Case Studies

Experience from across the country has shown that providing affordable housing developers with flexible acquisition funding can reduce displacement and loss of affordable housing stock. Experiences in Durham, NC and Washington, DC offer useful insights for Charlotte-Mecklenburg (see detailed case studies at the end of this chapter). Short-term 'bridge' funding can be recycled to leverage investments to support more preservation of units. Due to the effectiveness of this type of funding, it is relatively easy to get private corporations or philanthropists to contribute to a public-private partnership. Community Development Financial Institutions (CDFIs) are well versed in managing these funds and can supplement initial public investments with their own resources.

Nonetheless, acquisition funding support is only effective if it is paired with a source of permanent financing, which is more difficult to get private support for because the commitments are very long-term, offering less recycling of funding and fewer units than an acquisition fund. For example, in Durham voters passed an affordable housing bond that included a small investment in acquisition financing for preservation, as well as a large investment in long-term gap financing.

Acquisition financing has been effectively deployed to support single-family and multi-family acquisitions and could be expanded to hotel acquisition or other sites designated for shelter, or for service enriched housing for individuals leaving shelters. Funding for these units remains in short supply and assembling the full financing package to acquire a site is often a large barrier.

The skillset of a developer/owner/partner for a NOAH fund are different than those of traditional affordable housing developers, who typically have business models built around LIHTC and developer fees. NOAH preservation projects do not generate a fee, as LIHTC does, the return comes from operating the property and potentially selling or refinancing at several years out. The skills are also significantly different, involving the ability to identify properties that are at the right price and condition to fit the profile of the program, managing moderate rehabilitation, and operating a property with older systems efficiently. Finding development owner partners with these skills that are also mission aligned with preserving affordability and preventing displacement is one of the more significant obstacles to creating an effective acquisition strike fund. The strike fund can offer technical assistance to help build these partners.

## Next Steps for Charlotte-Mecklenburg

United Way should convene a group of key stakeholders, potential funders (public, corporate, and philanthropic), mission aligned developer owners and community advocates to begin the initial phase of program innovation. As part of this work, the stakeholders will need to 1) more clearly measure and define the public benefits the fund will aim to achieve; 2) update existing financial models to reflect changing interest rates and prices, and 3) identify different financing structures that might support a focus on NOAH, multi-family, single-family, hotels or other asset types. A key part of this process will be identifying sources to support the research and design of the fund and begin to size the amount of capital that could be devoted to the capitalization of the fund.

## CRITICAL HOME REPAIR: DETROIT HOME REPAIR LOAN PROGRAM

### Formation and Goal

After the global financial crisis, many Detroit homeowners did not have the resources to make critical repairs to their homes, which made it difficult to maintain their homes. As a result, many homeowners were falling into default and losing their homes. A large part of the issue was that low-income households struggled to access affordable home equity lines of credit to finance critical repairs. That is, many Detroiters, especially Black homeowners, have low credit scores and limited collateral that would give them access to private lines of credit to finance home repairs. The result in 2013 was that more than three-quarters of Federal Housing Administration mortgage holders were denied home equity loans.

In response to this situation, the City of Detroit launched the 0% Interest Home Repair Loan Program in April 2015. The program offers 10-year interest-free loans between \$5,000 and \$25,000 to help homeowners invest in the repair of their homes. The program is led by the City of Detroit, in partnership with the Local Initiatives Support Corporation (LISC), Bank of America, and HUD.

### How it Works

To be eligible for the Program, homeowners must:

- have owned and live in the home for at least six months prior to application,
- be current on property taxes,
- have homeowner's insurance,
- have a minimum credit score of 560 (about 100 points less than from a private bank),
- have a debt-to-income ratio of less than 45%.

In addition to the eligibility requirements above, homeowners must either live within a HUD target area or be under the income cap (up to a moderate-income level). Because borrowers only pay back the principal, program partners bear the cost of operating and loan underwriting/origination costs. The organization partners with community development organizations like Jefferson East Inc. and Central Detroit Christian Community Development Corporation to have intake centers for people to come and apply for the program.

### Funding Sources

Funding for this program comes from HUD CDBG funding, as well as by private investment and LISC funds. As of 2022, funding for the program consisted of:

<b>Bank of America (full recourse provisions)</b>	<b>\$7,700,000</b>
<b>Bank of America (grant)</b>	<b>\$1,000,000</b>
<b>Rocket Community Fund grant</b>	<b>\$1,000,000</b>
<b>Community Development Block Grant</b>	<b>\$16,000,000</b>
<b>TOTAL</b>	<b>\$25,600,000</b>

## Programmatic Focus & Impact

After eight years, just 800 loans closed and only 682 properties had completed construction. In total, \$13.5 million has been invested into the community and 95% of borrowers are Black. The most common use of funds is window and roof repair. The program saw a drop in the number of approved applications during the COVID-19 pandemic because of limited availability and capacity of contractors and partner community development organizations that help process applications. In addition, many residents are excluded from the program because of the debt-to-income ratio limit.

## Takeaways for Charlotte-Mecklenburg

- Spatial and income targeting can help to ensure that program recipients are the highest need households, so it will be important for Charlotte-Mecklenburg to consider their specific goals and target populations.
- In addition, overly restrictive debt and credit score criteria may still exclude those most in need and therefore need to be carefully considered and monitored as the program progresses.
- The success of the repair program relies on the availability of contractors and the ability of local governments to quickly reimburse for work done. Charlotte-Mecklenburg should consider the design of current programs to ensure that their program funding is not overly restrictive.
- Local banks are a good potential source of funding outside of government funds to create a larger public private partnership. These potential sources do not seem to have been tapped to date in Charlotte-Mecklenburg,



*Detroit, Michigan downtown skyline*

### Sources:

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2. Kate Roff, "0% Interest Home Repair Loan Program Puts Economic Power in Hands of Detroit Homeowners," LISC, August 6, 2020, <https://www.lisc.org/detroit/regional-stories/0-interest-home-repair-loan-program-puts-economic-power-hands-detroit-homeowners/>.
3. Molly Bolan, "One City's Attempt to Bring Racial Equity to Home Repairs," Route Fifty, February 8, 2023, <https://www.routefifty.com/finance/2023/02/one-city-attempt-bring-racial-equity-home-repairs/382749/>.
4. "0% Interest Home Repair Loans," Detroit Home Loans, 2022. <http://www.detroithomeloans.org>.
5. Aaron Mondry, "Detroit Home Repair Program Proves Helpful—For the Few Who Qualify," Outlier Media, November 10, 2021, <https://outliermedia.org/detroit-home-repair-program-proves-helpful-for-the-few-who-qualify/>.

## CRITICAL HOME REPAIR: PHILADELPHIA EMERGENCY REPAIR PROGRAM

### Formation and Goal

The Basic Systems Repair Program (BSRP) provides free plumbing, electrical, and other emergency repairs to owner-occupied homes in Philadelphia. For several decades, the program had two tiers: Tier I covered emergency repair needs up to \$3,500 and Tier II covered more extensive repairs with a maximum cost of \$17,500. The two tiers were treated like separate programs with different eligibility and inspection processes. In about 25% of Tier I cases, the contractor found that the level of work needed would exceed the Tier \$3,500 maximum. Rather than proceeding with a Tier II repair, the contractor could take no action and inform the homeowner that they must start the process all over again on the Tier II waitlist. The program no longer operates with tiers and offers grants with a maximum amount of \$18,000. To be eligible for the program, homeowners must:

- own and live in a single-family home,
- earn less than 50% AMI,
- and be current on property taxes and water bills.

### Funding Sources

Annual funding has shifted based upon available dollars, but the program has historically been primarily funded through the city's Housing Trust Fund (HTF) and CDBG funds, as well as through city-issued bonds.

In spring 2017, a \$60 million bond was issued, providing additional home repair services over three years, which helped to address the program's wait list. In late 2020, the Philadelphia City Council approved a \$400 million bond called the Neighborhood Preservation Initiative, which dedicated \$38 million to BSRP.

### Programmatic Focus & Impact

Since 2001, the HTF has helped build, renovate, or preserve around 20,000 affordable rental homes. Between 2015 and 2022, the HTF has been able to finance about 1,300 units per year.

A 2001 working paper from Temple University's Center for Public Policy reviewed all homes that received BSRP grants and determined that fewer than 1% of houses that received repair help from 1995 to 2000 were abandoned in 2000, less than a quarter of the typical abandonment rates of non-BSRP client homes.

A different 2021 study reviewed the correlation between homes that received BSRP repairs and crime rates on the respective block face of a home. The conclusion of the study was that a block face with a property that received a BSRP repair was associated with a 21.9% decrease in the expected amount of crime.

### Takeaways for Charlotte-Mecklenburg

- Tiered repair programs with specific emergency funding streams should not have caps that costs will often exceed, so Charlotte-Mecklenburg should carefully consider restrictions on critical home repair funds.
- Philadelphia used bond financing to support their critical home repair program, which is less restrictive than other federal sources and therefore sees greater success.

#### Sources:

1. "Basic Systems Repair Program," PHDC, 2022, <https://phdcphila.org/residents-and-landlords/home-repair-andimprovements/basic-systems-repair-program/>.
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6. "City Council Announces Funding Plan for \$400 Million Neighborhood Investment Initiative," PHL Council, September 15, 2021, <https://phlcouncil.com/city-council-announces-funding-plan-for-400-million-neighborhood-preservation-initiative/>



## ACQUISITION STRIKE FUND: DURHAM AFFORDABLE HOUSING LOAN FUND (DAHLF)

### Formation

In response to increasing property values and declining affordability, Duke University formed a working group to discuss affordable housing challenges which resulted in the plan for an affordable housing loan fund. As a result, the City of Durham launched the Durham Affordable Housing Loan Fund (DAHLF) in October 2019 to create and preserve affordable units. The DAHLF provides 100% acquisition financing for multi-family and single-family projects for a maximum term of five years.

The aim of the fund is to allow affordable housing developers to compete with market rate buyers and reduce displacement. The length of the loan term (up to five years) allows developers to purchase a building in a competitive market and give them time to secure construction/rehabilitation financing and permanent financing.

### Governance & Management

The City of Durham launched DAHLF which is a public-private partnership with Duke University, North Carolina Development Initiative, Self-Help Credit Union, and Truist. DAHLF is administered by Self-Help Credit Union. As administrator Self-Help makes decisions about loans. Duke University also set up a standing affordable housing council that does not directly govern the DAHLF but monitors overall progress and innovation in affordable housing.

### Funding Sources

The fund was initially capitalized with \$10 million sourced from the following entities:

<b>City of Durham</b>	<b>\$2,000,000</b>
<b>Duke University (via Self-Help Credit Union)</b>	<b>\$3,000,000</b>
<b>North Carolina Development Initiative</b>	<b>\$2,000,000</b>
<b>SunTrust Bank (now Truist Bank)</b>	<b>\$3,000,000</b>
<b>TOTAL</b>	<b>\$10,000,000</b>

The City utilized funding from a \$95 million housing bond, the largest in North Carolina history, that also supported strengthening the shelter system, redeveloping housing authority properties, 4% LIHTC gap financing, critical home repair, eviction prevention and developing ADUs.

### Programmatic Focus & Impact

DAHLF provides a multi-family and a single-family product that targets low-income households. The multi-family product, "Change Maker," provides acquisition funding for preservation of individual buildings for households with incomes at or below 60% of AMI. The interest rate is fixed at 3.4% with a maximum loan amount up to \$3.4 million. This limits the property size and gap that can be financed through DAHLF. Meanwhile, the single-family product, "Hope Builder," provides a line of credit for single-family developments with up to four units. Income limits vary depending on whether the units are for rent, up to 60% of AMI, or for sale, up to 80% AMI. The Hope Builder line of credit has a \$1 million limit with a 3.65% fixed interest rate. Both loans are interest only throughout the term. Eligible borrowers include housing authorities, nonprofit developers or for-profit entities who are partners with nonprofits or housing authorities. Self-Help also provides access to its in-house legal and real estate expertise and offers pre-underwriting to expedite the closing of a future acquisition to overcome the skills gaps in mission-oriented organizations.

The fund impact goal is to create or preserve over 1,000 affordable homes in 10 years. As of 2023, the fund has deployed \$10.9 million across six loans, two of which have repaid the funds they borrowed. Funds have been used for existing buildings as well as vacant lots. To date, the fund has preserved or created 250 units, and expects to meet the 1,000-unit goal by 2029.

### Takeaways for Charlotte-Mecklenburg

- Establishing an acquisition fund can be led by either the public or private sector.
- A countywide acquisition fund in Charlotte-Mecklenburg could provide funding for not only single-family and multi-family housing but also shelters, hotel conversions and other service-enriched units.
- Acquisition funds can use private funds to leverage public funds in support of preserving affordable rental homes.
- An acquisition fund should offer not only acquisition funding, but also technical assistance related to predevelopment and project closing.
- An acquisition strike fund will only be effective if there is a subsidized source of permanent financing for projects after the term of the acquisition funding.



*Durham, North Carolina, downtown cityscape*

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## ACQUISITION STRIKE FUND: WASHINGTON D.C. AFFORDABLE HOUSING PRESERVATION FUND

### Formation & Goal

In 2015, Washington D.C. Mayor Muriel Bowser initiated the D.C. Housing Preservation Strike Force, an 18- member team tasked with developing an action plan to preserve existing affordable housing projects with covenants set to expire in 2020. One of the initial recommendations, released in June 2016, was to create a public-private preservation fund to help preserve multi-family affordable housing. The fund was established in Fiscal Year 2017 budget and consists of short-term loans for preservation, acquisition, predevelopment, and critical repairs. The Preservation Fund evolved from the Site Acquisition Financing Initiative which struggled to be competitive with the private market.

The goal is preserving the affordability of 100% of Washington D.C.'s existing federally and city-assisted affordable rental homes. To do this the Preservation Fund offers eligible borrowers short-term financing for the pre-development and acquisition of occupied multi-family properties with more than five housing units and half of the households earning up to 80% AMI.

### Governance & Management

The fund sits with the D.C. Department of Housing and Community Development (DHCD). There are three managers for the fund: Capital Impact Partners, LISC-DC, and Low- Income Investment Fund (LIIF). The responsibilities of the fund managers include:

- Leverage public funds with private or philanthropic funds to provide loans to borrowers for eligible activities
- Market, underwrite, originate, and service the prevention loans
- Ensure compliance with the terms of the Housing Preservation Fund
- And coordinate monthly with the DHCD on the use of the Housing preservation fund

Each fund manager operates using public fund awards from the D.C. government combined with private funding from either their own balance sheet or funds which they raise using their relationships.

### Funding Sources

In 2017, the fund was initially capitalized with \$10 million from the District of Columbia and then LISC-DC and Capital Impact Partners provided additional funding. Since then, the District has provided additional funding for a total of \$29 million. The following summarizes the sources of capital to date:

<b>District of Columbia</b>	<b>\$29,000,000</b>
<b>LISC-DC</b>	<b>\$30,000,000</b>
<b>Capital Impact Partners</b>	<b>\$22,000,000</b>
<b>TOTAL</b>	<b>\$81,000,000</b>

## Programmatic Focus & Impact

The three fund managers offer slightly different terms but in general the funding is short-term (less than 5 years) and has an interest rate of less than 5%.

After fundraising, the fund's initial target was to preserve 1,000 units, working toward their broader goal of preserving the affordability of 100% of Washington D.C.'s existing federally and city-assisted affordable rental homes. Between March 2018 and January 2020, LISC and CIP exceeded that goal through financing for 15 projects with \$63.5 million in funds, preserving 1,367 units for an average of \$46,500 per unit. Since 2019, approximately \$125 million in funds have been deployed to preserve over 2,000 affordable units.

The Preservation Fund has worked in tandem with the Tenant Opportunity to Purchase Act, which gives multi-family residents the first right of refusal if their building is up for sale by providing residents acquisition financing helping them take advantage of the program and prevent displacement.

## Takeaways for Charlotte-Mecklenburg

- Local government can lead the establishment of an acquisition strike fund and effectively create a structure to leverage other private sources of funding.
- Selecting more than one fund manager can increase the funding available and effectiveness of the program.
- Setting a specific preservation target is an effective means of monitoring progress and focusing investments as the fund is established.
- Targeting and clear priorities make an acquisition strike fund an effective tool to support anti-displacement.
- The District of Columbia provides additional funding for permanent financing that allows buildings to maintain their affordability covenants.



*Homeless Encampment on McPherson Square in Downtown Washington, D.C., February 4, 2023*

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## EMERGENCY RENTAL ASSISTANCE: CHICAGO COVID-19 HOUSING ASSISTANCE GRANT

### Formation

In March 2020, Mayor Lightfoot announced the initial round of the COVID-19 Emergency Rental Assistance Program in Chicago. The program supported households facing reductions in income due to COVID. The Chicago Department of Housing (DOH) dispersed \$134 million in assistance. The program started with an initial \$2 million allocation from the Affordable Housing Opportunity Fund (AHOF), a city-run fund that uses fees collected from the Affordable Requirements Ordinance. The goal was to provide one-time grants to Chicagoans who were financially impacted by the pandemic.

DOH partnered with the Family Independence Initiative (FII) to distribute the funds, which were for households at or below 60% AMI. FII is a national organization, which came to Chicago through a grant from Google.org, and works on a cohort model that helps low-income families reach individual goals. The City of Chicago and FII then partnered with a network of community organizations to assist with marketing, outreach, and intake to have a wide reach across communities. These organizations leveraged their relationships with the community to conduct outreach and encourage hesitant populations, such as those who are undocumented or skeptical of government programs, to apply for the grants. Applications were open for a period and were not first-come, first-served to make the process more equitable and not exclude those who heard about the program later or were not as technologically comfortable.

### Funding Sources and Disbursement

The initial round of the COVID-19 Housing Assistance Grant used \$2 million non-federal AHOF funds. This allowed more flexibility with how the funds were distributed. Two thousand cash grants of \$1,000 were given directly to tenants, via mobile payment apps. The funds relied on outreach through twelve nonprofit community organizations to identify the individuals with greatest need. The emergency rental assistance program closed but provided \$134.6 million in support over two years as federal funds became available.

### Challenges

In the initial round, 83,000 applications were received, which outnumbered the 2,000 cash grants awarded. Furthermore, there were some challenges surrounding community partners with conflict over geographic domain as well as those that managed affordable housing, which required the City to institute rules so they didn't favor the applications from tenants that lived in their properties.

### Takeaways for Charlotte-Mecklenburg

- Initiating an increased program with local sources and supplementing with federal sources allowed innovations in administration to be solidified.
- A strong, community-based nonprofit network gives those who may be hesitant or are hard to reach a chance to apply.

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# CHAPTER 6: Person-Directed Care

## OVERVIEW

**Charlotte-Mecklenburg's supportive service ecosystem is robust, diverse, and expansive but outreach needs to be bolstered.** The county has over 100 programs serving people experiencing homelessness and housing instability. Some programs are targeted geographically, others serve specific populations, and still others are seated within larger institutions. Additionally, this network contains a combination of formal and informal service provision. Many individual service providers conduct outreach, but the system would benefit from a more comprehensive model spanning the entire community that integrates feedback from people with lived expertise.

**There is a breakdown in people's access to and coordination of services.** People struggle to independently navigate the system's many providers. Service providers struggle to coordinate support as people move along the continuum, creating a reliance on informal networks. Moreover, without a centralized view of who is providing which services, the city, county, and private donors are limited in their ability to direct funding where it is needed most—either to increase resources for an under-funded service, or to scale effective programs. Mental health and substance use treatment, transportation, and child care services are particularly under-resourced.

**The current funding model lacks flexibility to address people's individualized needs.** Public funding often has restrictions set by federal or state entities. Private and foundation donations are not coordinated to fill the gaps left by these restrictions. A more coordinated funding model would help to clarify the cost of providing a bundle of services to different household profiles.

**Person-Directed Care aims to reorient service provision around people's progress on the housing continuum from homelessness and housing insecurity to housing stability.** This new care coordination system would:

- Centralize information regarding available services.
- Remain supportive and present for people as they move along the housing continuum.
- Be individualized and responsive to the varied and evolving needs of people.
- Support trust and engagement by incorporating outreach specialists with lived expertise.

**Realizing Person-Directed Care will require new approaches to complement the existing service ecosystem**, the Implementation Plan recommends three key additions, described in greater detail throughout the rest of this section.

- **Systems Navigators**
- **Assessment & Engagement Database**
- **Flexible Service Spending Account**

## SYSTEMS NAVIGATORS - Vision

Systems navigators will provide guidance and support to people experiencing housing instability or homelessness as they engage with the complex network of resources available to them along the housing continuum. Systems navigators' exact responsibilities must be defined, but they should complement that of housing navigators and case managers rather than act as a replacement. The primary focus of a housing navigator is to help clients secure housing by assisting with applications, eligibility requirements, financial resources, and potential property provider engagement. Similarly, this role does not replace current care coordination or case management within an existing service provider. Those roles remain critical for service provider operations.

The systems navigators will provide a single touch point to connect any person facing housing instability or homelessness to relevant services through community networks. A systems navigator will facilitate connections, ensuring that people and their care providers are aware of, and able to access relevant resources. A systems navigator might also work with a client and their team of service providers to develop a personalized plan to address their needs and goals. Families experiencing homelessness would be served by one systems navigator taking a whole-family approach to services. Crucially, systems navigators serve as a single point of contact that remains available to people regardless of program or funding eligibility as they move along the housing continuum towards securing a stable housing situation.

The systems navigator role might be comprised of a single individual or a clinical team. Discussions with the Technical Committee and stakeholder interviews identified the importance of involving peers with lived expertise of homelessness as well as clinical social workers. The combination of both peers and social workers will be able to offer empathy and support, build trust, and bridge gaps. Although systems navigators will not be able to eliminate the racial inequities in access to housing and services on their own, the design of the role should consider how navigators can play an anti-racist role in a system that disproportionately results in Black households becoming homeless or housing unstable.



<sup>55</sup> "Corridors of Opportunity," City of Charlotte, 2023, <https://www.charlottenc.gov/Growth-and-Development/Doing-Business/Corridors-of-Opportunity>.

<sup>56</sup> "Staying in Place," City of Charlotte, 2023, <https://www.charlottenc.gov/Streets-and-Neighborhoods/Housing/Staying-In-Place>.

<sup>57</sup> "Ascent Housing," Ascent Real Estate Capital, 2023, [ascentrealestatecapital.com/ascent-housing](https://www.ascentrealestatecapital.com/ascent-housing).

## Lessons Learned

There are five models of case management that range in intensity and duration of support. The goal of case management is to ensure timely access to and coordination of fragmented medical and social services. The components and type of case management vary for each model. The following table summarizes the main five models of management:<sup>70</sup>

**Figure 29: Models of Case Management**

MODEL OF CASE MANAGEMENT	AVERAGE CASE LOAD	CLIENT ENGAGEMENT	TYPE OF INTERVENTION
<b>Standard</b>	35 clients	Low intensity	Time-limited to connect to direct service providers
<b>Intensive</b>	15 clients	High intensity	Ongoing service connections
<b>Assertive Community Treatment</b>	15 clients	High intensity	Multidisciplinary team in community settings
<b>Critical Time Intervention</b>	25 clients	Moderate intensity	Time-limited services in home for people exiting institutionalization
<b>Clinical</b>	10 clients	High intensity	Provides a combination of coordination and acquisition of resources and clinical activities.

Evidence shows that despite the added cost, the most intensive forms of case management lead to more positive health and social outcomes.<sup>71</sup> While Standard Case Management had only limited and short-term effects on substance use and housing stability, Intensive Case Management, Assertive Community Treatment, and Critical Time Intervention notably improved several outcomes, including housing stability. Several studies of Assertive Community Treatment found that the intervention is particularly effective in improving medical treatment, housing stability, and quality of life.<sup>72 73</sup> Although Assertive Community Treatment is costly, the benefits offset costs for participants with complex needs, particularly those who are frequent emergency room and hospital visitors.<sup>74 75</sup> Effective programs point to a range of best practices (see complete list at the beginning of the next page).

<sup>70</sup> "Vital Role of Case Management for Individuals Experiencing Homelessness," A Quarterly Research Review of the National HCH Council 4, no. 1 (2016): <https://nhchc.org/wp-content/uploads/2019/08/in-focus-case-management-hrsa-approved-final-version.pdf>.

<sup>71</sup> Ponka et al, "The effectiveness of case management interventions for the homeless."

<sup>72</sup> Gary Bond et al, "Assertive Community Treatment for People with Severe Mental Illness: Critical Ingredients and Impact on Patients," Disease Management and Health Outcomes 9 (2012): 141-159, <https://doi.org/10.2165/00115677-200109030-00003>.

<sup>73</sup> Tim Aubry, "A Multiple-City RCT of Housing First with Assertive Community Treatment for Homeless Canadians With Serious Mental Illness," Psychiatric services 67, no. 3 (2016): 275-281, doi:10.1176/appi.ps.201400587.

<sup>74</sup> Ponka et al, "The effectiveness of case management interventions for the homeless."

<sup>75</sup> Bond et al, "Assertive Community Treatment for People with Severe Mental Illness."



- A non-clinical navigator role focused on care coordination and emotional support, rather than treatment, and paired with direct services (such as healthcare or job training).<sup>76 77</sup>
- Multidisciplinary teams, including a peer specialist, in addition to medical professionals and/or a traditional case manager. The presence of peer specialists was associated with a wide range of positive outcomes. The importance of strong relationships between clients and providers, built and supported by peer specialists, was repeatedly emphasized through both interviews in Charlotte and a broader literature review.<sup>78 79 80 81</sup>
- Longer duration (often six months or more) and longer continuity of contact time with fewer handoffs across providers.<sup>82 83 84</sup>
- Community-based, flexible communication, often at the client's home or in a familiar community setting.<sup>85 86</sup>
- Low caseloads, allowing each client to receive a higher intensity of service.<sup>87</sup>

## Next Steps for Charlotte-Mecklenburg

Charlotte-Mecklenburg needs to begin the program design innovation process to create the new role of systems navigator that draws on lessons learned from other programs across the country. The initial vision for systems navigators shares characteristics with some of the most successful case management models – including the nonclinical navigator role paired with direct services, duration and continuity of contact, presence of peer specialists, and flexible, community-based contact. As the design of the systems navigator role progresses, it should be piloted after a robust community engagement process that ensures there is broad buy-in to the approach.



<sup>76</sup> Carmichael et al, "Exploring the application of the navigation model with people experiencing homelessness."

<sup>77</sup> Ponka et al, "The effectiveness of case management interventions for the homeless."

<sup>78</sup> Martha R. Burt, "Serving people with complex health needs: Emerging models, with a focus on people experiencing homelessness or living in permanent supportive housing." *American Journal of Psychiatric Rehabilitation* 18, no. 1 (2015): 42-64, <https://doi.org/10.1080/15487768.2015.1001696>.

<sup>79</sup> John P. Barile, Anna S. Pruitt, and Josie L. Parker, "Identifying and understanding gaps in services for adults experiencing homelessness," *Journal of Community & Applied Social Psychology* 30, no. 3 (2019): 262-277, <https://doi.org/10.1002/casp.2440>.

<sup>80</sup> Ponka et al, "The effectiveness of case management interventions for the homeless."

<sup>81</sup> Carmichael et al, "Exploring the application of the navigation model with people experiencing homelessness."

<sup>82</sup> Caroline Balagot et al, "The homeless Coordinated Entry System: the VI-SPDAT and other predictors of establishing eligibility for services for single homeless adults." *Journal of Social Distress and Homelessness* 28, no. 2 (2019): 149-157, <https://doi.org/10.1080/10530789.2019.1622858>."

<sup>83</sup> Ponka et al, "The effectiveness of case management interventions for the homeless."

<sup>84</sup> Carmichael et al, "Exploring the application of the navigation model with people experiencing homelessness."

<sup>85</sup> Ponka et al, "The effectiveness of case management interventions for the homeless."

<sup>86</sup> Carmichael et al, "Exploring the application of the navigation model with people experiencing homelessness."

<sup>87</sup> Ponka et al, "The effectiveness of case management interventions for the homeless."

## **ENGAGEMENT & ASSESSMENT DATABASE - Vision**

To better coordinate both people and providers, a community-wide engagement database is needed to track referrals, access to public benefits, and availability of services. The current system relies on informal connections between service providers, which has worked well but a formal database would provide a more robust tool and allow service providers to spend less time coordinating handoffs and additional services. The database must also include an assessment tool for initial intake and final closeout, so that there is a better community-wide tool for tracking outcomes. The assessment could be done by any service provider or a member of a systems navigator team. It would create a case file for each individual, which would reduce the number of times an individual must retell their story as they move along the housing continuum.

### **Lessons Learned**

North Carolina has already started to develop a platform for tracking referrals between service providers. NCCARE360 offers some insight into the feasibility of developing a community-wide database in Charlotte-Mecklenburg. NCCARE360 is a statewide coordinated care network that connects individuals and providers to registered support service organizations with the goal of reducing information silos across organizations and providing a “no wrong door” approach to accessing the full breadth of services available in a community. To date, over 3,000 organizations, ranging from emergency food providers to mental health support providers, have registered with NCCARE360, many in the Charlotte-Mecklenburg region.

NCCARE360 overcomes some of the issues faced in other communities that have tried to develop a similar database. The following summarizes some of the critical design features that should be considered in any community database:

- The platform is person-directed rather than focused on service providers. There is one record per individual that allows multiple providers serving the same person to share information and coordinate services.
- The platform overcomes HIPPA-related issues that have stalled other programs. All records are created with initial client consent, and certain services, such as legal, mental health, and substance use services, are visible only to referring and receiving providers.
- Participating organizations can use the basic platform at no cost to assess a client’s support service needs. If a community wants to customize the platform, there are added costs.
- The platform provides multiple means of communication with a client including email and text message.
- The platform also includes the ability to create a custom intake and assessment form shared across a subset of providers.

### **Next Steps for Charlotte-Mecklenburg**

Charlotte-Mecklenburg needs to begin the innovation process to kickoff program design for an engagement and assessment database. An in-depth assessment of available database tools is needed to help the community determine what platform will best meet their needs. This process will entail further community engagement to ensure that the database has the necessary capabilities to work across the community. As the database is rolled out, there will need to be a champion that will organize the registration, training, and adoption of the platform. The rollout will require support and education for service providers.

## FLEXIBLE SERVICE SPENDING ACCOUNT - Vision

Charlotte-Mecklenburg needs a flexible funding source to bridge the immediate needs of people experiencing homelessness or housing instability. The funding would combine public and private funding sources to allow for rapid, adaptable support providing a range of housing stability services. This funding would be connected to an individual or family rather than a specific program. It would fill in gaps not covered by existing funding sources and would smooth the drop-off in supports that can occur when people transition out of programs or lose eligibility for benefits. Ideally, this fund will lessen the administrative burden placed on systems navigators and other service providers.

The flexible service spending account will provide adaptable funding, but should include robust funding for mental health and/or substance use treatment gaps. The following table summarizes the annual cost to provide services based on Charlotte-Mecklenburg service provider estimates. Any of these services could be covered by the flexible service spending account. The Charlotte-Mecklenburg community highlighted that both mental health and substance use treatment are significantly under-resourced. Substance use treatment is one of the most expensive services to provide in Charlotte-Mecklenburg, with provider-reported annual costs per household ranging from \$18,700 - \$24,500. These costs indicate that a \$5,000 allocation per person would likely provide sufficient resources to bridge gaps for a three-to-six month period.

**Figure 30: Estimated Costs of Providing Services**

*Source: HR&A Advisors, Inc. interviews with Charlotte-Mecklenburg service providers*

ESTIMATED SERVICE COSTS	
Service	Annual Cost per Household
Substance Use	\$18,700 - \$24,500
Child Care	\$7,100 - \$13,500
Emergency Rental Assistance	\$3,660
Housing Stability Coaching	\$3,650
Property Provider Engagement	\$2,800
Life Navigators	\$2,600
Employment Skills	\$2,000 - \$5,000
Housing Navigation	\$1,900 - \$3,800
Transportation	\$1,664 (one round-trip ride-share per week)
K-12 Education Support	\$1,500 - \$5,000
Basic Needs	\$1,000 - \$5,000
Mental Health	\$800 - \$2,400
Physical Health	\$300 - \$4,300
<b>Total</b>	<b>\$47,700 - \$77,900</b>

## Lessons Learned

Cities and counties across the United States are using flexible funds to support housing placement and wraparound services. Flexible funding is frequently used for rental and utility assistance, property provider incentives, and moving costs. These funds include small allocations for supportive services outside of one-time emergency financial assistance that allows support to people's individual needs. Flexible funds are often first-come, first-served and available to people once per year.

The implementation of flexible funds is a relatively new approach with initial results in the following locations:

- Harris County Domestic Violence Coordinating Council (HCDVCC) Flexible Funding
- Los Angeles County, CA Flexible Housing Subsidy Pool (FHSP)
- Massachusetts Flexible Housing Pool
- Metro Denver Homeless Initiative Housing Stability Flexible Fund
- Richmond, VA Homeward New Lease on Life Fund
- San Francisco, CA FHSP

Based on the initial experience in these communities there are several lessons learned:

- Funds require a mix of public and private funding sources. Public money is typically used for longer-term funding streams like rental assistance, and private funds are more flexible to bridge individuals' needs until they are enrolled in other programs. The range of services included food, transportation, mental health care, medical costs, and car repairs. The combination of these sources helps to minimize administrative costs and pivot quickly to address people's immediate needs.
- With an overarching view of their local supportive services ecosystem, flexible funds can break through communication silos across providers and smooth gaps and cliffs in public funding.
- Using flexible funds to engage with grassroots, community or faith-based organizations can be an effective way to direct support towards historically underserved communities who may less frequently engage with formalized, institutional services.
- Flexible funds are most effective when championed by a third-party organization – ideally one with the technical and accounting capacity to track and pay many service providers, property providers and property owners.
- For funds that mix public and private funding, it is critical to plan for transitions into public funding over the longer-term to avoid funding drop-offs when or if private money phases out.
- Pre-determined eligibility and prioritization standards are important. Some funds are managed as first-come, first served; others target a specific population, such as people experiencing chronic homelessness. HUD Exchange recommends coordination with Coordinated Entry and CoC prioritization and vulnerability assessments wherever possible.

## Next Steps for Charlotte-Mecklenburg

Charlotte-Mecklenburg will need to begin an innovation process to launch program design to answer key questions related to scale, duration, and uses of a flexible service spending account. This process will require identifying public and private sources of funding. It will also require engaging service providers and community groups to discuss where a pilot would be most useful. It is worth noting that Mecklenburg County and the City of Charlotte were recently awarded \$32.5 million and \$8 million respectively, to be distributed over 18 years, as part of a settlement with four major pharmaceutical companies related to the opioid crisis.<sup>88</sup> This funding, which the City and County are considering using largely for efforts related to substance use and addiction, is a promising funding source for the flexible fund to direct towards treatment for people experiencing homelessness. The County Manager's budget included initial funding in the FY2024 budget.<sup>89</sup>

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<sup>76</sup> Genna Contino, "Mecklenburg County has \$32.5M to help curb the opioid crisis. How should it be spent?" The Charlotte Observer, October 28, 2022, <https://www.charlotteobserver.com/news/politics-government/article267952957.html>.

<sup>76</sup> Unknown, "County Manager Recommends \$2.3 Billion Operating Budget For FY2024." Mecklenburg County New Release, May 18, 2023. <https://news.mecknc.gov/county-manager-recommends-23-billion-operating-budget-fy2024>

## SYSTEMS NAVIGATOR: NEW YORK CITY PATHWAY HOME

### Formation

Pathway Home is a New York City-based care transition intervention that supports individuals with serious mental illnesses (SMI), including those experiencing chronic homelessness, as they transition from extended stays in psychiatric hospitals and other institutions back into community living.

Formed in 2014 by Coordinated Behavioral Care (CBC)—a nonprofit that connects individuals with chronic physical and behavioral health conditions to over fifty community health and direct services organizations—the program has been recognized as a gold standard in community-based care coordination services.

### Governance & Funding

Pathway Home is primarily managed by CBC, which acts as a single point of referral to four care teams located across New York City.

In its first two years, Pathway Home was funded through a grant from the New York State Balancing Incentive Program, a federally funded program for Medicaid home and community-based services. The NY State Office of Mental Health (OMH) took over funding of the program in 2016, as part of a reallocation of mental health funding away from inpatient services and towards prevention, early identification, and intervention. In 2021, OMH was awarded CBC \$30 million over five years to operate six teams focused on transitions away from institutions, and two focused on street outreach.

### Programmatic Structure & Services

Rather than relying on a single navigator, Pathway Home services are provided by multidisciplinary teams composed of a clinician team leader, licensed mental health clinicians, case managers, nurses, and peer specialists, with a 1:15 staff to client ratio.

The peer specialist plays a critical role in building rapport and providing clarity and suggestions to clients using disclosure and accessible language. Within the larger care team, the peer works to combat empathy fatigue and bias. Pathway Home notes that peer roles in traditional care coordination teams have historically been ill-defined and inconsistent across providers; Pathway Home offers a model of centering and legitimizing peer support.

Pathway Home is a time-limited, four-step program, gradually phasing out the intensity of services as individuals develop more independence and community integration.

### SERVICES PROVIDED

- Care Plan for community reintegration, developed in collaboration with community and family supports
- Accompaniment home on day of transition
- Skills-building and engagement
- Benefits and entitlements support
- Expedited housing placement
- Ongoing assessments of health and social needs as well as family conferences
- Assistance and advocacy finding other direct services such as primary and specialty care, job training, education, etc.
- Facilitated enrollment in longer-term care management, including Assertive Community Treatment
- Warm hand-offs to clinical providers and long-term case management
- Wrap-around enhancement funds



*New York City skyline*

## **Phase 1: Planning and Relationship Building**

### ***1 week or month prior to transition***

Clients are referred by CBC, typically directly from a hospital or other institutional treatment program. Teams make an initial connection with the participant prior to transition. This time is focused on identifying immediate unresolved needs and coordinating with the inpatient team, as well as community and family support.

This is also a critical relationship and trust-building period for participants and the team. OMH notes: "CBC's engagement approaches are extraordinarily highly effective: 91% of individuals receiving intake interviews enrolled in Pathway Home."

## **Phase 2: Transition and Active Linking**

### ***Months 1-3***

Teams develop initial assessments and a Care Plan, resolve immediate needs, connect the participant to direct service providers, and continue to build and strengthen relationships with the participant and community support.

## **Phase 3: Practice and Transfer**

### ***Months 3-6***

As participants practice independent life skills, services are gradually stepped back. Teams continue to connect participants to services, resolve obstacles, and ensure that the Care Plan is on track.

## **Phase 4: Graduation**

### ***Months 7-9***

In the final phase of the program, teams begin to shift from in-person meetings to texting and phone calls. The long-term plan is finalized and reviewed for any remaining gaps.

Communication with long-term care coordination and ongoing direct service providers is increased to ensure that the participant has a support network in place following the transition.

Once participants are determined to have the necessary support and skills to continue independently, teams hold a final meeting to facilitate graduation from the program.

Pathway Home is notable for the flexibility and responsiveness of its care teams. By maintaining a high staff-to-client ratio, teams can individualize the frequency and intensity of services, as well as respond quickly to emergencies. Clients are ensured access to a cellphone for texting and calling staff, which is noted to have increased trust and engagement in the program. Teams typically meet in the participant's home or another community location that is appropriate and comfortable for the participant, like a coffee shop.

## Impact

Pathway Home participants have achieved improvements in hospital readmission, appointment attendance, and long-term service enrollment and utilization. In 2019, the program received the 2019 Case Management Practice Improvement Award from the Case Management Society of America (CMSA).

### PATIENT OUTCOMES

**73% attended primary care appointments within 3 months.**

**96% attended behavioral health appointments within 9 months.**

**<1% readmitted to hospital within 30 days.**

## Takeaways for Charlotte-Mecklenburg

Pathway Home exemplifies best practice characteristics of a potential System Navigators program in Charlotte-Mecklenburg, including:

- Significant peer specialist involvement and trust-building
- Community-based, flexible, and responsive supports
- A longer duration of care coordination supports, slowly phasing out over time as the client transitions to longer-term programs
- Warm hand-off with direct service providers
- Wrap-around enhancement funds to support direct service provision

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## SYSTEMS NAVIGATOR: PROVINCETOWN COMMUNITY NAVIGATOR PROGRAM

### Formation

The Community Navigator Program in Provincetown, Massachusetts began as a pilot in 2016. While a prosperous community known for its summer tourism, at the time of the program's launch, 20% of the town's residents (approximately 600-700 individuals) were identified as needing some social, behavioral health, or substance use service. This high community need was due in part to high rates of drug use, social isolation during the low-season, and high housing costs. The issue was further compounded by the distance from service providers, many of whom were located an hour away by car, with limited alternative transportation options. The goal of the program was to provide a "warm touch" to connect residents to providers in coordination with police, emergency services, social service agencies, and other partners.

### Governance & Funding

Provincetown's program is administered through Outer Cape Health Services (OCHS), a nonprofit that aims to provide a full range of healthcare and supportive social services to residents on the ten outermost towns on Cape Cod, in Barnstable County. For the pilot, the town provided OCHS with a \$100,000 grant from its general operating budget, covering the cost of hiring one navigator and establishing a small flexible funding account to use at the navigator's discretion. The pilot was able to leverage OCHS's existing administrative capacity for data analysis, reporting, and financial monitoring.

### Programmatic Structure & Services

A Community Navigator is a single individual who holds a Master of Social Work or other social worker certification. Importantly, the role is not defined as a therapist or case manager but as a client advocate who has background in social work. Navigators build trust with their clients in a community setting and serve as a critical liaison between client and service providers to identify and communicate a client's needs and support their access to services. Navigators also administer a small flexible spending account to bridge a client's immediate needs (e.g., emergency shelter, transportation) before other funding streams can be deployed. This bridge funding period is short (i.e., less than 6 weeks) to avoid duplication with other social programs and services.

Clients connect to a Navigator through a multi-pronged coordinated entry process. Given the small size of the community, many clients come through a Navigator's direct relationship building. In Provincetown, the Navigator works from the town library to be accessible to residents in an open and affirming space.

A navigator works mostly closely with people in need during the first few weeks followed by a period of lighter-touch client engagement, collaboration with case managers, and regular reporting on client progress. This limited period of high attention means the navigator can be assigned a higher list of clients than a typical case manager.

### SERVICES PROVIDED

- Offers immediate bridge funding for critical needs prior to entering the social services system
- Collects data on services the client needs and advocates for services that do not exist
- Connects clients to service providers
- Reminds clients of medical appointments and helps secure transportation
- Helps identify funding for client needs (e.g., home repair, healthcare services)
- Collaborates with case manager to build a coordinated treatment plan for each client
- Facilitates communication within a client's social and professional networks
- Tracks client's progress towards personal goals



## Impact

Within just six months, the program had enrolled 36 of the town's residents with the greatest service needs, 80% of whom were reported to have mental health issues, 72% of whom were unstably housed, and 60% of whom had a substance use disorder. The pilot was so successful that the program has since been expanded to include six navigators who serve the OCHS region through pooled funding from towns and the Health Resources and Services Administration. Additionally, Cape Cod Healthcare, another area health provider, replicated the program to offer Navigator services to residents on the remainder of the 15 towns that comprise Cape Cod.

## Takeaways for Charlotte-Mecklenburg

- Clearly define the role of the navigator to avoid duplication of other social services, particularly creating an additional layer of case management.
- Ensure bridge funding is flexible enough to address individuals' immediate needs prior to entering the formal system of service provision.
- Leverage the coordinated entry process to provide multiple pathways for an individual to connect to a navigator.
- Start small with navigator program that builds on local resources and knowledge. Make modifications as individuals gain experience and the role is more clearly defined and understood and then scale countywide.
- Work with a nonprofit service provider to create consistency and ease contracting issues.



*Provincetown, Cape Cod, MA waterfront*

### Sources:

1. Interview with David Panagore conducted by HR&A Advisors, March 20, 2023.
2. "Outer Cape Health Services Community Resource Navigator Program," Rural Health Information Hub, 2023, <https://www.ruralhealthinfo.org/project-examples/911>.
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# CHAPTER 7: Expand Housing Supply

## OVERVIEW

**For Charlotte-Mecklenburg to meet A Home For All's goal of providing housing options across the continuum, there needs to be a shift in the financing and tracking of the affordable housing stock to consider all types of units and beds.** Affordable housing stock has traditionally been defined as subsidized housing for households with incomes ranging from 30% AMI to 80% AMI. More recently, the focus has expanded to include NOAH, both in multi-family and single-family buildings.

**As the homelessness crisis has spread across the county, it is also becoming critical to understand the size and connection between the subsidized housing stock and service-enriched housing for the unhoused.** A comprehensive range of housing options should span the continuum from service-enriched housing such as permanent supportive housing and shelter beds to affordable homes for first-time buyers. No single source of funding can finance the development of all these types of housing. Achieving this range in stock requires funds from local, state, federal, and philanthropic resources.

**LIHTC is highly competitive and insufficient to fix the housing supply gap in Charlotte-Mecklenburg.** The national allotment of LIHTC credits is insufficient to close the housing supply gap. In addition, while LIHTC does require a 15-year covenant period protecting the affordability of the property, properties may then opt out and convert to market-rate pricing. In strengthening markets with rising rents, like Charlotte- Mecklenburg, this becomes an appealing option for LIHTC owners and can undermine efforts to permanently grow the inventory of affordable properties.



**LIHTC financed developments have not been equitably distributed.** Units are concentrated in lower income and majority Black areas within the Charlotte-Mecklenburg region, reinforcing cycles of poverty and segregation. Specifically, 58% of LIHTC units in Mecklenburg County are in census tracts where the median household income is at or below \$50,000 and 57% of the units are in census tracts that are at least 60% Black.<sup>90 91</sup> Beyond constructing more affordable units, the quality and location of the housing must be considered to ensure that regardless of income or race residents are able to find safe and secure housing in well-resourced neighborhoods and have the same access to educational and employment opportunities.

**There is a mismatch between available rent subsidies and available units for rent.** Rental subsidy programs, such as housing choice vouchers, require a property provider that is willing to accept the voucher. A 2019 investigation found that one third of families' housing choice vouchers expire before they can use them due to lack of property provider participation.<sup>92</sup> There are similar issues with other voucher programs. Increasing the number of property providers willing to accept vouchers or other subsidies increases the number of homes available to those that might otherwise be unhoused. Yet, increasing property provider engagement has proven difficult. Tenants may have additional needs and are perceived as higher risk. Additionally, payment to property providers under existing programs for both rent subsidy and damage reimbursement can be slow. In markets with a limited apartment inventory and high demand, like Charlotte-Mecklenburg, additional incentives and relationship-building are required for property providers to participate in these subsidy programs.

**The Charlotte Housing Trust Fund (HTF) has been used effectively to create and preserve affordable housing, but more funds are required.** The HTF has invested over \$200 million into 12,000 units since its inception. In addition, LISC Charlotte manages the Charlotte Housing Opportunity Fund (CHOIF), which dispersed \$53 million in funds in 2021 and 2022.<sup>93</sup> To address the region's need for more service-integrated housing, significantly more funding is required.



<sup>90</sup> U.S. Census Bureau, 2020 American Community Survey 5-year Estimates, Social Explorer, 2020.

<sup>91</sup> U.S. Department of Housing and Urban Development, LIHTC Database, 2020.

<sup>92</sup> Nathan Morabito, "Housing Vouchers Expiring Before Families Can Use Them," Charlotte Journalism Collaborative, May 13, 2019. <https://digitalbranch.cmlibrary.org/charlotte-journalism-collaborative/housing-vouchers-expiring-before-families-can-use-them/>.

<sup>93</sup> "Charlotte Housing Opportunity Investment Fund," LISC, 2023, <https://www.lisc.org/charlotte/what-we-do/affordable-housing/choif/>

## PROPERTY PROVIDER ENGAGEMENT - Vision

Charlotte-Mecklenburg's commitment to working with private property providers to increase voucher uptake will be evident with a dedicated initiative. This requires a clear engagement system and messaging with property providers across agencies. There must be dedicated staff with experience in real estate leasing. The staff will be incentivized to sign on and keep property providers in the system offering available units.

The initiative will offer property providers a set of incentives to accept tenants that are homeless or housing unstable. It will offer property providers a more guaranteed and rapid payment stream, which could be achieved through a range of potential incentives including the following:

- Reimbursement for damages
- Lease signing bonus
- Double security deposit
- Financial assistance with repairs
- Rent payments while awaiting inspection for leasing and move-in

With a clear staffing protocol, outreach materials and incentive packages, Charlotte-Mecklenburg would develop a portfolio of units, adding units for voucher holders, relieving the shelter system, and supporting people moving towards housing stability. By building strong relationships and rapidly paying property owners, new units would be added to the affordable housing stock. This would help meet demand for housing for extremely low-income households without building new units.

## Lessons Learned

Cities across the country have been developing property provider engagement programs. Experiences in Los Angeles, Nashville, and Houston (see detailed case studies at the end of this chapter) provide key implementation lessons:

- **Dedicated staff:** For a successful property provider engagement, there must be dedicated staff who specialize in outreach. Centralizing outreach efforts is key to building relationships with property providers, understanding their needs, and learning which housing programs (vouchers, rapid rehousing, etc.) for which they are a good fit.
- **Staff with real estate knowledge:** Staff who work with property providers must understand the landscape of housing programs and have expertise around leasing and property management, as opposed to tenant side specialties such as housing subsidy navigation. Dedicated funding streams that fund this kind of staff should specify the need for real estate experience and aim to compete with similar positions in the real estate field.
- **Flexible funding to provide incentives:** Incentives for property providers can be used in several ways. Some can be geared toward property providers who agree to have their units considered for specific programs or subsidies, or who are willing to be flexible on certain tenant criteria. Other incentives can be aimed at directly addressing property provider concerns around rental deposits or property damage. These incentives work to directly meet the needs of property providers, address their concerns, and increase the likelihood that their units are used by housing programs or subsidies.
- **Rapid payment and response to property provider issues:** For financial incentives and reimbursements to have value, there must be a process in place that allows funds to be quickly transferred to property providers. This is particularly important in the case of missing rent or property damage.
- **Partner with local nonprofits on wraparound services:** Partnerships with local or regional nonprofits provide a range of services that keep tenant-property provider relations strong and address any issues that arise. For example, nonprofit partners can provide mediation services that reduce issues directly between property providers and tenants that may not be productive. These services act as a resource for both property providers and tenants.

## Next Steps for Charlotte-Mecklenburg

Building on the CoC initial planning engagement, and drawing on the expertise of local nonprofits that provide property provider recruitment, Charlotte-Mecklenburg should build a pilot that operationalizes the community's vision for property provider recruitment and retention. The pilot would identify the necessary staff and incentive packages to begin bringing new property providers into the system. The pilot will provide evidence of the impact of having dedicated staff, clear materials and experience with the types and size of incentives needed to bring property providers into the system.



## COUNTYWIDE HOUSING TRUST FUND - Vision

To address the shortage of both affordable and service-enhanced housing in Charlotte-Mecklenburg, a countywide Housing Trust Fund (HTF) is needed to provide long-term flexible gap financing to produce new affordable housing units and shelter beds. The HTF would have long-term, dedicated, and recurring financing that would allow developers to plan on future allocations even if the total amount available fluctuates from year to year. The HTF would also incorporate private and philanthropic funding sources where available.

The countywide HTF fund would provide financing through an annual NOFA that sets the terms, scoring criteria, and level of funding available. The annual terms would follow fund level priorities that may also be adjusted. An annual process would identify specific priorities for scoring to adjust the type and location of projects financed. The annual planning process would coordinate with other flexible funding sources available in the county.

## Lessons Learned

With more than 800 local housing trust funds across the country, there are many lessons learned that are key to making sure that the full spectrum of housing typologies is supported. In particular, the following lessons learned draw on experiences in Orange County, Wake County and Washington D.C., (see detailed case studies at the end of this chapter). Some of these lessons include:

- **Set Specific Priorities:** Given the highly flexible nature of housing trust funds, it is critical to set specific priorities and targets. These priorities should be reviewed on an annual basis and include feedback from community stakeholders. This will help to maximize the impact of the HTF and allow it to adjust to current market conditions and demands.
- **Identify Dedicated Source of Funding:** Many HTFs are capitalized through bond proceeds or other short-term sources. These are often critical for setting up the fund and gaining support in the community. Nonetheless, the most successful HTFs have dedicated sources of long-term funding that signal the longevity of the funding source.
- **Incorporating County Funding Expands Housing Typology:** Many of the federal sources of funding for highly service enriched housing are managed by counties. Therefore, involving the county in the administration, fundraising and annual NOFA process can facilitate supporting a wider range of housing projects. There are many ways to incorporate county involvement, ranging from a county led fund to coordinated annual NOFAs.
- **Filling Gaps with Private and Philanthropic Funding Sources:** HTFs can expand support through private sources of funding. These funding sources are often program specific and cannot replace public support from all towns, the City of Charlotte and Mecklenburg County.

## Next Steps for Charlotte-Mecklenburg

Charlotte-Mecklenburg should build on existing experience to expand from the city to the wider county. A countywide effort should closely coordinate or build off the Housing Trust Fund established in 2001 by Charlotte City Council. As of August 2022, the HTF has allocated \$210 million in gap financing for just over 12,000 new and rehabilitated affordable rental homes as well as around 900 shelter beds.<sup>94,95</sup> The countywide effort should also coordinate with CHOIF, similarly to the 2021/2022 NOFA that coordinated the HTF and CHOIF funding processes. The countywide effort would expand the current priority to specifically target projects that provide shelter beds, permanent supportive housing, and other temporary housing solutions. Expanding the housing trust fund to support the production of permanent supportive housing units would require additional funding, including funding from the county budget. A Home For All should pursue conversations with nontraditional public and private funders from issues adjacent to housing, such as mental and physical health. The expansion of the Housing Trust Fund will also require identifying additional project sites in advance of releasing funding to make sure there are feasible projects. The next step is to explore how this effort can be scaled with an administrative structure that meets stakeholder needs.

<sup>94</sup> HISS, "Charlotte-Mecklenburg State of Housing Instability & Homelessness Report," 2022.

<sup>95</sup> "Housing Trust Fund 20 Year Anniversary," City of Charlotte, 2022.

## PROPERTY PROVIDER ENGAGEMENT: LOS ANGELES COUNTY FLEXIBLE HOUSING SUBSIDY POOL

### Formation

The Los Angeles County Flexible Housing Subsidy Pool (FHSP) is a permanent rental subsidy program. The FHSP provides flexible rental subsidies alongside ongoing Intensive Case Management Services (ICMS) for people with complex health needs. The FHSP specifically focuses on people who are frequently heavy utilizers of county medical services with both physical and mental healthcare needs.

The FHSP was launched in 2014 through a partnership of the LA County Department of Health Services (DHS), the Conrad N. Hilton Foundation, and other governmental partners. The coalition of funders realized that existing federal and local housing subsidies and programs were too restrictive to meet people experiencing chronic homelessness. The coalition's goal was to supplement existing funds with a more flexible source that could meet the complex needs of people experiencing chronic homelessness.

### Governance & Management

The LA County DHS's Housing for Health Division manages the FHSP's finances and contracts, serving as the primary administrative hub of the program. To manage housing navigation and private property provider recruitment and engagement, DHS contracted with Brilliant Corners (BC), a nonprofit supportive housing organization, as the exclusive provider of housing services. Other community homelessness service providers contract with DHS to provide intensive case management services and directly coordinate with BC.

DHS also coordinates with the County's Coordinated Entry System to accept referrals into the FHSP program; about half of FHSP rent subsidies for PSH stem from Coordinated Entry referrals, with the other half referred from hospitals and other direct service providers.

### Funding Sources

In its first year, the FHSP received an initial investment of \$18 million, made up of the following sources:

<b>Department of Health Services</b>	<b>\$13,000,000</b>
<b>Hilton Foundation</b>	<b>\$4,000,000</b>
<b>Office of Los Angeles County Supervisor</b>	<b>\$1,000,000</b>
<b>TOTAL</b>	<b>\$18,000,000</b>

Total investment in the FHSP grew to over \$800 million between 2014 and 2020, through a combination of philanthropy and additional local public funding from the County's Departments of Mental Health, Public Social Services, Diversion and Reentry, and Probation. The program also received some state-level funding from LA Care (a managed care organization for the state's Medi-Cal program) and federal funding through a California Medicaid waiver. DHS serves as the financial intermediary for all funding sources in the FHSP and monitors compliance with their different terms and conditions.

Public funding has been used to cover ongoing rental subsidies, supportive services, and administrative costs, while philanthropic funding has supported one-time program start-ups and capacity building. Importantly, the FHSP provides full-cost coverage to BC and other nonprofit organizations to fully fund both overhead and operations.

### Programmatic Focus & Impact

When a client is referred to FHSP, BC works to match them with a unit based on the client's geographic preferences and accessibility needs. Following unit identification, a support team guides the client through the application, leasing, and move-in process. Time to housing is notably efficient, credited to the BC's substantial existing portfolio of units that have already been identified, inspected, and negotiated with private property providers through their

dedicated housing acquisition team. BC also has several property provider incentives and flexibility to pay over HUD's Fair Market Rent (FMR) for its apartments, lending them an advantage in securing units.

Once housed, clients are connected to contractors providing case management services. A key component of the service subsidies is their flexibility and responsiveness to clients' acuity of need. Contractors administering the program have significant discretion as to the intensity and timing of services, as well as the need for additional support (such as the installation of accessible features into the unit at move-in). Additionally, the FHSP allows for ongoing tenant support, including mediation with property providers, and payment for repairs from tenant-caused damage (e.g., unit fire), helping maintain property provider relationships and guarantee placement of future FHSP tenants.

Over 10,500 people have been housed by the FHSP. As of 2020, FHSP boasted a 94% housing retention rate after one year and an 87% retention rate after two years.

### Takeaways for Charlotte-Mecklenburg

Having a financial intermediary, such as a city, responsible for managing the funding for the flexible housing spending pool creates compliance efficiencies and allows easy scaling of the program to incorporate new sources of funding.

- A long-term contract between the financial intermediary and one housing organization allows for predictable deployment of funds and quick delivery of services.
- Unit holds allow quick placement of tenants into housing solutions. Unit holds require comfort with paying for vacancy costs.
- A flexible fund can help to maintain/repair relationships with property providers when damage occurs.
- Having housing acquisition and tenant support services within one housing organization allows for easier mediation between property provider and tenant needs.
- The public representative administering contracts needs to have the ability to coordinate and adjust contracts quickly and creatively.



*Los Angeles, California downtown cityscape*

#### Sources:

1. ABT Associates, "Implementing the Los Angeles County Flexible Housing Subsidy Pool: Strategies and Lessons Learned, Hilton Foundation, 2020, <https://www.hiltonfoundation.org/wp-content/uploads/2020/12/Report-Strategies-and-Lessons-Learned-from-Implementing-the-Los-Angeles-County-Flexible-Housing-Subsidy-Pool.pdf>.
2. "Flexible Housing Subsidy Pool," Brilliant Corners, 2022, <https://brilliantcorners.org/fhsp/>.

## PROPERTY PROVIDER ENGAGEMENT: NASHVILLE LOW BARRIER HOUSING COLLECTIVE

### Formation

Nashville's Low Barrier Housing Collective (Collective) is a collaborative initiative between service providers, community members, and property owners. The Collective is housed within the Homeless Impact Division of Metropolitan Social Services that was started in 2021.

The purpose of the Collective is to connect those experiencing homelessness to private market units by partnering with property providers to overcome rental barriers such as previous evictions, low income, and criminal history. In exchange, property providers have access to financial incentives and benefits. These benefits include:

- **Reimbursement through the Landlord Guarantee Fund:** The Mayor's Office created the Landlord Guarantee fund in 2021, as a public-private partnership seeking to increase the number of units available for rapid re-housing. The fund offers property providers who accept federal housing vouchers or participate in the Low Barrier Housing Collective access to up to \$1,000 for property damages or up to \$2,000 in missed rent payments.
- **Sign-on bonus:** New members can receive between \$2,500-\$4,000 per unit for their first 5 units leased through the Collective, depending on the number of bedrooms.
- **Mediation services:** The nonprofit Nashville Conflict Resolution partners with the Collective to offer mediation services for owner-tenant issues and conflicts.
- **Housing stability support:** The Collective works with local nonprofits to provide wraparound services including mental health and employment services to help the tenancy succeed.

### Governance & Management

To participate in the program, property owners will move through these steps:

- **Orientation:** The Collective provides property providers with an orientation about how the program works and how to access the benefits and incentives.
- **Screening Modification:** Property providers declare which housing barrier they will lower for applicants experiencing homelessness.
- **Paperwork:** Property providers complete the necessary paperwork to establish membership.
- **Listing:** The property is internally listed with details on criteria, including those that have been modified, as well as availability.
- **Move-In:** Based on the modified barriers, service providers identify applicants.
- **Support:** To ensure a successful tenancy, property providers and tenants will receive assistance and services from Collective partners.

### Funding Sources

Funding for the Landlord Guarantee Fund comes from federal housing dollars as well as a donation from The Frist Foundation through United Way of Greater Nashville. As of August 2021, the fund had about \$200,000.

In October 2022, Nashville City Council approved Mayor John Cooper's plan to use \$50 million of ARPA funding to address homelessness. Of this allocation, \$3 million was earmarked for the Low Barrier Housing Collective.

### Programmatic Focus & Impact

By October 2022, the Collective had identified 7,000 units for which the owner would consider lowering the barriers to applying if the units were vacant.



## Takeaways for Charlotte-Mecklenburg

- Partner with local nonprofits to provide supplementary services for conflict mediation, mental health, and employment.
- Create incentives that specifically address potential tenant-property provider issues such as property damages and rent arrears.

### Sources:

1. "Landlord Guarantee Fund," City of Nashville, <https://www.nashville.gov/departments/social-services/homeless-impactdivision/initiatives-and-programs/landlord-engagement/how-program-works/membership-benefits/landlord-guarantee-fund>.
2. "Low Barrier Housing Collective," Low Barrier Housing Collective, <https://www.lowbarrierhousingcollective.org/>.
3. Ian Bradley "Low Barrier Housing Collective upgrades landlord incentives offerings," Nashville Business Journal, December 15, 2022, <https://www.bizjournals.com/nashville/news/2022/12/15/low-barrier-housing-incentives.html>.
4. Ashley Perham, "Nashville, landlords to partner to reduce homelessness," Main Street Media TN, August 27, 2021, <https://mainstreetmediatn.com/articles/mainstreetnashville/nashville-landlords-to-partner-to-reduce-homelessness/>
5. "RS2022-1699 Exhibit A," Nashville City Council, October 2022, <https://nashville.legistar.com/View.ashx?M=F&ID=11121000&GUID=09A4457C-10E8-44E7-AE36-C0756EDA5BDC>.
6. Ambriehl Crutchfield, "Nashville's program to reduce housing barriers has made some gains. Here's why it's not a clear win," WLPN, October 4, 2022, <https://wpln.org/post/nashvilles-program-to-reduce-housing-barriers-has-made-some-gains-hereswhy-its-not-a-clear-win/>.

## PROPERTY PROVIDER ENGAGEMENT: HOUSTON LEAP

### Background

In 2012, Houston was declared a priority community for addressing homelessness by HUD. The Coalition for Supportive Housing (CSH) was brought in to work with the Mayor's Office and systematically transform the regional response to homelessness. One clear priority was housing those who experienced chronic homelessness and developing new permanent supportive housing units. A committee of private and public funders strategized around specific initiatives to advance the efforts of this new systematic effort. JP Morgan Chase was one of the funders on the committee and was particularly interested in ways to create more PSH.

### Formation

The CSH team working in Houston expanded and included a role for focusing on property provider engagement and education as part of the push for PSH development. After Hurricane Harvey took 25% of Houston's affordable housing inventory offline in 2017, the team, who had built relationships with a small group of property owners and worked to overcome barriers, leveraged those relationships to quickly house 400 people who were in shelters after the disaster.

Building on the success of that initiative, JP Morgan Chase, expressed interest in scaling up property provider engagement efforts. In June 2018, JP Morgan Chase, the Houston Housing Authority (HHA), Coalition for the Homeless (CFTH), Corporation for Supportive Housing (CSH), and the City of Houston launched the Landlord Engagement and Assistance Program (LEAP), aimed at increasing the number of property providers who rent to those with lower incomes, who often struggle to find housing because of limited supply and high demand. LEAP provided property providers with education and technical assistance, supporting them with the subsidy process and tenant-related issues. Additionally, resources were offered to renters to educate them about good tenancy.

### Management & Funding

Technically, CFTH and HHA held the contract for the LEAP program. However, CSH employees oversaw the day-to-day program management and strategy, supervising HHA staff involved in the initiative including a full-time dedicated property provider liaison, which was funded by a \$300,000 grant from JP Morgan Chase.

## Programmatic Focus & Impact

LEAP focused on connecting property providers to rapid re-housing, permanent supportive housing, and housing choice voucher programs as part of a system wide engagement approach rather than recruiting a specific number of property providers or units. LEAP was rooted in the importance of centralization. Property provider engagement should start by understanding the property provider's needs and matching them to the program they would be a good fit for, as opposed to starting with the program and searching for property providers in piecemeal process.

Around 2019, the LEAP program evolved to be staffed and managed by CFTH as part of their CoC, The Way Home. The current property provider engagement connects property providers to all The Way Home's housing and subsidy programs and is funded by both the City of Houston and Harris County.

## Takeaways for Charlotte-Mecklenburg

- A sustainable property provider engagement program requires a strategy to meet system-wide goals, not just an approach that thinks about "heads and beds."
- Use CoC to get community buy in.
- Engage private funders by bringing them along in the implementation of the vision.

### Sources:

1. "A Systematic Approach to Landlord Recruitment," Texas Conference on Ending Homelessness, 2018. <https://www.thn.org/wp-content/uploads/2018/09/A-Systematic-Approach-to-Landlord-Recruitment.pptx>.
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## HOUSING TRUST FUND: ORANGE COUNTY HOUSING FINANCE TRUST

### Formation

The Orange County Housing Financing Trust (OCHFT) was formally established in 2018. The initial effort arose from countywide issues with the unhoused population which helped to focus the effort on deeply affordable housing with supportive services. Furthermore, California has an annual allocation of funding to counties that can be used to provide mental health services and PSH known as the Mental Health Service Act (MHSA) funds. MHSA addresses a broad continuum of prevention, early intervention, and service needs and the necessary infrastructure, technology, and training elements that effectively support the public behavioral health system. The organization's creation was spearheaded by municipal leaders who wanted to bring cities together to address affordable housing. An 18-month outreach effort led to the creation of a Joint Powers Authority (JPA) that included 26 member cities and the county itself.

### Governance & Management

OCHFT is governed by a 9-member Board of Directors. The Board composition consists of four county and five city representatives including:

- 2 members of the Orange County Board of Supervisors
- 2 countywide elected officials selected by the Board of Supervisors
- 1 representative from each of the city members of the OCHFT with the largest population in the county's North, Central, and South Region Service Planning Areas
- 2 city council members selected from member cities not already represented by other Director categories

OCHFT does not have any employees and is fully managed by part-time consultants. In addition, OCHFT entered into a Memorandum of Understanding (MOU) with Orange County, allowing county staff to provide services to the fund on an as needed basis. This model allows OCHFT to minimize its ongoing administrative costs.

## Funding Sources

In its first year, 2020, OCHFT was funded with \$9.3 million, made up of the following sources:

<b>County General Fund</b>	<b>\$3,215,360</b>
<b>County Mental Health Services Act (MHSA)</b>	<b>\$1,000,000</b>
<b>State General Fund</b>	<b>\$950,000</b>
<b>State Local Housing Trust Fund Matching Grant</b>	<b>\$4,215,360</b>
<b>TOTAL</b>	<b>\$9,380,720</b>

In 2021, OCHFT reached a 5-year agreement with Orange County to allocate \$20.5 million in Mental Health Services Act (MHSA) funds and \$5 million in county General Funds over five years. The MHSA fund can be committed to create PSH which is a specific focus of the Orange County effort. OCHFT uses these county commitments to secure a state matching grant—for a total annual fund value of \$10 million. Although OCHFT continues to seek appropriations from the state General Fund, in Fiscal Year 21 it did not receive any, despite a strong pipeline of proposed projects.

## Programmatic Focus & Impact

Orange County's bylaws give administrators the flexibility to invest in a variety of housing projects. However, the county set a specific goal of funding 2,700 permanent supportive housing units by 2025. As of November 2022, OCHFT has funded 1,306 PSH units and 2,634 total units.

According to the Fund Manager, OCHFT set the goal of spending funding equally across the County's three service planning areas. However, as of 2022, the fund rarely received applications for projects in the Southern planning areas—the County's wealthiest. To incentivize development, OCHFT is considering reserving all its funding for projects in the Southern area for the next two years to encourage developers to identify potential projects.

## Takeaways for Charlotte-Mecklenburg

- North Carolina has fewer statewide resources for mental health services that can be used for long-term subsidized housing for the unhoused population.
- County level housing trust funds can be a model where homelessness is prioritized in a way that others will follow.
- A Home For All should pursue conversation with Alliance Health to identify pathways to secure additional resources for service enriched housing that includes mental health services.
- Counties need dedicated long-term sources for PSH for the chronically homeless.



*Laguna Beach, Orange County, California*

### Sources:

1. "Five-Year Strategic Plan," Orange County Housing Trust Fund, September 2021.  
<https://static1.squarespace.com/static/5cf818af0d93600001558cee/t/62bf1df91dd4ed5c5b2b927d/1656692218943/OCHFT+Strategic+Plan+2021+Update.pdf>

## HOUSING TRUST FUND: WASHINGTON D.C. HOUSING PRODUCTION TRUST FUND

### Formation and Program Description

The Housing Production Trust Fund (HPTF) was established in 1988 but did not significantly scale up project support until it identified a dedicated funding source in 2001. HPTF's main goal is to produce and preserve affordable housing. It does so through financing for pre-development, rehabilitation, and permanent financing. It can also be used for technical assistance for tenant groups who want to purchase their building through Tenant Opportunity to Purchase Act (TOPA).

The fund has statutory goals to serve deep affordability. Given that the HPTF is a capital funding source, it needs to be paired with operating subsidies to serve extremely low-income households. To ensure affordability over time, the fund requires the placement of covenants on properties receiving funding. The time requirement ranges from 15 years for homeownership units up to 40 years for rental units. For rental units, the covenant is reset every 15 years.

### Governance & Management

The HPTF is overseen by the Department of Housing and Community Development (DHCD). Once or twice each year, DHCD issues a NOFA to which developers respond with proposals. NOFAs issued are consolidated with other funding sources including project-based Local Rent Supplement Program (LRSP) vouchers which predominantly serve extremely low-income households.

The HPTF Advisory Board advises the Mayor on all matters related to the function and evolution of the fund and other efforts to spur the development of low- to moderate-income housing. The Board has nine members who are appointed by the Mayor and confirmed by the Council of the District of Columbia. Members serve for four-year terms and the Board meets once a month. Annual and quarterly reports summarizing the HPTF finances and activities are submitted to the Council and made available to the public.

### Funding Sources

Historically, HPTF's primary funding source has been a portion of revenue from real estate transfer and deed recordation taxes. However, this source relies on an active real estate market, and tends to slow during economic downturns, such as the 2008 Great Recession. From 2007 to 2012 funding from this dedicated source decreased from \$70 million to \$20 million.

This funding source has since been supplemented by the city's General Fund, with current Mayor Muriel Bowser dedicating at least \$100 million to the fund each fiscal year, as high as \$500 million in 2022.

### Programmatic Focus & Impact

Since 2001 the HPTF has helped build, renovate, or preserve around 20,000 affordable rental homes. The production of units increased over time with an annual average of about 1,300 units between 2015 and 2022.

As mentioned earlier, HPTF has statutory goals for annual funding targets for specific AMI bands. For multi-family rentals, the targets are as follows:

- 50% for 30% AMI and below
- 40% for 30-50% AMI
- 10% for up to 80% AMI

HPTF also supports units for ownership which can go up to 80% AMI.

Furthermore, the NOFA also specifies priority evaluation areas. Some of these include all projects in more affluent and resourced neighborhoods. In addition, priority is given to projects with permanent supportive housing in high access to opportunity neighborhoods.

## Takeaways for Charlotte-Mecklenburg

- Funding sources tied to the market are vulnerable to economic downturns, but General Fund allocations require mayoral power and discretion.
- Set targets for the lowest income levels.
- Consider how to require or encourage equitable distribution of PSH funding in neighborhoods with different levels of opportunity.



*Washington, D.C. skyline*

### Sources:

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2. "Housing Production Trust Fund Reports," Department of Housing and Community Development, 2022, <https://dhcd.dc.gov/page/housing-production-trust-fund-reports>.
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## HOUSING TRUST FUND: WAKE COUNTY AND THE CITY OF RALEIGH

### Formation and Program Description

The City of Raleigh approved the creation of a housing trust fund, now called the Rental Development Program (RDP), in 2015 with funding beginning in 2017. The RDP provides funding for the construction and rehabilitation of affordable multi-family properties with at least twenty-four rental units. Wake County has its own housing trust fund, the Affordable Housing Development Program (AHDP), which focuses on LIHTC gap financing.

### Governance & Management

The city and the county release their NOFAs separately but ensure they are structured similarly and have complementary timelines. There are slight differences in the application criteria. The city has an Affordable Housing Location Policy to restrict the development of affordable housing in census tracts with a concentration of minority or low-income residents. Wake County does not have the same criteria for the location of projects.

AHDP and RDP applications are reviewed by respective staff at the Department of Housing Affordability & Community Revitalization and the Housing & Neighborhoods Department. Applications for Raleigh-based projects to the county's fund must also be submitted to the city's program. Informal coordination occurs between city and county staff over which projects they are both contributing funds to with regards to the funding amount and level of affordability. Generally, the county is more aggressive about seeking deeper affordability on projects to which it awards funds. Since the county has a larger geographic focus, it may lean on the city to fund specific projects, allowing the dedication of county funds to municipalities outside of Raleigh.



*Raleigh, North Carolina, downtown city skyline*

The City Council and County Board of Commissioners set the annual budget for each fund and are informed of allocation recommendations for their approval. However, the approval process is a formality, and the decision-making authority sits with department heads overseeing each fund.

## Funding Sources

The City of Raleigh allocated \$18 million in funding for the 2023 NOFA. Funds are a mix of federal and local sources including HOME, CDBG, and Affordable Housing Bond funds. Assisted units must be affordable to households with an income at or below 80% AMI.

In the 2022 Request for Proposals for AHDP, \$10 million in funds were made available through the Wake County Capital Improvements Plan (CIP), Home Investment Partnership Program (HOME), and the Community Development Block Grant (CDBG) program.

If a project is funded with HOME funds from either trust fund, at least 20% of its units must be for households with an income at or below 50% AMI.

## Programmatic Focus & Impact

In 2022, three proposals to RDP were approved for financing from RFP, requesting over \$7 million in gap financing to create 344 new affordable units.

Wake County has an annual goal of 500 units. Between 2019-2021 it surpassed this goal. Since then, the increase in housing costs has prevented this level of impact. Reaching the annual goal of 500 units will require more funds.

## Takeaways for Charlotte-Mecklenburg

- A county and municipal entity within the county can both operate housing trust funds that work to complement each other and increase the amount of affordable housing developed in the region. Funding sources and NOFAs do not have to be joint. Coordination can occur and increase over time.
- Counties possess the capacity to evaluate and provide gap financing for affordable and service enhanced housing.

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### Sources:

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2. "Request for Proposals Wake County Affordable Housing Development Program," Wake County, 2022, <https://s3.us-west-1.amazonaws.com/wakegov.com.if-us-west-1/s3fs-public/documents/2021-12/2022%20Wake%20County%20AHDP%20RFP%20-%209%20LIHTC.pdf>.
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# CHAPTER 8: Administration

## OVERVIEW

**The administrative arrangement between public and nonprofit sectors is a crucial piece of the implementation of A Home For All. The City of Charlotte, Mecklenburg County, United Way, members of the Technical Committee, and other nonprofits will fill most of the roles and responsibilities required to advance the initiatives.** These roles and responsibilities include coordination of the implementation plan, convening parties across sectors, and designing, implementing, and ensuring the evaluation of all initiatives, as well as the overall A Home For All effort. In addition, invested parties will work together to secure, manage and allocate public and philanthropic funds. A critical component of the Implementation Plan is targeted policy advocacy that ensures long-term funding and support for the priority initiatives and A Home For All’s long-term goals.

**Each of the priority initiatives described in the previous chapters will require flexible resources – secured through a mix of public and private funding - to advance innovation and change.** Reliance on existing public resources to support those experiencing homelessness and housing insecurity in innovative ways is often difficult. The public sector’s mandate requires careful evaluation of risk and investment in programs with a track record of success. Experience with similar efforts across the country has shown that partnerships between philanthropy, local government and nonprofits are key to success. While the structure of the relationship between nonprofits, county and municipal government can vary widely, all parties must be involved if a community aims to achieve the systemic changes needed to create a more responsive and resilient housing and homelessness system.





## HOME FOR ALL ADMINISTRATION STRUCTURE

**A Home For All is a coalition effort that supports the development, piloting, and scaling of the priority initiatives.** Experience from other communities shows that funding opportunities, community priorities and service provider needs will shift (see case studies at the end of the chapter for more detail). Therefore, it will be critical that the coalition includes an annual planning opportunity to review progress, collaboratively determine next steps and adjust implementation. Roles will need to be shared and the lead may change as implementation progresses. Figure 31 shows the possible distribution of roles across key coalition partners.

**The public sector has several roles to play.** Two of the most important public entities will be the City of Charlotte and Mecklenburg County. Both have existing programs that are and will be critical to implementing and designing the priority initiatives. Both will also play a leading role in funding efforts and making investment decisions. Finally, both the city and the county will participate and support the technical committee that will monitor overall progress. Individual towns in Mecklenburg County could also be important participants. As implementation progresses, additional partnerships should be explored.

**United Way will serve as the backbone nonprofit.** United Way will lead convening, retain staff to support implementation, and conduct both process and outcome evaluation of the various A Home For All initiatives. United Way will also play a critical role in facilitating the design and implementation of priority initiatives. United Way will help bring together private and public funding for program innovation. In this role, United Way will contract many of the key design and implementation roles out to other nonprofits and service providers. As United Way supports the development of priority initiatives, the organization will also provide financial management and investment decision support to stakeholders that request that support.

**Other nonprofits will serve in a variety of roles that depend on the priority initiatives.** Nonprofits are the key service providers in most of the priority initiatives, so they will provide support for program design, implementation and monitoring. The exact responsibilities will depend on the nonprofit's capacity and exact needs of the priority initiative. Nonprofits will also play a critical role in connecting to community members and ensuring that implementation reflects their feedback and needs.

**Implementation teams will oversee each of the priority initiatives.** Implementation teams will be comprised of nonprofits and other critical stakeholders. As initiatives are designed, specific entities will be identified to champion and lead efforts. The entity responsible for financial management investment decisions will vary by initiative.

**The technical committee will support and provide critical oversight of the overall effort.** The committee will be comprised of public sector and nonprofit stakeholders, and those with lived expertise. In the near-term, the committee will offer feedback on program design and evaluation. It will also work to identify connections across each initiative. Longer term, the technical committee will monitor the impact of efforts to pilot and scale each initiative and oversee evaluation of each initiative and the collective impact of A Home For All.



**Figure 31: Initial Distribution of Coalition Partners' Roles**

Source: HR&A Advisors, Inc.

	ROLE					
	City of Charlotte and Mecklenburg County (Public)	Private Foundations and Corporate Donors (Philanthropy)	United Way (Backbone Nonprofit)	Institutional and Grassroots Nonprofits	Technical Committee	Implementation Teams
<b>Convening</b>			Lead			Support
<b>Community Engagement</b>	Support	Support	Lead	Lead/Support	Support	Support
<b>Backbone Staffing</b>			Lead			
<b>Metrics and Impact Evaluation</b>	Support		Lead	Lead/Support	Support	Support
<b>Funder</b>	Lead	Lead				
<b>Fundraising</b>	Support	Support	Lead	Lead/Support		
<b>Oversight</b>			Support		Lead	
<b>Program Design and Innovation</b>	Support		Support	Lead/Support	Support	Lead
<b>Implementation</b>	Lead/Support	Support	Support	Lead/Support	Support	Support

## POLICY ADVOCACY

The A Home For All priority initiatives will be more successful with targeted policy advocacy at the city, county, and state level. High impact policy changes can be grouped into four key areas:

- 1. Governance:** Policies that create and support institutions that set housing and homelessness priorities, coordinate efforts across individual agencies, provide oversight for the distribution of funds, and other administrative roles.
- 2. Financing:** Policies that provide public funding sources that can be used to increase housing affordability and reduce homelessness in Charlotte-Mecklenburg. These sources range from housing vouchers to gap financing for preservation and development.
- 3. Land Use and Development:** Policies that provide local zoning authority and development approval to increase affordability by lowering development costs. These policies focus on increasing the supply of homes, reducing approval timelines, reducing infrastructure requirements, and similar efforts.
- 4. Legal Protections:** Policies that reinforce tenants and low-income homeowners' rights. These policies advance protection, support, and access during the housing application process, eviction process, and home-buying process, among others.

Through A Home For All, members of the coalition would develop a clear policy agenda across these areas that will advance the priority initiatives and build broad and robust support for expanding affordable housing and ending homelessness.

### MONITORING SYSTEM & METRICS

Metrics will be used to track the impact and progress of specific initiatives and the overall effectiveness of the A Home For All effort. Metrics would also be used to share information and ensure continued coordination. There are local sources such as the Charlotte-Mecklenburg Housing Dashboard and HMIS, as well as national sources, such as the American Community Survey, which regularly report a variety of data. There is no one singular metric that can represent the outcome of the overall effort. Instead, there are both overall plan metrics and initiative metrics. Below is an exemplary list of metrics that will evolve as programs are developed and launched. The evaluation will also integrate an equity lens such that race, class, and geography will be examined as potential influencing factors on outcomes. All indicators need to be monitored and disaggregated by race to reveal progress on equity.

The metrics below represent an initial list of progress metrics, many drawn from the A Home For All Strategic Framework and refined with input from the Technical Committee. The Charlotte-Mecklenburg Housing & Homelessness Dashboard currently reports several of the metrics and should be utilized for overall tracking.

**Figure 32: Implementation Plan Communitywide Metrics**

MEASURE	POTENTIAL INDICATOR	DATA SOURCE
<b>Homelessness</b>	<ul style="list-style-type: none"> <li>• Number of people experiencing homelessness (one number)</li> <li>• Number of chronically homeless</li> <li>• Number of newly identified persons experiencing homelessness                             <ul style="list-style-type: none"> <li>- Unaccompanied Youth</li> <li>- Single Individuals</li> <li>- Families</li> </ul> </li> </ul>	Charlotte Housing Dashboard
<b>Affordability</b>	<ul style="list-style-type: none"> <li>• Share of population severely cost burdened by income bracket</li> </ul>	American Community Survey
<b>Homeownership</b>	<ul style="list-style-type: none"> <li>• Homeownership rate by income</li> </ul>	American Community Survey

These initiative level metrics are sorted based on the pillar to which they relate. These metrics will evolve based on the individual initiatives as they are designed and launched.

**Figure 33: Priority Initiative Metrics**

MEASURE	POTENTIAL INDICATOR	DATA SOURCE
<b>Person-Directed Care</b>		
<b>Keep Homelessness from Happening Again</b>	<ul style="list-style-type: none"> <li>• Number of persons returning from permanent housing to homelessness</li> <li>• Total that returns to homelessness in 2 years or less</li> </ul>	Charlotte Housing Dashboard & HMIS
<b>Progress in the Continuum</b>	<ul style="list-style-type: none"> <li>• Number of persons in stable housing</li> </ul>	Charlotte Housing Dashboard & HMIS
<b>Number of people served</b>	<ul style="list-style-type: none"> <li>• Share of homeless subpopulations served</li> <li>• Number of organizations &amp; services provided</li> </ul>	Program Performance Data
<b>Prevention</b>		
<b>Housing Stability</b>	<ul style="list-style-type: none"> <li>• # of evictions</li> <li>• # of foreclosures</li> </ul>	Court Data
<b>Housing Instability</b>	<ul style="list-style-type: none"> <li>• Number of renter and owner-occupied households that are severely cost burdened</li> </ul>	American Community Survey
<b>Number of people served</b>	<ul style="list-style-type: none"> <li>• Share of housing insecure served</li> </ul>	Program Performance Data
<b>Housing Supply</b>		
<b>Length of Homelessness</b>	<ul style="list-style-type: none"> <li>• Average length of time from approximate start date of homelessness to permanent housing               <ul style="list-style-type: none"> <li>- Unaccompanied Youth</li> <li>- Single Individuals</li> <li>- Families</li> </ul> </li> </ul>	Charlotte Housing Dashboard & HMIS
<b>Affordable Housing Portfolio</b>	<ul style="list-style-type: none"> <li>• Number of PSH, RRH, Transitional, LIHTC</li> </ul>	Housing Inventory Count
<b>Gap in Affordable Housing Units</b>	<ul style="list-style-type: none"> <li>• Gap in affordable supply</li> </ul>	Charlotte Housing Dashboard

## ADMINISTRATIVE MODEL: SANTA CLARA COUNTY DESTINATION HOME

### Formation & Goal

A 2007 Blue Ribbon Commission on ending homelessness created by leaders in Santa Clara County and the City of San Jose led to the formation of Destination: Home (DH). DH would serve the region and implement the recommendations from the commission. Initially, DH led a joint pilot with the County and City to house 1,000 homeless individuals by 2011. The pilot was successful and was followed by a 2015-2020 Community Plan to End Homelessness (eventually followed by a 2020-2025 version).

Guided by these five-year plans, Destination: Home has focused on investing in permanent supportive and extremely low-income housing, growing the temporary shelter system, expanding homeless prevention system, providing employment services and living-wage employment assistance system, managing the HMIS portal.

### Governance & Management

The effort represents a collective impact model dependent on four main partners:

- Santa Clara Office of Supportive Housing leads the COC and manages HMIS
- City of San Jose Housing Department controls zoning and land use as well as several direct funding instruments
- Destination: Home is a public-private partnership that convenes stakeholders, fundraises, engages the community, and advocates for policy change
- Santa Clara County Housing Authority provides support and financing for affordable housing throughout the system

These four main partners work to implement the 5-year Community Plan to End Homelessness.

### Funding Sources

Destination: Home has received substantial support from private entities. In 2018, Cisco committed \$50 million, and Apple contributed another \$50 million in 2019. These contributions have been invested through the Supportive Housing & Innovation Fund, which leverages private sector dollars against public funding. An additional \$21 million in funding has come from dozens of other private and public funders, for a total of \$121 million. Two-thirds of this funding is grants and one-third is loans.

In addition, Destination: Home helped lead an effort to pass a \$950 million affordable housing bond, Measure A, in 2016.

### Programmatic Focus & Impact

Destination: Home's public-private effort to end homelessness started with a targeted focus and has, over time, expanded the strategic focus areas in which the \$121 million has been invested. The areas are below, along with key metrics used to track progress:

- Homeless Prevention: Launched a Homeless Prevention System that has assisted 4,000 at-risk households (\$8,500 per household)
- Deeply Affordable Housing Production: Financed 30 affordable housing projects consisting of over 2,600 units (\$19,000 per unit)
- COVID-19 Response: Worked with 70 nonprofit organizations to support 19,500 families (\$1,750 per family)
- Job Pathways & Placement: Helping connect 115 formerly homeless people to full-time jobs
- Data & Tech Initiatives: Supplied free, high-speed Wi-Fi service to 110 units across 2 supportive housing communities

Additionally, The Supportive Housing & Innovation Fund has funded project manager positions at nonprofit developers, a dedicated city planner at the City of San Jose, and the development of a new HMIS user portal. Creating and funding these positions at city and nonprofit agencies is a strategic move to help expedite the process for getting projects approved.

#### Sources:

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2. "Funding Impactful Strategies," Destination: Home, 2022, <https://destinationhomesv.org/funding-impactful-strategies/>.
3. "Supportive Housing and Innovation Fund," Destination: Home, 2022, <https://destinationhomesv.org/documents/2021/03/supportive-housing-innovation-fund-info-sheet.pdf>.
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## ADMINISTRATIVE MODEL: SEATTLE PARTNERSHIP FOR ZERO

### Formation

In 2020, We Are In coalition members, King County, and the City of Seattle, released the Regional Action Framework, a roadmap for ending homelessness in the region. The Framework supported the process already in place to consolidate and merge local government homelessness efforts into a new body, the King County Regional Homelessness Authority (KCRHA), and called for coordinating non-governmental efforts through the intermediary body that is We Are In. We Are In uses a funders collaborative model to pool private sector contributions from major corporate and philanthropic entities in the King County and Seattle area.

KCRHA is leading the initiative Partnership for Zero (PfZ), started in early 2022, supported by We Are In. PfZ aims to dramatically reduce unsheltered homelessness in King County, starting in Downtown Seattle and the Chinatown/International District.

United Way of King County participated in the coordinating body that helped design the KCRHA and currently sits on its implementation board in addition to being a funder.

### Governance & Management

PfZ is managed and implemented by the KCRHA, with input from several partner agencies, including We Are In, the Lived Experience Coalition, the City of Seattle, and King County.

### Funding Sources

PfZ is funded by both the KCRHA, which includes public funds from Seattle and King County, and We Are In, which is made up of private and philanthropic donations from over two dozen entities. The Ballmer Group, a Washington-based philanthropic foundation, contributed a lead gift. The initial round of funding, announced in early 2022, totaled approximately \$10 million. An additional \$1 million was announced in early 2023, bringing the total amount raised to \$11 million. The funds are dedicated to individual efforts rather than pooled together. This allows each funder to track and invest in the program element that meets their individual goals.

### Programmatic Focus & Impact

PfZ uses an emergency management framework at a neighborhood scale with the goal of achieving zero homelessness. The PfZ model is currently being piloted in Downtown Seattle and the Chinatown/International District.

In October 2022 KCRHA announced that the HCC has engaged with 650 individuals and has identified 300 units of available housing, with a target of 1,000 units. As of February 2023:

- 933 people have been added to the By-Name List.
- 152 people have been housed in permanent or interim housing.
- 214 people are in the engaged in the PfZ program and are moving toward housing.
- 56 people have signed year-long leases for private market or permanent supportive housing.
- 201 people have photo IDs, a lease requirement, which they previously did not have.
- 302 people have filled out housing needs forms to help them get matched to services and housing.

### Five Phases of the Partnership For Zero Approach:

1. Open a Housing Command Center (HCC) to streamline and coordinate the steps needed to permanently house people.
2. Develop a By-Name List which is a real-time tool that serves to house information to understand the needs of everyone, for them to become housed and receive services.
3. Match people to services, housing, and other resources that align with individual needs.
4. Permanently house people, managed by the Housing Command Center.
5. Hold the progress achieved in the first four phases by maintaining the infrastructure needed to identify and serve those experiencing homelessness.

The first two phases have been developed and are active for Downtown Seattle.

#### Sources:

1. "About," We Are In, 2022, <https://wearein.org/about/>.
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3. Marc Stiles, "Business-backed Effort Moves 150 Unhoused People in Downtown Seattle into Apartment", Puget Sound Business Journal, Feb 16, 2023, <https://www.bizjournals.com/seattle/news/2023/02/16/business-backed-group-moveshundreds-home-seattle.html>.
4. "A Place to Call Home: Reducing Homelessness through Partnership and Collaboration," Feb 16, 2023, KCRHA, <https://kcrha.org/news-a-place-to-call-home-reducing-homelessness-through-partnership-and-collaboration/>.

### Formation

HomeFirst was formed in 2017 through a partnership between the City of Atlanta and United Way of Greater Atlanta's Regional Commission on Homelessness (RCOH). HomeFirst's investments were guided by ClearPath, Atlanta's five-year strategic plan to address homelessness. United Way's RCOH raised \$15 million in private commitments to build permanent supportive housing. RCOH then challenged the City to match the funds. The joint fundraising created common priorities and led to a joint decision-making framework to evaluate investments.

### Governance & Management

Invest Atlanta, the city's economic development authority, is the fiscal agent of HomeFirst's public fund. United Way of Greater Atlanta is the fiscal agent of HomeFirst's private funds. Partners for Home (PFH) is the Collaborative Applicant for Atlanta's COC and provides most of the staff for HomeFirst. United Way of Greater Atlanta's RCOH provides secondary staffing support.

A HomeFirst Allocation Committee makes decisions about project investments and funding through an RFP process. The Allocation Committee has five members:

- 2 members appointed by RCOH
- 2 members appointed by Invest Atlanta
- 1 member jointly appointed by RCOH and Invest Atlanta

The HomeFirst Community Oversight Board receives reports, reviews funding and performance results, and offers guidance. Current members are from the public, private, service, and philanthropic nonprofit sector, including representatives from Atlanta Housing, RCOH, Marcus Foundation, and Southern Company.

### Funding Sources

Funds raised as of June 2021 represent \$25 million in public funds matched by \$25.3M in private funds:

<b>Invest Atlanta (public funds)</b>	<b>\$25,000,000</b>
<b>Foundation contributions</b>	<b>\$23,900,000</b>
<b>United Way of Greater Atlanta</b>	<b>\$800,000</b>
<b>Individual contributions</b>	<b>\$600,000</b>
<b>TOTAL</b>	<b>\$50,300,000</b>

The public funds have been used for permanent supportive housing (PSH) and administration. Private funds have been used for a range of projects, centers, and initiatives.

## PROGRAMMATIC FOCUS & IMPACT

HomeFirst invests in PSH, Rapid Rehousing, CoC Coordinated Entry and Outreach, housing subsidy and services, emergency low barrier shelter, evidence-based pilots focused on youth, prevention, and diversion. As part of the HomeFirst program, there is a PSH Pipeline committee, comprised of Enterprise, Invest Atlanta, the City of Atlanta, PFH, and Atlanta Housing. The purpose of the committee was to develop a streamlined application for PSH development. As of June 2021, over \$16 million had been committed to fund 417 PSH units with 22 units delivered. The average subsidy per unit is about \$39,000.

The overall goals and target metrics of the initiative are:

- End veteran homelessness
  - 147 veterans permanently housed
  - 147 veterans connected to employment
- End chronic homelessness
  - 1,000 disabled individuals permanently housed
  - Cost savings to emergency services, including EMS, APD, City and County Jails, Emergency Departments
  - Cost savings to emergency shelter and crisis systems
- End youth homelessness
  - 450 young adults (18-24) transitioned from street to permanent housing
- End family homelessness
  - 300 heads of households that obtain employment
  - 300 families permanently housed and able to pay rent



### Sources:

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4. Jeremy Hobson, "How Atlanta is Streamlining Funding and Targeting the Most Vulnerable to Reduce Homelessness," WBUR, February 22, 2019, <https://www.wbur.org/hereandnow/2019/02/22/atlanta-reduce-homelessness>.



## MOVING THE PLAN FORWARD

Charlotte-Mecklenburg's successful creation of the A Home For All Implementation Plan demonstrates the power and potential of deep collaboration between public and private partners, and the critical importance of centering the voices of those with lived expertise in designing solutions to our community's most difficult challenges. Successful implementation of the initiatives identified in this report will hinge on the continued commitment of all stakeholders to remain aligned. We must sustain our collective focus on addressing the full continuum of housing and homelessness in order to create a community where homelessness is rare, brief and nonrecurring, and every person has access to permanent, affordable housing and the resources to sustain it.



# GLOSSARY

## Acquisition Strike Fund

An acquisition strike fund is a pool of capital created by local, state or nonprofit entities to provide low-cost financing to affordable housing developers and other entities to secure sites for the development or preservation of affordable housing. The financing is most often short-term capital that covers upfront gaps that may be replaced with other longer-term sources of financing that are difficult to secure at acquisition.

## Area Median Income (AMI)

Area Median Income (AMI) represents the midpoint in the distribution of household incomes within a certain geographic region. HUD publishes annual AMI levels for regions, adjusted for family size. The HUD-provided AMI is used to determine applicants' eligibility for both federally and locally funded housing programs where participation is dependent on income levels.

### 2023 Mecklenburg County Income Limits

Source: U.S. Department of Housing and Urban Development (HUD)

Category	30% AMI	50% AMI	80% AMI
1-person	\$20,950	\$34,900	\$55,850
2-person	\$23,950	\$39,900	\$63,800
3-person	\$26,950	\$44,900	\$71,800
4-person	\$30,000	\$49,850	\$79,750
5-person	\$35,140	\$53,850	\$86,150

## Chronic Homelessness

People who are chronically homeless have experienced homelessness for at least 12 months, or on more than four separate occasions in the last three years totaling a combined 12 months, while struggling with a disabling condition such as serious mental illness, substance use disorder, or physical disability. Note that stays in institutions of fewer than 90 days do not constitute a break in homelessness and people are still considered chronically homeless.

## Continuum of Care (CoC)

A Continuum of Care (CoC) is a regional or local planning body that coordinates housing and services funding for homeless families and individuals. The federal program requires that CoCs coordinate over a specific geographic area. A CoC should be composed of a range of representative organizations that inform the design of local programs related to outreach, emergency shelter provision, transitional housing and permanent supportive housing. The CoC is also responsible for operating the homeless management information system (HMIS) and the biannual point in time count of the homeless population.

## Community Development Block Grant (CDBG)

The Community Development Block Grant (CDBG) program, authorized by the federal government in 1974, provides annual grants to participating state and local jurisdictions, called "non-entitlement" and "entitlement" communities respectively. HUD determines the amount of each grant using a formula comprised of several measures of community need, including the extent of poverty, population, housing overcrowding, age of housing, and population growth lag in relationship to other metropolitan areas. At least 70% of CDBG funds must be used for activities that benefit low- and moderate-income persons. In addition, each activity must meet one of the following national objectives for the program: benefit low- and moderate-income persons, prevent or eliminate slums or blight, or address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

## Community Development Financial Institution (CDFIs)

Community Development Financial Institutions (CDFIs) are financial institutions certified by the U.S. Treasury Department to provide credit and financial services to underserved people and communities. They can encompass a range of non-profit and for-profit entities including community development banks, community development credit unions, community development loan funds, community development venture capital funds, and microenterprise loan funds.

### **Coordinated Entry**

Coordinated entry (CE) is a process developed to ensure fair and equal access to housing and assistance. CE is not required by any federal or state funding program, but Charlotte-Mecklenburg has adopted a CE process. By participating in CE, housing organizations prioritize their temporary and permanent housing assistance for households seeking assistance through the Coordinated Entry “front door.”

### **Cost Burden**

A household is considered cost burdened when 30% or more of household income is spent on gross housing costs (can apply to renters or homeowners).

### **Critical Home Repair**

A critical home repair program provides either loans or grants to low-income homeowners to repair or replace critical systems that impact the health and safety of the home. Eligible critical home repairs usually include roofing, siding, windows, heating, air conditioning, plumbing, electrical systems or accessibility accommodations.

### **Emergency Rental Assistance**

Emergency rental assistance programs provide funding to renters to cover financial arrears related to rent, utilities and other housing costs. Most programs target renters facing eviction and provide smaller subsidies for housing counseling or other services.

### **Emergency Solutions Grants (ESG)**

In 2012, the HEARTH Act revised the Emergency Shelter Grants Program to create the Emergency Solutions Grants (ESG) Program. ESG is a formula grant that provides funding for homeless outreach, emergency shelter rehab or conversion, homelessness prevention, and rapid rehousing to help homeless individuals or families living in shelters. Eligible ESG recipients generally consist of metropolitan cities, urban counties, territories, and states. Metropolitan cities, urban counties, and territories may provide Emergency Shelter Grants Program funds for projects operated by local government agencies and private non-profit organizations. Local government grantees must match grant funds with an equal amount of funds from cash or in-kind sources.

### **Grassroots Organization**

Grassroots organizations are comprised of individuals advocating for a cause to spur change at a local, state, or national level. The organizations often use bottom-up approaches that allow stakeholders to define their own goals and how to achieve them through a myriad of activities. Grassroots organizations are often small public charities that file a 990 or 990EZ so they have more than \$25,000 in annual gross receipts and less than \$100,000 in revenues, expenses, and assets.

### **HOME Investment Partnership (HOME)**

HOME Investment Partnership (HOME) was authorized by the federal government in 1990. It is a federal block grant to participating jurisdictions which then use the funds to provide affordable rental and homeownership housing to low- and moderate-income families. When HOME funds are used for rental activities, at least 90% of the units must be occupied by households with incomes at or below 60% of AMI, with the remaining 10% are to be occupied by households with incomes at or below 80% of AMI. In rental properties with five or more HOME units, 20% of the units must be set aside for households with incomes at or below 50% of AMI. Depending on the amount of HOME subsidy per unit, HOME funding applies 5- to 20-year affordability restrictions on units.

### **Hotel Conversion**

Hotel conversion is when a developer or nonprofit purchases a hotel or motel in order to rehabilitate it to convert it to shelter, or to permanent, long-term housing for people experiencing homelessness. Hotel conversions gained popularity during the COVID-19 pandemic as local governments looked for solutions for people experiencing homelessness to safely quarantine and recover from COVID-19.

### **Housing Instability**

Housing instability includes a number of challenges that people might face including having trouble paying rent, overcrowding, moving frequently, or being severely cost burdened by housing related payments. Experiencing housing instability has been linked to a number of negatives effects on other life outcomes for both adults and children.

# GLOSSARY

## **Housing Trust Fund**

Housing trust funds provide dedicated sources of funding to support the preservation and production of affordable housing. Housing trust funds may receive funding from private donations or public sources. They can be run as independent nonprofit organizations or as programs within local, county or state government.

## **Low-Income Housing Tax Credit (LIHTC)**

The Low-Income Housing Tax Credit Program is a federal program that provides a dollar-for-dollar tax credit to support the development of affordable rental housing. LIHTC funded projects in North Carolina have a 30-year extended-use period that restricts tenants' incomes. The LIHTC program distributes federal income tax credits to developers through state housing finance agencies, which are responsible for determining which projects receive tax credits under the state's allocation. There are two general types of credits that can be awarded. 9% credits are higher-value credits that cover a greater percentage of projects' development costs, and are awarded on a competitive basis. 4% credits are lower-value credits that cover a lower percentage of projects' development costs, and are generally awarded to any projects that meet specific programmatic requirements and are financially feasible. 4% credits are usually paired with tax-exempt bond financing to make up the difference.

## **Multi-family Housing**

For the purposes of this document, multi-family housing is defined as a residential building consisting of more than five housing units.

## **Naturally Occurring Affordable Housing (NOAH)**

Naturally occurring affordable housing is defined as housing that is priced by market forces at rates that are affordable to low-income households. Housing is traditionally considered affordable if the total housing cost (rent or mortgage plus utilities) for the household represents no more than 30% of its income. NOAH housing often makes up a significant portion of a jurisdiction's affordable housing stock, in addition to publicly subsidized housing.

## **One Number**

One number is a count of the total number of individuals and households within one list who are experiencing homelessness and in need of housing in Charlotte-Mecklenburg. The number is generated from data in the Homeless Management Information System (HMIS) and includes single adults, youth, veterans, people experiencing chronic homelessness, and individuals in families with children.

## **Permanent Housing**

Permanent housing is considered the desired destination for all people entering the homelessness services system. The category of permanent housing, which is used in the Homeless Management Information System (HMIS) to designate a "successful" exit, includes permanent housing programs which have financial assistance as well as other permanent housing destinations with no financial assistance. The full list in HMIS includes a long-term care facility or nursing home, a unit that is owned or rented with or without a subsidy, and staying or living with friends and/or family that is permanent in tenure.

## **Project-Based Section 8 Vouchers**

The Project-Based Section 8 Program, as it is now known, was established in 1974. HUD entered into Housing Assistance Payments (HAP) contracts with private owners to serve low-income tenants. Under these contracts, tenants pay 30% of their adjusted monthly income for rent and utilities and HUD pays the owner the difference between the tenant's payment and the agreed-upon contract rent. New residents of Project-Based Section 8 units can have incomes of no more than 80% of AMI, and 40% must have incomes below 30% of AMI.

## **Qualified Allocation Plan (QAP)**

Per federal requirements, the North Carolina Housing Finance Agency (NCHFA) develops an annual Qualified Allocation Plan (QAP) to competitively allocate LIHTC across the state. This includes geographic and income specific requirements. NCHFA can only allocate credits in conformance with the QAP.

**Rental Assistance Demonstration (RAD)**

Rental Assistance Demonstration (RAD), authorized by the federal government as part of its FY12 and FY15 HUD appropriations bills, is a voluntary program intended to preserve public housing by providing PHAs with access to private capital to make needed capital improvements. Under RAD's first component, PHAs and other owners of public housing are allowed to convert units to project-based Section 8 programs or project-based vouchers (PBVs). The 2015 Appropriations Act authorizes up to 185,000 units to convert assistance under this component.

**Supportive Housing**

Supportive housing is affordable housing that also includes support services designed to help tenants stay stably housed and build necessary life skills. Supportive housing can be designed either to be permanent or temporary for residents, with temporary housing targeted towards individuals who may be able to transition to traditional housing without support services over time. Supportive housing has been a successful tool to house populations that may be difficult to serve with traditional housing, such as chronically homeless adults.

**U.S. Department of Housing and Urban Development (HUD)**

The U.S. Department of Housing and Urban Development (HUD) is the federal agency charged with overseeing affordable housing and community development programs related to home ownership, low-income housing assistance, fair housing laws, homelessness, aid for distressed neighborhoods, and housing development.





Helping everyone  
in Charlotte-  
Mecklenburg  
find a place  
to call home

a home  
for all

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