

## **Permanent Supportive Housing Program Guidelines**

### Purpose

The Homeless Outcomes Report and Recommendations (November 2010) set out a number of goals with the intent of reducing homelessness in Virginia. Goal One is to: Increase the number of permanent supportive housing units in the Commonwealth.

The fiscal year 2013 budget includes \$1 million for permanent supportive housing in the Department of Housing and Community Development's budget.

### Priorities

The highest priority use for these funds is the creation of additional permanent supportive housing through new construction, adaptive reuse or rehabilitation of an existing structure. The intent is to provide a development subsidy for the creation of additional permanent supportive units.

The second priority for the use of these funds is the rehabilitation of **existing** permanent supportive housing units. Rehabilitation will be considered in cases where it is essential to extend the useful life of existing permanent supportive housing units by at least 15 years.

The third priority for the use of the funds is service provision and operational support. Funds will be used for this purpose only after all requests for the creation of new units and rehabilitation of existing units have been assessed. Service and operation support funds will only be considered where it is clear that the use will be for a short-term, temporary need and that long-term sustainability of services and operations will be provided. Greater consideration will be given to service and operation support requests that are submitted in conjunction with a funding request for the creation of new permanent supportive units.

### Eligible Applicants

Local governments and affiliated entities, housing and redevelopment authorities, affordable housing developers (both for-profit and non-profit), limited liability holding companies and homeless service providers may apply for Permanent Supportive Housing funds.

### Structure and Use of Funds

Funds are structured as a forgivable loan. As long as the project is used for permanent supportive housing for a period of 20 years, there will be no repayment. Should the project's use change during the 20-year period, then a prorated portion of the funding would have to be repaid. A deed of trust/lien will be placed on the property to ensure continued use as permanent supportive housing.

Funds may be used for acquisition, construction (new construction, rehabilitation or adaptive reuse) and essential on-site improvements required for the permanent supportive housing.

Permanent Supportive Housing funds will generally be limited to \$500,000 per project.

### Services and Affordability

Projects must include a full continuum of appropriate services for project residents. Services must be tailored to the targeted population. Commitments from the service providers must be documented at the time of application.

Projects must be clearly affordable to the targeted population. Scoring preference will be given to projects that include some form of committed rental assistance or that provide rents that are keyed to 30 percent of target residents' incomes. Permanent supportive housing funds may be used for a one-time, short-term bridge to rental assistance for projects receiving development assistance. Commitments for such rental assistance must be documented at the time of application.

DHCD anticipates that additional funding sources will be necessary in order for permanent supportive housing projects to move forward. Please clearly identify and document the status of other funds involved in the project.

### Application and Allocation Process

Requests for Permanent Supportive Housing funds must be made through DHCD's online application system – CAMS. CAMS can be accessed through DHCD's website - <http://www.dhcd.virginia.gov/> Click on the CAMS link in the upper right-hand corner.

The first round of applications will be due January 31, 2013. A second round of applications will be held if all funds are not allocated in the initial round. These applications will be due May 15, 2013.

Applications will be evaluated on a 100-point scale. Applications must score at least 60 points in order to receive a funding offer. Applications will be evaluated on:

1. Project design and service delivery
2. Need and affordability
3. Financial feasibility and sustainability
4. Project readiness
5. Applicant's capacity to develop and operate the project

### Information

For questions and clarification, please contact Shea Hollifield, deputy director for housing, 804-371-7031 or [shea.hollifield@dhcd.virginia.gov](mailto:shea.hollifield@dhcd.virginia.gov)