

*This resource document provides answers to frequently asked questions raised during a four-part webinar series on supportive housing offered between February and May 2021. Questions not addressed in this document can be emailed to [communications@wheda.com](mailto:communications@wheda.com). This document will be updated as needed and posted to [wheda.com](http://wheda.com).*

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## SECTION A: GENERAL QUESTIONS

**Question A.1:** How may I obtain the presentation slides from the supportive housing webinars?

**Answer:** Presentation slides are posted to [WHEDA's website](#).

**Question A.2:** What is an example of supportive housing currently in operation in Wisconsin or the upper Midwest?

**Answer:** Examples of past WHEDA financed supportive housing developments include Rethke Terrace (Madison), Thurgood Marshall Apartments (Milwaukee), Veterans Manor (Green Bay) and Soldier's Home (Milwaukee).

**Question A.3:** Where may I find more information about WHEDA's housing tax credit program?

**Answer:** You may learn more about WHEDA's housing tax credit program, [here](#).

**Question A.4:** Where may I learn more about WHEDA's administration of the National Housing Trust Fund program?

**Answer:** You may learn more about WHEDA's housing trust fund program, [here](#).

**Question A.5:** Where does the workforce housing model fall into supportive housing?

**Answer:** Workforce housing is an affordable housing model rather than a supportive housing model, but there could be exceptions that focus on a particular group of people who are employed and need supportive services to both support their ability to work and to maintain their housing.

## SECTION B: QUESTIONS REGARDING FUNDING AND FUNDING CRITERIA

**Question B.1:** A large barrier to creating supportive housing is the significant increase in operating expenses required for the development. What creative approaches exist to finance supportive developments to overcome increased operating expenses?

**Answer:** Supportive housing operating costs are typically similar to standard affordable housing operating costs. However, providing supportive services in supportive housing projects adds a third budget beyond the capital and operating budgets. The critically important component of a supportive housing operating budget is an operating subsidy to reduce the cost of the unit low enough for a tenant who is homeless to afford and ensure the property receives adequate rent to support the operation and maintenance of the property.

Often, supportive housing projects are structured around additional subsidy sources paired with housing tax credits. This provides for an opportunity to eliminate the debt service that can be paid from operations.

**Question B.2:** Are there specific areas or counties prioritized by the state for supportive housing development?

**Answer:** Supportive housing development is a focus of WHEDA on a statewide basis.

**Question B.3:** What are some methods to fund quality supportive services?

**Answer:** Supportive services are typically funded by various sources in the form of grants, contracts, and per diem or fee-for-service reimbursements. Sources of funding can also include HUD funding through the continuum of care; funding from state, county, and city sources; Medicaid; and philanthropy.

WHEDA has observed cost structures where the capital stack includes private foundation support, grants, and other resources in lieu of a bank loan requiring a hard debt service. These sources combined with tax credits would eliminate the requirement to service a debt from operations.

**Question B.4:** We would like to build a community area or create a service-oriented program where we would need to enhance our facility (add a room, outdoor picnic area, etc.). Are there grants or other resources for capital expenses available through WHEDA?

**Answer:** WHEDA's housing tax credit program does have a provision for funding a community service facility if it is being built for the benefit of the residents in a development. Please consult with an accountant and/or attorney specializing in tax credits to determine what qualifies under the tax credit program.

The WHEDA Foundation Housing Grant Program provides small grants to qualifying housing providers to make facility improvements that serve vulnerable tenants. Learn more about the annual Housing Grant Program competition [here](#).

**Question B.5:** As a property manager with the 811 program, is it possible to engage case managers longer than the initial 90 days? We need ongoing support for our residents, such as help with bill paying, cleanliness, social skills, etc.

**Answer:** Recent Section 811 funding available through WHEDA is for primarily rental assistance and requires a partnership with a Medicaid agency.

Moreover, there is no requirement for tenants in Section 811 units to participate in case management. Case management is voluntary, however, most developers who focus on supportive housing have agreements with support agencies or staff that provide services for supporting residents. This is not a program requirement, but it is highly recommended.

**Question B.6:** Why do supportive services have to be funded every year, especially if the services are voluntary for the client to utilize, and engaging some clients is difficult?

**Answer:** The capital, operating, and services budgets in supportive housing are each funded differently. The capital budget is a one-time investment that is raised and used to develop the housing. Operating subsidies are typically committed for a period of time, which could be from three to 20 years. The longer the commitment the better for supporting tenants in a property and the capital investment, and if the subsidy is project based, it can typically be underwritten for capital funding. Supportive service dollars come from state and federal agencies that operate with annual budgets and therefore funding is released on a year-to-year basis as the budgets are approved. In some states, Medicaid can be used to cover some of the services in supportive housing and can provide a longer-term commitment of resources.

**Question B.7:** My area has a severe housing shortage which has been exacerbated by a wildfire. How can we capitalize on the opportunity of rebuilding to incorporate supportive and affordable housing into new construction?

**Answer:** For communities to address their affordable housing needs, including housing with supportive services, there needs to be awareness and a strong commitment from multiple levels of government, local employers, real estate industry professionals, nonprofits, academic institutions, and community stakeholders. Collaboration amongst these partners will help build momentum on housing including local housing studies, supportive land use and zoning regulations, and recognition of local infrastructure needs to help the community build more affordable housing and identify its need for supportive housing.

**Question B.8:** What are available sources of project based rental assistance?

**Answer:** Properties that are part of a Section 8, Section 202, PRAC or Housing Choice Voucher offer rent subsidies for tenants. These programs do have limited resources and waiting lists.

**Question B.9:** Does your funding include services for housing units?

**Answer:** WHEDA's funding sources, including the housing tax credit program and loan sources, are targeted to cover the development budget during construction. They do not cover funding for operations or services.

## SECTION C: QUESTIONS REGARDING PROPERTY MANAGEMENT

**Question C.1:** We have many PRAC 811s and supportive housing in our housing tax credit deals and my issue is training my property managers. What resources does WHEDA recommend for training property managers who work in supportive housing developments?

**Answer:** WHEDA recommends that the developer partner with a support agency to manage the supportive housing program for their properties.

## SECTION D: QUESTIONS REGARDING CAPACITY BUILDING AND PARTNERSHIPS

**Question D.1:** Are there provisions for a start-up?

**Answer:** WHEDA has found that supportive housing projects are stronger when partners are experienced in their fields of development, supportive services, and property management. However, there have been strong supportive housing projects that included a less experienced partner working with more experienced partners. For example, a less experienced developer might partner with a more experienced developer with the goal of gaining expertise through collaboration that would enable them to be the lead developer in a future project. WHEDA continues to support this concept for developers to gain experiences and increase capacity.

**Question D.2:** What is the Wisconsin Supportive Housing Institute?

**Answer:** The Wisconsin Supportive Housing Institute is a new resource designed to provide technical assistance to developers and supportive housing providers as they navigate the complex process of developing affordable housing with access to supportive services. We expect the institute to reduce the timeline that it takes to implement supportive housing projects by improving planning and development.

**Question D.3:** Will the Wisconsin Supportive Housing Institute bridge agencies in relationship to all housing issues involved, not just loans for housing?

**Answer:** The Wisconsin Supportive Housing Institute works with teams that include a developer partner, a supportive services partner and a property management partner who work together to create a supportive housing project in their community. The institute assists the team in defining and planning their project concept, their service plan, the population served, capital needs, as well as operation and service budgets. The work completed as part of the institute enables partners to apply for funding and bring the project from concept to reality.

**Question D.4:** How do you see other agencies who work with housing issues collaborate for the services you spoke about?

**Answer:** Supportive housing projects offer on-site supportive services and connect tenants to services in the communities where they live.

**Question D.5:** Is there a way to match interested social service providers and interested developers and housing managers?

**Answer:** As a social service provider, a great way to start would be to look at which developers have been funded by WHEDA in your community. Use this list to reach out and discuss whether they have an interest in partnering on a supportive services project. If you know other social service agencies that have had these types of partnerships, it can be helpful to ask them about their experience with both development and property management partners.

## SECTION E: QUESTIONS REGARDING ACCESS AND SERVICES

**Question E.1:** Can a landlord be a part of a supportive housing effort by providing low-rent housing, as opposed to providing supportive services?

**Answer:** Yes! Landlords can offer affordable housing, and partner with the service provider to bring the essential support services.

**Question E.2:** Can a developer provide the supportive services for tenants?

**Answer:** Most supportive housing projects have a development partner and a separate supportive service partner. However, when a developer has an existing supportive services arm, they may provide the supportive services in their project. The supportive service partner needs to be selected based on the type and quality of the services they deliver to ensure the services meet the needs of the tenants in the supportive housing project.

**Question E.3:** What is the plan for this effort to engage with existing integrated affordable housing developers?

**Answer:** This is covered in the Integrated Housing Models Webinar. As part of its continued efforts to increase the availability of affordable housing with supportive services, WHEDA invites the opportunity to leverage its developer partners to build awareness and be mentors. WHEDA will seek to build a contact database of developers playing a significant role in supportive housing as part of its survey process.

**Question E.4:** I understand that services cannot be mandated but can they be incentivized for residents?

**Answer:** Incentives to participate in services may be used and can sometimes provide an impetus to encourage tenant involvement. It is important that the supportive service provider is continually reaching out to tenants to engage them in services. Although tenants have the option of not participating, it is extremely important for supportive service staff to engage tenants in ways that tenants find beneficial. This engagement is critical to the success of the service program and the housing retention of tenants.

**Question E.5:** Is this effort working with the federal housing first program?

**Answer:** Supportive housing uses a housing first model which is endorsed by the United States Interagency Council on Homelessness as a best practice for governments and service agencies to use in their fight to end chronic homelessness in America. HUD has developed the Housing First Assessment Tool to assist continuums of care and providers for implementing and strengthening a housing first approach. This assessment tool can be accessed [here](#).

**Question E.6:** For landlords who find it difficult to work with clients who have barriers, what do you recommend for encouraging landlords to participate in the housing first and supportive housing models?

**Answer:** The first step is to have a conversation with the landlord to explain housing first and why it is important to reduce barriers to entry for individuals who are experiencing homelessness. This often means describing the reality of the challenges. It is important to explain to landlords about why the barriers exist and to discuss their overarching goals to determine where their requirements may not support these goals. The next step is to focus on how the supportive service team will be available to support the tenant if issues arise. Landlords serve challenging tenants in their line of work daily. Knowing that there is a partner they can call on to assist them when issues arise is the benefit they receive in exchange for reducing barriers to entry. There is great value to cross training in the initial stages of the partnership.

**Question E.7:** As a provider of supportive housing to the most vulnerable in our community for over 25 years, we have learned that the greatest challenges are with illegal and/or extreme behaviors. In devising this institute, is consideration being given in how best to assist and create developments that can support this sub-group within the intended target population?

**Answer:** Supportive housing is typically focused on individuals who are chronically homeless. This population has had difficulty accessing housing and has a history of not being able to stay housed. The supportive services make all the difference in assisting this population to remain successfully housed. In addition, using housing first practices is critical in ensuring that this population is housed, and stays housed once they move into permanent housing.

**Question E.8:** What do some of the housing disparity data look like for people with disabilities? Have you cross referenced the racial disparities with other groups like those with disabilities?

**Answer:** You can review the CSH Racial Disparities and Disproportionality Index (RDDI), [here](#). The tool looks at 16 systems of measures, including race and ethnicity, developmental disabilities, mental health, and substance abuse.

**Question E.9:** For scattered site developments, are there time restrictions in place before adding additional units?

**Answer:** Development of supportive housing projects that use tax credits will entail identifying certain sites up-front and no additional units can be added unless they are part of a new tax credit development. This concept is uniform for all tax credit developments.

**Question E.10:** Do these webinars cover transitional or rapid rehousing? Or will they focus exclusively on supportive housing?

**Answer:** These webinars are focused on permanent supportive housing and not on transitional housing or rapid rehousing. These other housing interventions provide short term support and services.

**Question E.11:** Are the services voluntary and not mandated with supportive housing?

**Answer:** Supportive housing uses a housing first model that includes a voluntary services model. The services are voluntary for the tenants but mandatory for the supportive service staff. The supportive service staff's role is to continually conduct tenant outreach that explains and offers services and invites them to participate.

**Question E.12:** In rural areas it is more efficient and makes more sense to utilize and facilitate the utilization of existing supportive services. Is there an expectation that the owner provides the supportive services? Is it enough to be a catalyst?

**Answer:** If the owner is not a supportive service agency, they will want to partner with a supportive service agency to ensure that the tenants have the services they need. The only time the owner would be responsible for delivering services themselves is if they are a social service agency. In rural communities where service resources may be limited, connections with local providers are efficient and effective.

**Question E.13:** Will future sessions get into what to expect for operating costs per unit for supportive housing?

**Answer:** This webinar series is not focusing on development costs. The Supportive Housing Institute will focus on this level of detail with the teams who participate.

**Question E.14:** What is the screening process for tenants of supportive housing?

**Answer:** Supportive housing is based on the concept of screening tenants. The goal is to ensure that any barriers to entry are reduced for applicants. If your project is providing supportive housing for individuals who are chronically homeless, your continuum of care's coordinated entry system will refer tenants to your project.

For a tax credit property, an agent/owner can do their own screening. Additionally, the coordinated entry system may or may not refer applicants to the property. It is a good practice, but not is required.

**Question E.15:** Do we need to use HUD's coordinated entry for supportive housing projects?

**Answer:** Supportive housing projects designed to serve individuals and families who are facing homelessness need to use their continuum of care's coordinated entry system for tenants in their project.

**Question E.16:** Do you find that outcomes are better in single site projects versus scattered site projects?

**Answer:** Outcomes in single site and scattered site projects are similar if they have a well-funded and well-trained supportive service program in place to support the needs of the tenants.

**Question E.17:** Do you recommend partnering with a social service agency on the front end or should this be added to an existing deal?

**Answer:** Partnering with a social service agency should be done on the front end of a project. They should be part of the conversations around who is being served and how services will be provided to ensure the property is being designed properly and to ensure that decisions made during the development phase support the operation of the property.

**Question E.18:** Are resources available to provide supportive services to existing Section 8 project-based housing stock?

**Answer:** Typically, existing Section 8 project stock that wants to move from affordable housing to supportive housing would reach out to their local continuum of care to see if there are supportive service agencies with resources who are seeking landlords to house the individuals and families, for whom they are providing services. CSH will work with Supportive Housing Institute teams to assist them in finding the partners they need to create a quality supportive housing project.

**Question E.19:** How do you screen tenants with criminal backgrounds in supportive housing developments?

**Answer:** Each development is required to have a tenant selection plan. This plan must clearly state the qualifying requirements for all tenants. WHEDA reviews these plans during regular inspections to ensure that they are in compliance with program requirements. Due to federal regulations, lifetime registered sex offenders are not allowed to reside in a property that is supported by HUD.

## SECTION F: QUESTIONS REGARDING TARGET POPULATION

**Question F.1:** How do you see the supportive housing model working with the adult IDD population?

**Answer:** The Supportive housing model has been used to successfully to address the housing needs of adults with intellectual and/or developmental disabilities. You can read more about supportive housing for this population on [CSH's webpage](#).

**Question F.2:** Do projects serving the IDD adult community qualify for housing tax credits? It appears that you mention homelessness as the target. This funding would provide the proactive ability to keep IDD adults from becoming homeless.

**Answer:** WHEDA's 2021-2022 Qualified Allocation Plan establishes parameters and priorities for awarding the coming year's assigned housing tax credits, including federal 9% and 4% credits as well as state 4% credits. The plan provides additional scoring to developers that submit an application to increase the availability of affordable housing with supportive services, including those with disabilities. Learn more about WHEDA's housing tax credit program [here](#).

**Question F.3:** There is a huge need for supportive housing for youth aging out of foster care in Wisconsin. Is there work being done to make them a priority on housing lists, with housing authorities and for program eligibility?

**Answer:** Youth aging out of foster care is one of the populations that supportive housing can serve. Learn more about this on the CSH website, [here](#).

**Question F.4:** It is estimated that 30%-40% of homeless people have intellectual or developmental disabilities. They are a high-risk group for homelessness. When using tax credit financing one is limited to not more than 25% of the units occupied by those with disabilities. Requirements for some of the financial tools is to have at least 25% of the units for the target population. This looks like a Catch 22.

**Answer:** WHEDA has a 10% supportive housing set aside under its tax credit program to address homelessness or those at risk of being homeless. The qualification for this is to have at least 25% of the units set aside for the target population. Separately, there is an opportunity to provide supportive housing units for people with disabilities for all other developments applying under the other set asides. These requirements are mutually exclusive and are structured so that WHEDA can support the needs both on the homeless front, as well as for people with disabilities using an integrated supportive housing model.