

SUPPORTIVE HOUSING FOR PERSONS EXPERIENCING CHRONIC HOMELESSNESS WORKING GROUP

Meeting 5: Plan and Timetable for Funding

PRELIMINARY BUSINESS PLAN ASSUMPTIONS 2004 - 2010

- I. Number of units to be provided by 2010
 - A. 4000
 - B. 33% increase over 2001 Wilder Survey
 - C. Increase due to economic climate, conservative estimates by Wilder, difference in definitions, and incremental increase

- II. Types of households
 - A. 1/3 families with children
 - B. 2/3 single adults and unaccompanied youth
 - C. 2001 Wilder survey: 37% families with children
 - D. Size of families: 2-3 children

- III. Housing Models
 - A. Single Site /Sole Purpose - 50% of total units
(see development activity below)
 - B. Mixed Income/New Development - 10% of total units
 - C. Scattered Site - 40% of total units
(provided through rental assistance only)

- IV. Development Activity of Single Site/Sole Purpose
 - A. New Construction - 25%
 - B. Acquisition/Rehab - 75%
 - C. Recent Experience - 50/50

- V. Rental Assistance/Operating Subsidy
 - A. All households will need rental assistance or operating assistance
 - B. 50/50 split on tenant based and project based
 - C. Cost: \$378 per month for singles and \$851 per month for families – based on Fair Market Rents and average tenant contribution in supportive housing developments
 - D. Temporary rent assistance provided with state funds until 2010
 - E. Assume households will receive either federal project-based or tenant-based assistance by end of 2010

- VI. Cost Assumptions
 - A. New construction - \$170,000/unit families and \$120,000/unit singles = \$75,000,000
 - B. Rehabilitation - \$90,000/unit families and \$60,000/unit singles = \$122,000,000
 - C. Mixed-income - \$140,000 /unit families and \$95,000 /unit singles = \$51,000,000
 - D. Rental Assistance /Operating Subsidies = \$210,000,000
 - E. Housing Support Services = \$10,000,000
 - F. Start-up Loans = \$2,000,000

- VII. Total Estimated Costs: \$470,000,000 over 7 years

- VIII. Total costs include an inflation adjustment of 5% increase per year for costs in VI. A-D above

PRELIMINARY FINANCING PLAN: SOURCES AND USES

| | 2004 - 2010* | Total |
|---------------------------------------|--------------|----------------------|
| SOURCES | | |
| G.O. Bonds | | |
| MHFA Sources | | |
| Housing Trust Fund | | |
| PARIF | | |
| Other MHFA Resources | | |
| MHFA Total Sources | | |
| Other State Sources | | |
| DHS Sources** | | |
| Corrections Sources | | |
| Other | | |
| Other Sources | | |
| Federal | | |
| Local Government | | |
| Philanthropic | | |
| Private Tax Credit Equity | | |
| MHFA Tax Credits | | |
| Sub Allocators | | |
| Total Sources | | \$470,000,000 |
| USES | | |
| New Construction | | \$75,000,000 |
| Acquisition/Rehabilitation | | \$122,000,000 |
| Mixed Income | | \$51,000,000 |
| Rental Assistance/Operating Subsidies | | \$210,000,000 |
| Housing Support Services | | \$10,000,000 |
| Start-up Loans | | \$2,000,000 |
| Total Uses | | \$470,000,000 |
| ADDED UNIT CAPACITY | | 4,000 |

*Work in progress for developing sources and uses for each year. This does not include health and social services for which this population is otherwise eligible to receive.

**This amount does not include funding from MFIP, GA, MA, GAMC, GRH or MI/CD to which the chronically homeless person or family is otherwise eligible.