

MOHS Strategic Response to Homelessness: Combatting Homelessness through Innovative Housing Investments

Community Engagement Series

03/20/2024

03/27/2024

04/3/2024



MAYOR'S OFFICE OF
HOMELESS SERVICES



Agenda

Understanding Baltimore's Current Housing Crisis

Housing as a Best Practice Solution for Preventing Homelessness

Increasing Affordable Housing Opportunities to Prevent Homelessness

Wrap-up and Next Steps



VISION STATEMENT

Our mission is to end the housing and affordability crisis and homelessness

ABOUT THE FIRM

We work with leaders in creating large-scale, lasting social change through customized consulting services focused on creating physically, economically, and environmentally resilient communities.



MOHS Strategic Response to Homelessness

Setting the Stage



Baltimore is experiencing a severe, but solvable crisis of housing and homelessness.



Several residents currently live in hotels that were temporarily converted to non-congregate shelter during COVID.



Baltimore's growing budget crisis prevents it from pursuing financial obligations without a long-term, sustainable strategy.



MOHS Strategic Response to Homelessness

PSH as a Best Practice Solution



State of California (Homekey)

- Provided approximately \$1.9B for acquisition and/or rehab of hotels and motels for conversions to interim housing or PSH.
- Over 6,800 housing units created across 116 projects.



Vermont Housing & Conservation Board

State of Vermont (CARES Act CRF)

- Provided approximately \$33MM for acquisition and/or rehab of hotels and motels for conversions to interim housing and PSH.
- 283 housing units created across 12 communities.



State of Oregon (Turnkey)

- Provided approximately \$115MM for acquisition of hotels and motels for non-congregate shelter and transitional housing.
- 865 housing units created, with 500 additional planned units.

PSH as a Best Practice Solution



Permanent Supportive Housing

Benefits

- Provides housing stability long-term
- Cost-effective solution that benefits taxpayers (e.g., savings to hospital, jail, and emergency shelter systems)
- Utilizes “Housing First” approach
- Significant public subsidy for capital and operating expenses through MOHS/DHCD Housing Accelerator Fund

Challenges

- Fragmented and uncoordinated funding sources
- Requires multiple funding streams

Temporary vs. Permanent Housing



	Interim Housing (i.e., emergency shelter, transitional housing, etc.)	Permanent Supportive Housing (PSH)
Temporary	✓	✗
Permanent	✗	✓
Supportive Services	✓	✓
Ongoing Operating Subsidy	✗	✓
Rental Income	✗	✓
Permanent Housing Solution	✗	✓

MOHS Strategic Response to Homelessness

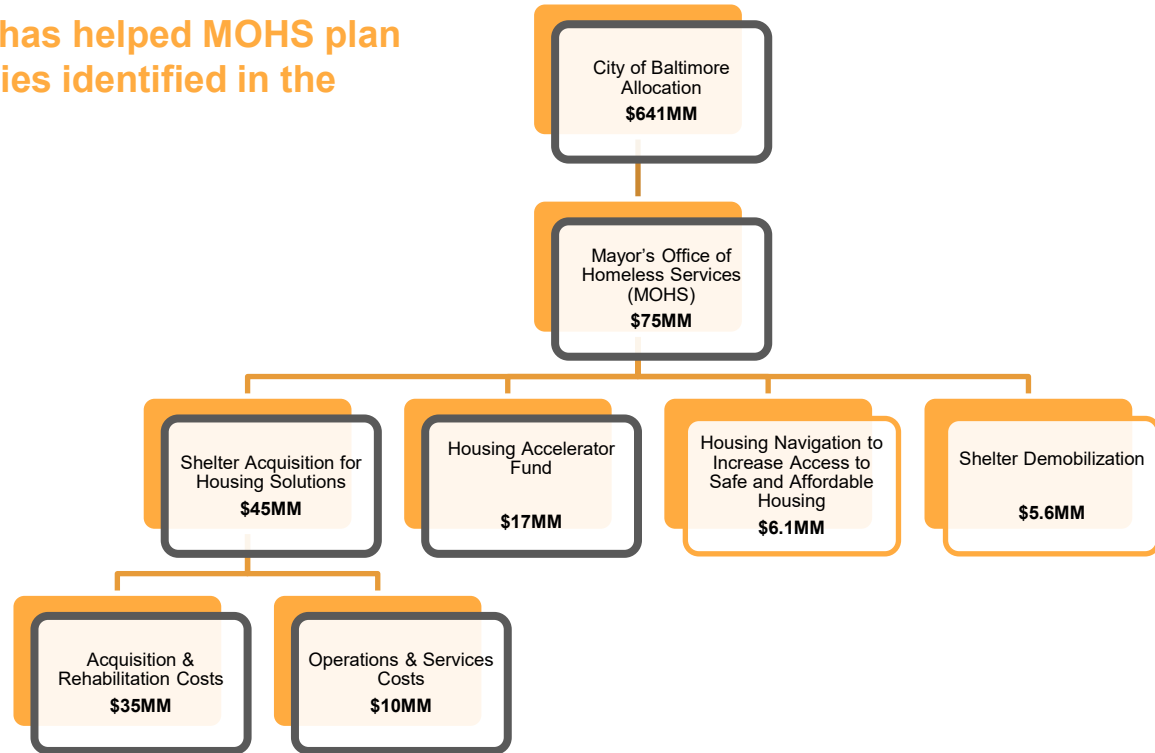
PSH as a Best Practice Solution



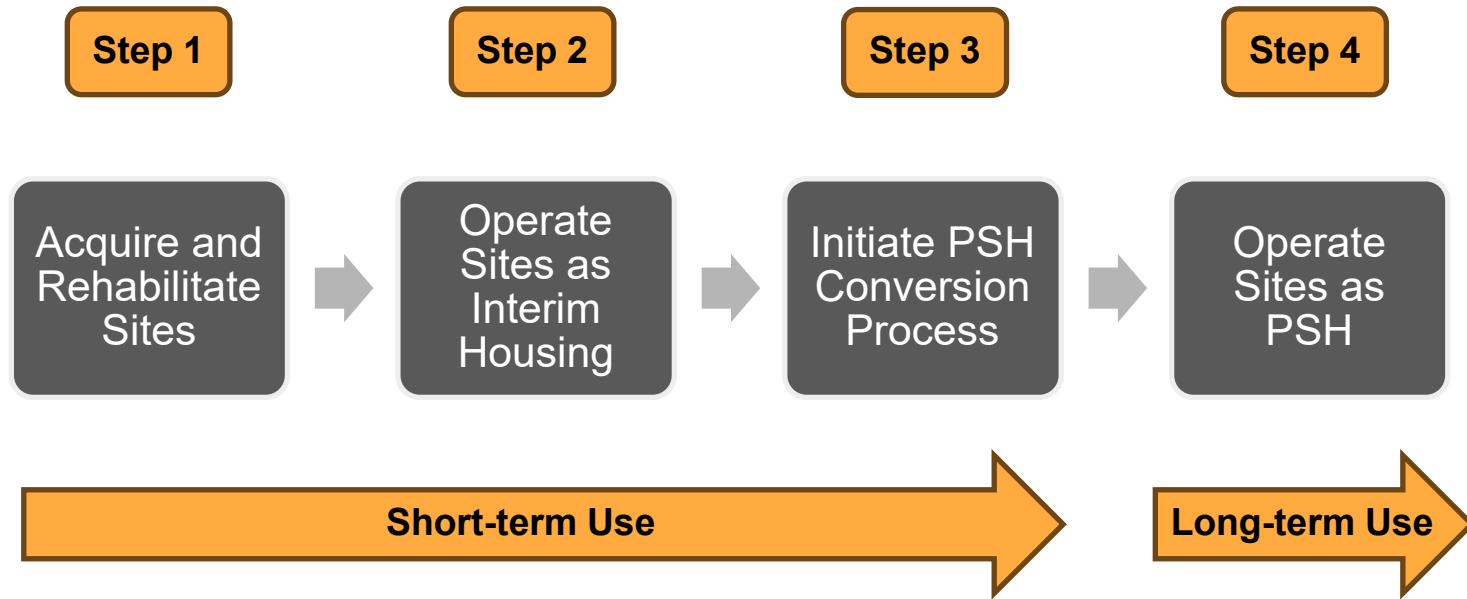
Significant public funding has helped MOHS plan and implement PSH priorities identified in the Strategic Investment Plan

“If we are truly going to make homelessness rare, brief, and non-recurring, we need to make more dollars available for people experiencing homelessness and housing insecurity to access essential housing.”

- Mayor Brandon M. Scott



Approach to Increase Supply of PSH



Approach to Increase Supply of PSH



Hotel Acquisition

- Sleep Inn and Suites (300 N. Front Street)
- Holiday Inn Express (221 N. Gay Street)
- Parking lot between the two hotels

Total Cost

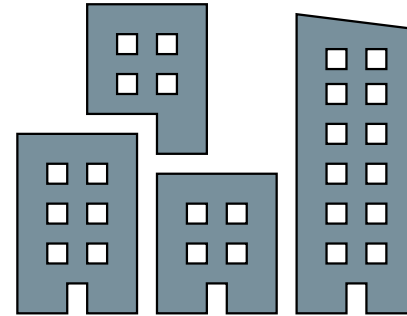
- \$18.4 million

Total Number of Units

- 100-125 units (1–2-bedroom units)

Board Approval

- February 21, 2024



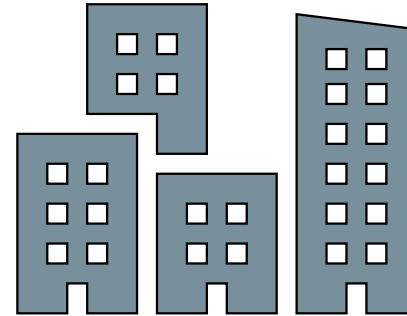
“This purchase aligns with our commitment to address immediate shelter needs, as well as put the city on a path to create permanent supportive housing opportunities for our most vulnerable populations in the near future.”

- Director Ernestina Simmons



Eligible Applicants

This request for proposals (RFP) aims to identify qualified **non-profits, for-profits** or a **joint venture** that are seeking to create units accessible and dedicated for permanent supportive housing populations.



Step 1: Acquire and Rehabilitate Sites



Identify Sites

- **Create evaluation criteria for identifying viable options based on:**
 - Physical attributes
 - Location
 - Environmental feasibility

Acquire and Rehabilitate Sites

- **Use majority of \$45MM ARPA allocation to acquire sites for permanent supportive housing (PSH)**

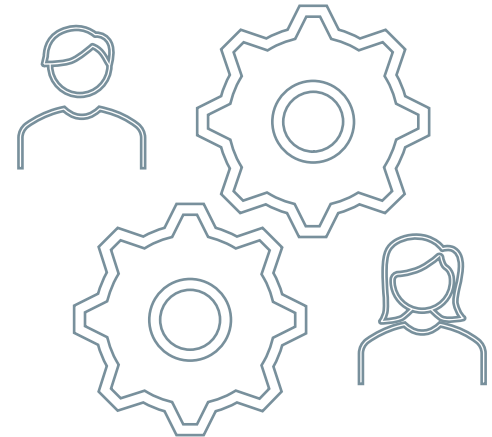


Step 2: Operate Sites as Interim Housing



Operate Sites as Interim Housing

- Use remaining ARPA allocation to operate sites as interim housing
- No long-term funding for interim housing exists



ARPA funds must be fully expended by the end of 2026

Step 3: Initiate PSH Conversion Process



Public-Private Partnership

- The City will contract with a provider and property manager for the duration of the interim housing phase
- The City will then turn property over to a qualified nonprofit owner and operator

Transfer of Ownership

- City transfers ownership of sites and isn't accountable for any structural budgetary commitments



Step 3: PSH Conversion Financing



Capital Funding

• **PSH is financed using a combination of funding sources, including:**

- Tax Credits
- Government loans and grants
- Private loans
- Philanthropy

Real Estate Operating Funding

• **Real Estate Operating income for PSH is generated primarily through:**

- Housing Vouchers
- Rent paid by tenants

Services funding is generated through ESG, DSS, State HSP, and General Fund

Financing Stack (Example)

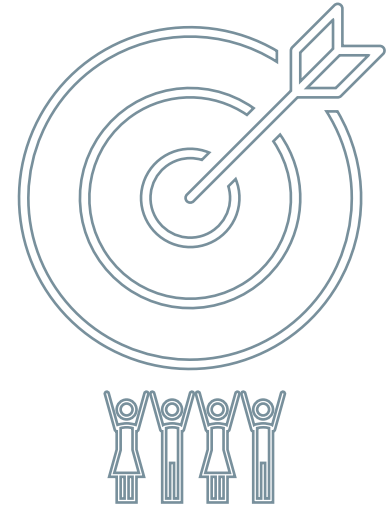


- Source 1 ■ Source 2 ■ Source 3
- Source 4 ■ Source 5 ■ Source 6



Operate Sites as PSH

- Transfer of ownership for selected partner to operate sites as PSH
- Increased supply of PSH that provides greater housing stability for vulnerable residents
- No structural funding obligations of the City



RFP/Community Engagement Timeline



Community Conversation #1: PSH Housing Plan Overview
• 3/20/2024

Community Conversation #3: Pre-bid Solicitation
• 4/3/2024

Release opportunity for site visits
• July 24-26 2024, (daily tours at 10:00 a.m. - 3:00 p.m.)

Release and Post RFP Addendum (if applicable)
• 8/2/2024

RFP Award Notices Issued
• September/October 2024

Community Conversation #2: Pre-bid Solicitation
• 3/27/2024

Release RFP
• 7/3/2024

Deadline for Proposers to Submit Questions
• 7/29/2024 at 5:00 p.m.

RFP Proposals Due
• 8/16/2024 at 3:00 p.m.

**Note: Dates are subject to change*

Contact Information



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For more information, sign up for MOHS updates at

<https://www.baltimorecity.gov/subscribe>



Thank you!
