

**2014 Entry Form**  
**(Complete one for each entry.)**

Fill out the entry name *exactly* as you want it listed in the program.

**Entry Name** \_\_\_\_\_

**HFA** \_\_\_\_\_

**Submission Contact** \_\_\_\_\_

**Phone** \_\_\_\_\_ **Email** \_\_\_\_\_

Qualified Entries must be received by **Tuesday, July 1, 2014.**

For more information about Qualified Entries, [click here to access the 2014 Entry Rules.](#)

Use this header on the upper right corner of each page.

HFA \_\_\_\_\_

Entry Name \_\_\_\_\_

Communications	Homeownership	Rental Housing	Special Needs Housing
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs
Legislative Advocacy	Management Innovation	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input type="checkbox"/> NO

## **Special Needs Housing – Combating Homelessness MassHousing – New Lease**

Massachusetts has a long tradition of maximizing opportunities to provide affordable housing for a broad range of incomes and needs. Nonetheless, despite unprecedented increases in state funding for homeless prevention, the rehabilitation of vacant state public housing units as well as a renewed commitment to increasing the Commonwealth's rental subsidy program, by 2012, the demand for homeless shelter reached record levels leading to a doubling of the homeless family shelter units funded by the state – 4,000 families in state's Emergency Assistance shelter program.

Responding to the growing crisis of homeless families in Massachusetts, in 2013, MassHousing joined a core group of affordable housing owners in Massachusetts to pilot a new approach to providing permanent affordable housing to homeless families in the Commonwealth. MassHousing became a founding board member of a new nonprofit, New Lease, made a financial commitment of working capital funds towards seed funding for the initiative, and started to work with its borrower clients, the Massachusetts Department of Housing and Community Development (DHCD) and the U.S. Department of Housing and Urban Development (HUD) to launch the "New Lease" program. New Lease represents a model of an innovative collaboration that is pragmatic, cost effective, replicable and successful in achieving its objective of reducing the persistent and costly problem of homelessness among families in Massachusetts.

The goal of New Lease appears, at first blush, to be quite simple – match homeless families in the state-supported shelter system (Emergency Assistance) with an existing permanent affordable housing unit in the Commonwealth's inventory of affordable housing stock. But the simplicity of the proposal is starkly misleading. Most of the sheltered families do not meet standard tenant selection criteria; nor are they equipped to maintain tenancies once placed in affordable housing. In fact, DHCD tried to match its homeless family clients with available private and public housing units several years ago. After dedicating staff to the effort five days a week over the course of several months, and working with a stable of cooperative owners, the effort was not successful and the agency ultimately abandoned the initiative.

New Lease seeks to provide a means of leveraging the good will of the owners and managers of affordable housing in the Commonwealth with the expertise of shelter providers to make such a matching system work. The pilot program, launched in the fall of 2013, involves four shelter providers in the regions most impacted by family homelessness and eight owners, and has been the "proof of concept". The basic elements of the New Lease program are straightforward: the availability of deeply subsidized rental housing, services to support the successful tenancy of the formerly homeless family and an intermediary that facilitates the matching process and knits together the efforts of the shelter provider and the housing owner.

The pilot focused on the PBCA portfolio managed by MassHousing. The benefits of this approach were twofold: deep affordability and a single, willing Section 8 contract administrator with which to engage and work out the details of the program mechanics. Services are provided by the shelter providers, each of which was chosen because of its strong track record in managing their homeless family caseload. The providers also do a very basic initial eligibility screening – essentially, that the household is in compliance with the requirements of the Emergency Assistance program, refer eligible households to New Lease and assist households in completing applications and assembling supporting documents.

New Lease manages a wait list of families for each participating development and checks applications for completeness, thus ensuring a quick response when a vacant unit becomes available for a New Lease household. Importantly, New Lease meets with owners/operators if it appears that a New Lease household may potentially be denied through the tenant selection process. In a “pre-rejection” meeting with the owner, New Lease has the opportunity to bring attention to mitigation aspects of the applicant’s history or otherwise engage the owner/operator in addressing questions or misunderstandings about the household’s application.

The apparent simplicity of the New Lease model also belies the legal complexity that the model entailed. Tenant selection is a very heavily regulated aspect of affordable housing. New Lease required extensive statutory and regulatory review by MassHousing, DHCD and HUD, culminating in a series of waivers from HUD and amendments to the Tenant Selection Plans (TSPs) for each development that would provide units to New Lease households.

Anticipating questions that would be raised by both owners/operators and HUD, New Lease, MassHousing and DHCD engaged early on in identifying potential obstacles, including possible fair housing concerns, as well as drafting model amendment language for TSPs. Although the initial response from HUD Central was negative, conversations with the agency led to HUD’s consent to each element of the outreach and tenant selection model that was proposed by New Lease and its partners. The result is a homeless preference amendment to the standard TSP that respects MassHousing and HUD statutory constraints as well as an owner’s concerns for addressing waitlist households, and that does not implicitly or explicitly limit access to only the very high functioning homeless family population.

Four factors have been crucial to the success of New Lease and underscore the fact that the New Lease model clearly is replicable. Firstly, the funding for the administration of the program came from the owners and MassHousing; aside from MassHousing’s modest financial commitment towards the operating costs of the pilot program, New Lease works with existing public resources. No additional state or federal funds have been necessary to the launch and implementation of the initiative. What has been critical to launching the New Lease initiative is the genuine, “on the ground” collaboration between MassHousing, owners and managers, shelter providers, HUD and DCHD, that fostered timely and responsive problem solving to address various state and federal regulatory hurdles.

Second is the creation of a list of non-standard means by which a homeless family can meet tenant screening requirements and the agreement on the part of each participating owner/operator to accept such mitigation factors. For example, relief to the standard tenant selection criteria such as landlord references and credit checks can be provided, in the first instance, by the reference of the shelter provider, and in the latter instance, by the household’s record of complying with the savings and credit repair aspects of the self-sufficiency plan that is required for each Emergency Assistance client.

Third is the re-orientation of the support services provided by the shelter providers. Shelter providers are funded by DHCD to provide services to their shelter clients for the duration of the family’s stay in shelter plus 12 months after the family has moved to another housing option. Under New Lease, the providers have agreed to a standard menu of services and a calendar for interaction between the provider and the household upon moving into a unit offered through New Lease. The service provider is very familiar with the homeless family, its client, and the services are more targeted towards the needs of the formerly homeless family than otherwise would be available through the standard staffing and

programming for resident services in a family development. Not only do the services help to ensure a successful tenancy, but owners and operators are more willing to participate in the New Lease program because they are confident that an appropriate level of services is available to the homeless household as it transitions to a conventional tenancy.

Fourth, and finally, a key innovation is the role of New Lease. 42 homeless families have been placed in housing supported by project-based Section 8 subsidies and the program boasts a 95% tenant approval rate. The key to this success rate has been the New Lease intermediation – fully one-quarter of the homeless family applicants would have been denied tenancies without the mitigation and pre-rejection conferences facilitated by New Lease.

Hailed by HUD as “...what is believed to be the first initiative in the country to address homelessness using privately-owned HUD-assisted housing on this scale”<sup>1</sup>, the New Lease pilot program is proving to be successful. The program not only is achieving its original objective, but in the process is identifying various means by which tenant selection requirements, processes and norms, can be amended, to remove unnecessary obstacles for extremely low income families that apply for affordable housing. Some lessons learned are simple; for example, shortening the daunting length of the standard initial application. Some are more sophisticated but not difficult, such as creating a roster of generally acceptable means of mitigating poor or nonexistent credit histories. Indeed, using existing resources, partnerships and innovation, New Lease is changing the landscape for homeless families in Massachusetts.

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<sup>1</sup> <http://portal.hud.gov/hudportal/HUD?src=/states/massachusetts/stories/2013-12-11>.