

Developing Housing for Survivors of Domestic Violence

How partnerships with one housing finance agency, two nonprofit housing developers, and two housing authorities led to 84 apartments for low-income families

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Our adventure in housing development began with a gift.

The gift was a “set-aside” of Low-Income Housing Tax Credits with instructions to build housing for domestic violence survivors. The amount of credits was generous – enough to build 80 or more apartments.

It was 11 years ago, but I still remember the day I learned about our present. I was a project director at the Kentucky Coalition Against Domestic Violence (KCADV), and I had been summoned to a meeting at our state housing finance agency for an announcement about the 2007 tax credit allocation plan. The first page of the plan -- instructions for the annual sharp-elbowed competition for the tax credits -- explained that KCADV had just been GIVEN a bunch of them.

I sat there a bit confused while housing developers and others gathered around to congratulate me on our good fortune. I had no idea how to turn these tax credits into housing,

but it was clear to me -- as one developer after another handed me business cards and told me how much they cared about the issue of domestic violence -- that KCADV had been given something of great value.

I just needed to figure out what to do with them.

Today KCADV sponsors 72 units of housing for survivors of domestic violence at five locations across the state. Twelve units are under construction in eastern Kentucky. At least 170 survivors and their children live or have lived in the housing, which is on or near the campuses of our member domestic violence programs. Programs refer tenants to housing and provide services. A property management company operates the units.

This is the story of KCADV’s journey from tax credit neophyte to housing sponsor. The trip was bumpy, challenging, scary and exciting. Nothing I’ve accomplished as an advocate has felt so rewarding.

Tax Credits 101

Low-Income Housing Tax Credits were created under the Tax Reform Act of 1986 to encourage the construction of affordable housing. The IRS allocates tax credits to each state based on population and requires that a portion of the housing serve low-income families for at least 30 years.

Developers sell their credits to investors to raise capital for their projects, which reduces the debt that the developer would otherwise incur. KCADV used its tax credits to build supportive housing – affordable housing combined with case management services.

Most tax credit projects include a variety of funding sources. KCADV’s three projects have relied on funding from state and local affordable housing trust funds, HUD’s HOME program, and private foundation grants.

The most important resource for creating affordable housing today, the low-Income Housing Tax Credit, is responsible for 90 percent of the affordable housing produced

in the United States. However, critics say not enough of that housing is constructed for the very poor or families with special needs, even though most states provide incentives to encourage the development of supportive housing.

KCADV’s tax credit set-aside was a response to that criticism by the then-chairman of the Kentucky Housing Corporation Board of Directors Don Ball who was skeptical of developers’ claims that tax-credit funded supportive housing projects were too difficult to build and operate. While Mr. Ball, who was a successful housing developer in his own right, challenged those assumptions, he also made KCADV’s job more difficult by attaching a few strings to his gift: He wanted the housing built on scattered sites mostly in rural communities.

Building a Development Team

One of KCADV’s easier responsibilities was coming up with land for the housing. Three of our member programs were excited about participating and had enough land next to their shelters suitable for housing. Next on KCADV’s to-do list was finding a developer, an architect, and a property management company.

After meeting with a number of developers, KCADV decided to work with The Housing Partnership, Inc. (HPI), a nonprofit housing developer. HPI recommended an architect, James Burris, a veritable folk hero in Kentucky’s nonprofit housing circles for his work with Habitat for Humanity and other causes.

Finding a property manager was more difficult because the housing would be built in multiple counties. We decided to go with Winterwood Property Management, the state’s largest manager of tax credit properties, after its then-CEO Carol Worsham said her company could make it work.

A Sticking Point

Developers who build tax credit housing are allowed to pay themselves developer fees.



Top photo: Survivors referred by Merryman House in Paducah moved into 12 units in the fall of 2011.

Middle photo: This four-story, 22-unit apartment building sits across from The Center for Women and Families near downtown Louisville.

Bottom photo: Elected officials, Executive Director Darlene Thomas and others celebrated the opening of GreenHouse17’s 24 apartments in Lexington in June 2017.

Reasonably so, since they also must contract with the construction company and architect and sign guarantees agreeing to cover additional costs if construction goes over budget or there are operating deficits while the housing is in use.

We knew the developer fee would be sizeable. KCADV's Executive Director Sherry Currens proposed we split the fee, and HPI agreed, easily enough. The guarantees were another ball game. If we were going to get half the developer fee, we should take on half the risk, our developer argued. But Sherry showed her hard-nosed negotiating side, insisting that would not be the case. "We are a coalition of domestic violence shelters – not housing developers," she insisted. Sherry was right, and I knew our board would never have allowed us to sign the guarantees, but I feared that this position might make the project a non-starter. Ultimately, our developer agreed to be the sole guarantor.

KCADV's next task was coming up with rental assistance. Rent is the fuel that makes the project's wheels turn. The income pays for management, maintenance, and other expenses. By law, a portion of the housing built with tax credits must serve low-income families who earn no more than 60% of the Area Median Income. But the rents properties are allowed to charge are not affordable for very poor families (less than 30% AMI). Families who live in our Lexington housing pay \$693 for a two-bedroom apartment and \$1,007 for a three-bedroom unit.

Quite simply, our projects would not work if we did not provide rental assistance. More than 170 families have lived in our housing, and only one survivor has paid her rent without assistance.

KCADV lined up the rental assistance with help from our member programs, two of which already had agreements with their housing authorities to provide vouchers to shelter residents. A third program got a commitment from city officials to provide vouchers as

well, and KCADV filled the gaps with rental assistance from two of our HUD grants – the Continuum of Care Rapid Rehousing and Tenant-Based Rental Assistance programs.

The stars seemed to be lining up for KCADV's first project in the summer of 2008. We had site plans, enough rental assistance to make the project "cash flow" and were meeting with program directors to discuss architectural plans. But our project nearly died on the vine when the financial crisis hit, and housing development of all stripes slowed down dramatically. Investors who were buying tax credits were putting their money in "safe" projects: large single-site projects in urban areas. During the Great Recession, our project's scattered-site design with only one urban location was viewed as too risky.

A trimmed-down version of the KDVA Homes project moved forward after Congress passed the American Recovery and Reinvestment Act, which included funding to support tax credit projects. Construction on the \$8.8 million project began in the summer of 2010, and families began moving in in April 2011.

Second and third projects

Eager to build more housing, KCADV and HPI went back to Kentucky Housing Corporation and asked for another set aside. The agency's CEO turned us down cold. You've shown us you can do this, he said. Apply for tax credits like everyone else.

We did. In 2014, KCADV and HPI received tax credits for a second scattered-site project: 36 units at sites on land owned by three of our programs. The project included 12 units in Hazard, an impoverished community in Appalachia where the shortage of housing was extreme and the condition of much of the existing housing stock was poor. Kentucky Housing Corporation officials congratulated us for attempting to build housing in a part of the state that needed it so much.

Unfortunately, some Hazard residents did not agree. Residents near the proposed site

opposed the development, saying they didn't want housing for low-income families nearby. The project could not move forward without a zoning change, and angry residents protested at two meetings of the city's Planning and Zoning Board. Public outcry carried the day. The board rejected the zoning change request, and we lost all of our tax credits.

The deadline for the next funding round was looming, so we scrambled to put together another application. Ultimately, we won tax credits for a smaller project – 24 units for families served by GreenHouse17, our member program in Lexington. The \$4.6 million project included 12 single-story cottage-style units on the campus of GreenHouse17 and 12 units closer to the city's core. The Lexington Housing Authority provided rental assistance.

While that application was under consideration, KCADV filed a fair housing complaint

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Top photo: A survivor and her toddlers relax on their porch on the campus of GreenHouse17 in Lexington.

Middle photo: Six families live in apartments built at the base of an Appalachian foothill at DOVES in Morehead.

Bottom photo: Eight families live in Merryman House's apartments in Murray in western Kentucky.



FRONT ELEVATION 12 UNIT APARTMENT BUILDING (EAST)
SCALE: 1/4" = 1' 0"
GRAPHIC SCALE

against the city of Hazard with the help of the state's fair housing council. The evidence supporting KCADV's claim of housing discrimination was so strong, city officials called within days of receiving the complaint asking what it would take to settle. The answer was simple: KCADV asked the city to provide land suitable for housing development.

The claim was settled after we agreed on a site near a small commercial area with shopping and employment opportunities that our local program LKLP Safe House said was well-suited for families. We are working with National Housing Associates in Columbus, Ohio. Construction will begin in November (2018) on a \$2.78 million 12-unit apartment building.

More options for survivors

The easiest part of our housing adventure was finding families to live in the energy-efficient apartments equipped with Energy Star appliances, including dishwashers, washers, dryers, and microwaves as well as high efficiency toilets, showers, and faucets and argon-filled glass windows. The project sites have

playgrounds, picnic tables, benches and grills.

One of our goals, however, was to build housing for ALL survivors, including survivors who are undocumented, have tarnished rental histories, or criminal records. We've succeeded in part because we had a part in writing the Winterwood Property Management's Tenant Selection Plans that govern each project. We negotiated provisions that made it possible to serve potential tenants who have been convicted of serious charges, even murder, that were related to domestic violence. We've also been able to provide housing for undocumented survivors and their families.

KCADV and its member programs have a relationship with Winterwood that works due to good communication, regular meetings, and efforts by Winterwood staff to understand and work around the challenges some of our families present.

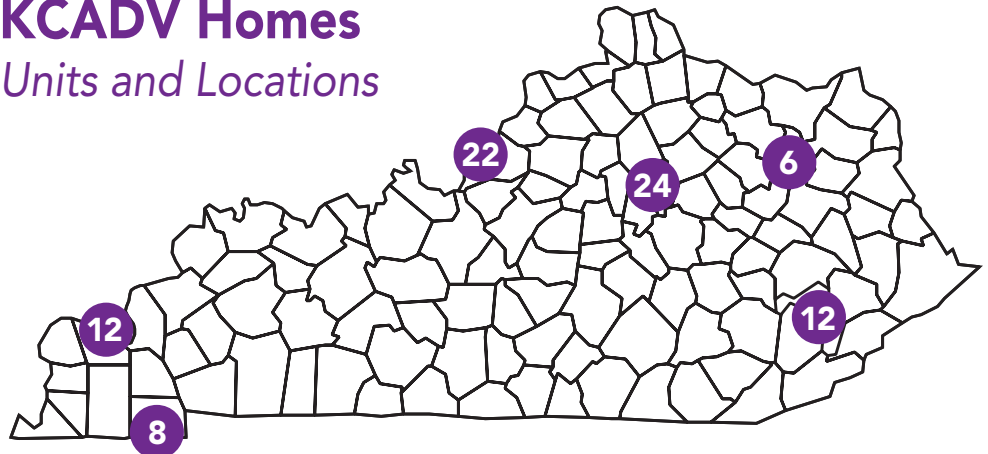
Meanwhile, program advocates work hard to remove or address obstacles: They help potential residents find assistance to pay debts to utility companies or for damage and utility deposits (some of which can be provided by KCADV depending on the source of rental

assistance). Advocates have even helped potential residents find sources of income, jobs, or day care before they refer families to the property management staff, who are responsible for completing applications and collecting deposits and rent.

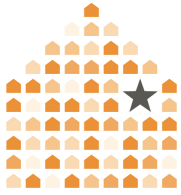
Residents of our housing are well-positioned to take advantage of KCADV's economic empowerment programming, which includes financial education, credit counseling, micro loans, IDAs, and free tax-preparation services. It is incredibly rewarding for everyone involved when clients leave our housing and move on to better opportunities.

The key to making supportive housing projects work lies in the strength of the partnerships and a common belief in the mission. All of the partners involved in KCADV's housing developments voiced a commitment to serving domestic violence survivors when our partnerships were hatched. More than a decade later, after working through the challenges that come with housing our families, they have demonstrated that they meant it.

KCADV Homes
Units and Locations



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The National Network to End Domestic Violence (NNEDV), a social change organization, is dedicated to creating a social, political, and economic environment in which violence against women no longer exists.

<http://www.nnedv.org>



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Domestic Violence and Housing Technical Assistance Consortium

The Consortium, launched in 2015, provides training, technical assistance, and resource development at the critical intersection between domestic violence/sexual assault services and homeless services/housing. Funded by a partnership between the U.S. Department of Justice, the Department of Health and Human Services, and the Department of Housing and Urban Development. This multi-year Consortium supports a collaborative TA Team that includes the National Alliance for Safe Housing (a project of the District Alliance for Safe Housing), the National Network to End Domestic Violence, the National Resource Center on Domestic Violence, and Collaborative Solutions, Inc., to build and strengthen technical assistance to both housing/homelessness providers and domestic violence/sexual assault service providers. The Consortium aims to improve policies, identify promising practices, and strengthen collaborations necessary to enhance safe and supportive housing options for sexual and domestic violence survivors and their children.

More questions? The Consortium TA Team is available to provide individualized TA and training to communities interested in expanding the array of safe housing options for domestic and sexual violence survivors. We can also provide support to domestic violence and sexual assault advocates, homelessness and housing providers, and other allied partners interested in building stronger community collaborations.



**SAFE HOUSING
PARTNERSHIPS**

Visit SafeHousingPartnerships.org to access a comprehensive collection of online resources and to request technical assistance and support.