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| LOCAL COMMISSIONERS MEMORANDUM |
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Transmittal No: 90 LCM-73

Date: May 25, 1990

Division: Office of Shelter
and Supported
Housing Programs

TO: Local District Commissioners

SUBJECT: AFDC Transitional Housing Demonstration

ATTACHMENTS: Contents of the Concept Paper (Available On-Line)

I am writing to inform you of the availability of federal funds under the Emergency Services and Shelter AFDC Transitional Housing Demonstration. A copy of the April 6, 1990 Federal Register notice describing this Demonstration may be requested by contacting the individuals listed at the end of this letter. Funding under this program is very limited and highly competitive: no more than three states may receive awards based on proposals submitted to the state from public or private non-profit agencies. States must submit an application to the Federal government by July 5, 1990. Although there is no limit to the number of separate applications that can be submitted by the State, the federal government expects to fund only one application from any one state. It will give favorable consideration to applications that provide transitional housing in more than one site. This Department expects to submit one application which contains no more than three sites. Local districts are invited to submit proposals under this demonstration in the form of a concept paper, which is described in the attached outline. Two copies of each concept paper must be received by the Department by June 12, 1990, and should be sent to the address below:

Peter R. Brest
Acting Associate Commissioner
Office of Shelter and Supported Housing Programs
New York State Department of Social Services
40 North Pearl Street
Albany, New York 12243

The basic goal of this demonstration is to show whether it is less expensive and more effective to house homeless families in receipt of AFDC in transitional housing than in "welfare hotels." Specifically, the federal

government wants to determine if transitional housing will: a) reduce federal AFDC costs (and concurrently state and local expenditures) as compared to the cost of hotel and related expenditures and, b) will permanently reduce the number of hotel units utilized to house homeless families.

The Federal appropriation of \$20 million for this demonstration will cover the cost of housing rehabilitation or new construction, and the provision of on-site social services. These funds are not available to acquire or lease property or to provide operating costs. The demonstration project may be for a period of up to 42 months. Social services must be provided for at least 24 months.

The Department has written to all non-profit tier II family shelter providers informing them of the availability of funding under this demonstration. If you are contacted by a non-profit provider in your district regarding support for their application under this program, we would ask that you assist them in any way you can. It would be very helpful if you can designate a contact person from your agency to work on this effort, preferably someone who is familiar with the homeless problem in your district and is available to provide technical assistance and guidance at the district level. The staff of the Office of Shelter and Supported Housing will also be providing technical assistance during the application process.

The Department will determine which proposals to include in the State's application to HHS and reserves the right to reject any and all proposals. As indicated previously, the Department expects to submit a combined application for up to three sites. Criteria for selecting applications will include, but not necessarily be limited to, the following:

- the nature and level of the problem of homelessness in the county from which the application is made, including the number of homeless families currently living in welfare hotels;
- the potential ability of the proposed project to begin operations within a short time-frame after the federal grant is awarded in the fall of 1990 (HHS will award extra points for meeting this criterion);
- the ability of the proposed project to be easily convertible to permanent housing when it is no longer needed as a transitional housing facility;
- the potential ability of the proposed project to meet the above-stated objectives of the demonstration (cost and unit reduction);
- the provision of additional or subsequent funding from other sources to continue the project when federal funds are exhausted;

- the demonstration of linkages to other providers of services to the homeless;
- the demonstration of public/private partnerships or arrangements.

If you have any questions regarding this demonstration, please feel free to call Peter Brest, Acting Associate Commissioner, at (212) 804-1295 or Michael Asbury at (518) 474-0358.

Thank you for your continued interest in serving the homeless of New York State.

Peter R. Brest
Acting Associate Commissioner
Office of Shelter and Supported
Housing Programs

Emergency Services and Shelter AFDC Transitional
Housing Demonstration Program

Contents of the Concept Paper
(not to exceed 10 pages)

1. Description of the need and the population to be served.
2. Description of the proposed project site, including existing conditions and proposed or actual site control.
3. Description of the design of the proposed site, including a narrative description of the type of housing design and construction, with estimates of the probable cost of construction, acquisition, professional fees and other development expenses.
4. Description of the probable sources of proposed capital funding including the level of commitment for each source of proposed funding.
5. Description of the proposed operating expenses for this project distinguishing real estate operating expenses from social support services expenses.
6. Description of the proposed sources of operating revenue including the level of commitment for each source of proposed funding.
7. Description of the support service to be provided for this project. Be sure to explain the responsibility of each agency involved.
8. Description of how assets and finances will be managed for this project. Be sure to explain the role of each agency involved.
9. Description of how your project could meet the application requirements noted under Part B, Paragraph 4 of the Federal Register notice, which require that proposed projects must:
 - a. Provide housing in transitional facilities only to homeless families who are recipients of Aid to Families with Dependent Children under the State plan and who reside in commercial or similar transient facilities;
 - b. Permanently reduce the number of rooms used to house homeless families who are recipients of such aid in commercial or similar transient facilities by the number of units made available in transitional facilities in accordance with paragraph (1) of Part B; and
 - c. Provide that the Federal share of the total amount of cash assistance provided under the project to families residing in transitional facilities plus the total amount of grants made to the State under this section must be less than or equal to the Federal share of the cost of housing such families in commercial or similar transient facilities (including payments made to cover basic needs and services of such families).

10. Description of whether and how your project could meet the preference and priorities for funding stated in the Federal Register notice.
11. Provide a timetable for the construction/rehabilitation phase and the commencement of the operational phase.