**New Hope Apartments**

**Peoria, Illinois**

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Permanent supportive housing is part of the solution to homelessness. Until recently, Peoria had minimal supportive housing. In April of this year, New Hope Apartments opened in a renovated YWCA building. It provides 79 units of permanent supportive housing for single, homeless adults with disabling conditions.

The goal of New Hope Apartments is to provide much needed housing and services for our community’s homeless and to help them maintain their highest level of self-sufficiency, whatever that level is for each individual.

**Neighborhood Stabilization Program**

HUD has posted, effective September 29, its notice regarding distribution of the $3.92 billion in Neighborhood Stabilization Program (NSP) funds authorized by the Housing and Economic Recovery Act of 2008. These funds, to be distributed through the Community Development Block Grant (CDBG) program, are for the redevelopment of abandoned and foreclosed properties. The notice sets forth application procedures for the funds, as well as regulatory waivers and alternative requirements for the NSP as compared to the regular CDBG program.

On September 26, HUD released the NSP allocation amounts for states and other jurisdictions. State and local governments must submit applications for these funds to HUD by December 1. Since all grantees are already CDBG jurisdictions, the applications will be amendments to the jurisdictions’ existing, approved consolidated plan and action plan.

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A number of events contributed to the development of New Hope Apartments. For the past 15 years, SSOC has had 30 units of housing funded by a Shelter + Care grant. Since it’s inception, SSOC rented the residential units. For several years, they felt the units were sub-standard and started looking for another location in about 1999.

For the last 6 or 7 years, the local Continuum of Care’s number one priority has been developing permanent housing. Peoria does a good job of providing emergency shelter, but we are lacking in decent, affordable permanent housing.

The partnership between POF and SSOC started in 2003. This initiated a concerted effort to obtain funding to develop new housing.

The timeline is below:

- Nov 2003 - Partnership between POF and SSOC
- April 2006 - Second Illinois Housing Development Authority (IDHA) tax credit application
- June 2006 - Tax credits awarded
- March 2007 - Started construction
- March 2008 - Completed construction
- April 2008 - Started lease-up of residential units
- Dec 2008 - 100% lease-up

In 2004, between the 2003 formation of the POF/SSOC partnership and the 2006 tax credit application a new site was selected in the city’s warehouse district. Several of the neighbors, looking to gentrify the area, did not think housing for homeless fit in with their plans. It was a long and ugly fight that included filing a fair housing complaint with HUD against the City of Peoria. Because of community resistance, we lost a full year. With the assistance of Congressman LaHood’s

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HUD Guide for Avoiding Foreclosure

The Guide to Avoiding Foreclosure is a one-stop-shop designed to educate Americans about the most current housing information and resources HUD has to offer. The updated site has a number of helpful resources particularly important for Americans at risk for losing their homes.

The Guide to Avoiding Foreclosure is an easy-to-use site allowing users to quickly search information specific to their needs. The streamlined website educates individuals on the many ways HUD can assist them through these trying times and help them hold on to their homes.

Located at www.hud.gov/foreclosure, the Guide to Avoiding Foreclosure is also featured on the U. S. Department of Commerce website, www.economicrecovery.org, as an in-depth resource to help Americans keep their homes, find jobs and protect their savings.


American Community Survey Data Released

The Census Bureau on September 23 released estimates from the 2007 American Community Survey (ACS) on the demographic and socioeconomic characteristics of the nation’s population and housing units. ACS provides estimates on the age, sex, race, education, and income of the population as well as valuable information on the nation’s housing characteristics. The data are available for all standard census areas with a population of at least 65,000, including not only metropolitan areas and counties but also areas such as congressional and school districts.

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Making the Connection

Pay-In Spenddown

Contributor: DuPage Federation on Human Services Reform

As of October 20, 2008, eligible persons will be notified about another option to meet their spenddown starting in November. This new option is called Pay-In Spenddown and is similar to how a medical insurance premium works. The new program is optional and can be used alone or in combination with the old method of meeting spenddown, so in order to fully understand Pay-In spenddown you need to first understand the basic spenddown program.

When a person who is aged (65+), blind or disabled (AABD) applies for Medicaid, the state worker compares the household income and assets to state standards. (Currently the income standard for a one person AABD household is 100% of Federal Poverty Level, and resources are limited to $2,000.) The amount of income and resources over the standard is called the Spenddown. The spenddown amount is a monthly obligation. Once a person shows that bills or receipts for medical care, drugs or supplies are equal to the monthly spenddown amount, he is enrolled in the spenddown program and gets a medical card to pay for other medical care needed for the month.

For example, Joe has an income of $992 a month. The state income standard is $867 a month. Since Joe has an income, the state reduces the income by a standard deduction of $25, reducing the income counted to $967. Joe’s income is $100 over the state standard, so his spenddown is $100. Joe is told by the IDHS worker that he now needs to provide medical bills or receipts that total to at least $100, in order for IDHS to enroll Joe in the spenddown program. Joe has to do this each month. Each month Joe has wait until the IDHS caseworker is able to do the work before a medical card is issued. This process sometimes results in frustration for Joe, since he never knows when he actually will get a medical card.

The new Pay-In Spenddown program now permits persons who enroll in the Pay-In option to mail the spenddown to the Illinois Department of Healthcare and Family Services (HFS). Persons

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NSP and Housing for Homeless People

HUD is encouraging local Continuums of Care and homeless service providers to utilize the new Neighborhood Stabilization Program (NSP) funds to create permanent supportive housing for homeless people.

HUD provides examples of how homeless service providers could use the funds. Agencies could purchase several single-family homes in a neighborhood and create a permanent supportive housing project for homeless persons. Or, an organization could purchase a single-family home and rehabilitate it to contain two or three apartments to be used as permanent housing for people experiencing homelessness. HUD also suggests that NSP funds could be used to purchase a residential property and construct an apartment complex that could be used as permanent housing for people who are homeless. Each activity is an eligible use of the funds.

HUD’s Office of Lead Hazard Control has also communicated that NSP funds can be combined with HUD Lead Grants to renovate rental housing for low income households. This differs from a past policy that prohibited the use of Lead Grants in vacant units. Using Lead Grants in vacant units in conjunction with NSP funds could facilitate the redevelopment of vacant properties.

HUD’s ideas for permanent housing for homeless people using NSP funds are posted at www.nlihc.org/doc/NSPFlyerFinal10-17-2008.pdf

Additional information for human service providers and CoCs can be found on the Homelessness Resource Exchange at http://www.hudhre.info/index.cfm?do=viewNSP.

NSP

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Unless the Housing and Economic Recovery Act states otherwise, the regular rules of the CDBG program apply to the NSP funds. The notice outlines how states and other jurisdictions can apply for the funds and how the funds can be used under rules set forth especially for the NSP. CDBG requirements related to fair housing, nondiscrimination, labor standards and the environment, including lead-based paint, must be met in the NSP program.

The grantee’s NSP Action Plan substantial amendment to its CDBG plan must include general information about needs, distribution, use of funds and definitions it will use. This plan must include:

- A description of how the funds will be distributed to the areas of greatest need,
- The grantee’s definitions of “blighted structure” and “affordable rents,”
- A description of how the grantee will ensure continued affordability for NSP-assisted housing, and
- A description of housing rehabilitation standards that will apply to NSP-assisted activities.

Grantees must ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental or redevelopment of abandoned and foreclosed-upon homes remain affordable.

HUD will consider any grantee adopting HOME program standards for “affordable rents” and continued affordability to be in minimal requirements with the NSP’s affordability requirements. In the HOME program, rent can be no greater than the fair market rent or 30% of the adjusted income of a household at 65% of area median income, whichever is lower. A newly constructed rental project must remain affordable in the HOME program for 20 years, and a rehabilitated one for five to 15 years, depending on how much funding was put in each unit.

All funds must benefit households below 120% of area median, and 25% of the resources must benefit households below 50% of area median income. Because of the “pressing rush,” the

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The majority of the funding for New Hope Apartments came from low-income housing tax credits. We also obtained historic designation for the building and received historic tax credits. Placing the building on the Historic Register affected construction minimally. We had to keep the original windows on two sides of the building. The lobby and second floor balcony were kept in their original state. And the swimming pool is still in the building, but covered by a floor where we constructed residential units.

The project was a total gut-rehab of a 1928 building that was always a YWCA. Construction time was about one year and the results of the total renovation are:

- Seventy-nine efficiency apartments, each with their own bathroom and kitchenette
- All new HVAC, electrical and fire systems
- Eight thousand square feet of office space – Both SSOC and POF have their offices on-site
- On-site amenities include 3 laundry centers, 2 TV lounges, 2 activity centers, a fitness center, a recreation and gaming room, and a library with computer lab

There were several challenges during construction:

- After interior demolition, there were multiple design adjustments.
- Two new floors were constructed within the building: one over the existing swimming pool and one that divides the 2-story gymnasium.
- The building is located downtown, so there was minimal staging area for construction materials.
- Placement of all mechanicals required drilling through poured concrete floors.

Services and Ongoing Operations

Funding for operations and supportive services is an innovative, blended financial package with 10 different funding streams. As a result of the different eligibility criteria for the funding streams, each consumer has a unique funding combination that supports his/her overall residency at New Hope and the corresponding supportive services.

This new approach to funding is encouraged in the behavioral healthcare industry. Instead of pigeonholing a client into one funding stream and one program with inappropriate or inadequate services, the “money follows the client.” This system allows us to transfer consumers to different funding and different services over time, as the consumers’ service needs change. This ability increases our service capacity (frequency, type and intensity of service) to each consumer.

As the on-site supportive services provider, SSOC is a licensed mental health provider and is accredited by Commission on Accreditation of Rehabilitation Facilities (CARF) for behavioral health services and community housing. Minimally, supportive services at New Hope include:

- Clinical mental health services
- Supported employment services
- Life skills education and mentoring
- Substance abuse services
- Routine and preventive health care, including wellness education
- Therapeutic recreation activities
- Food and clothing assistance

Other community partners provide additional services on-site to meet the wide range of needs for our residents.

During the design phase, several areas of the building were designed to
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enhance supportive services. Examples include:

- Eliminated “office-based” clinical services – All clinical services are delivered in the consumer’s residential setting or in customized “counseling offices” that have a home-like atmosphere;
- Retained ¾ of the auditorium, including a stage, in order to host recreational activities for our residents;
- A commercial-grade kitchen to provide some meal service for our consumers and to host life skills development programs (i.e. cooking safety, healthy meal preparation);
- Space used as a “commissary” where residents purchase necessary items at cost and participants of our employment training program get hands-on retail experience;
- Health services center;
- § Employment training center with internet access;
- Private patio for tenant use and hosting outdoor recreational activities;
- Bicycle storage room – All residents receive a donated bicycle, providing them with transportation to medical appointments, services at other agencies, shopping centers, etc.

Another unique aspect of our program is requiring tenants to perform community service hours. Depending on a tenant’s rent subsidy, each person performs 10 to 25 community service hours per month in activities that support the facility and/or SSOC’s operations – i.e. housekeeping, maintenance, assistance in the office, providing back-up for staff.

We are developing a New Hope Resident Council that serves in a traditional advisory capacity but also maintains a nominal level of authority in monitoring resident actions, sanctioning negative behaviors, and taking responsibility for enforcing policies; similar to a condominium association. Resident Council members are elected by the residents in an open election process and are then mentored by staff members.

The property is professionally managed by an external contractor. In collaboration with SSOC, they handle screening and lease-up of tenants. They also handle all of the usual property management activities including rent collection, maintenance, compliance reporting, operations, budgeting, etc.

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notice states, of implanting NSP, grantees will not be required to adhere to regular CDBG requirements of one-for-one replacement of low and moderate income housing units demolished or converted in connection with activities assisted with NSP funds.

NSP funds cannot be used for foreclosure prevention activities, for the demolition of structures that are not blighted, nor for the purchase of residential properties or homes that are not abandoned or foreclosed upon.

Compared to the regular CDBG program, which a grantee must solicit comments for at least 30 days before submitting an action plan to HUD, the NSP proposed action plan must only be published for no less than 15 days for public comment before it is submitted to HUD by the December 1 deadline. HUD will then expedite review of the application. Once the agreement is signed, HUD will establish a line of credit for the grantee. Grantees must obligate NSP funds within 18 months.

Visit HUD’s NSP site at www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoods

Illinois

Illinois’ share of the NSP resources totals $172 million. The accompanying table shows the distribution to the State of Illinois, and to cities and counties receiving formula allocations. The Illinois State Program funds will be used for areas of the state that do not otherwise receive a formula allocation, but may also be used in areas receiving their own allocation.

Illinois and the other entities are each developing proposals for submission to HUD for how they intend to use their individual allocations. The plans must be posted by November 7 for a 15-day public comment period. The state effort is being led by the Illinois Department of Human Services (DHS), working in partnership with the Illinois Housing Development Authority (IHDA) and the Department of Commerce and Economic Opportunity (DCEO). The state plan will be posted on the DHS web site (www.dhs.state.il.us). Final plans are to be submitted to HUD by December 1. HUD is supposed to act by January 15, 2009, but there may be delays due to the change of administration following the November 4 election.

For further information on federal NSP issues, contact the National Low Income Housing Coalition at the address in Headlines Directory. For further information on the program in Illinois, contact the relevant local community development department, or:

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Spenddown
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who opt for the Pay-In spenddown program can decide from month to month whether to meet spenddown by submitting incurred or paid medical expenses to the local IDHS/FCRC, or by submitting payments to HFS or a combination of both. This new option will help persons who know that they need a medical card for a particular month. The individual will be able to pay ahead of time to be sure to receive the card by the beginning of that month. In addition, there is more flexibility in choosing the months for which a medical card is received. Individuals can continue to turn bills into the IDHS office, they can choose to turn in bills and pay or they can choose pay-in only. For those who choose to use only the pay-in option, another side benefit is the person does not need to keep track of bills and receipts or take them or send them to the IDHS caseworker and wait for the worker to complete the work.

Eligible persons will be sent a letter to enroll in Pay-in Spenddown. If the person is interested in enrolling they will:

- Need to sign the form and return it to Illinois Department of Health Care and Family Services, Pay-in Spenddown Unit, PO Box 19161, Springfield, IL 62794-9161.

- HFS will then enroll the person and mail a Pay-In Spenddown statement. If the person has a spenddown based only on income she or he has the option of paying the spenddown for up to 3 months. If there is a spenddown due to assets the form will ask the person to pay for only the first month. This is because the entire asset amount must be paid to meet spenddown. After the initial enrollment, a Pay-In Spenddown statement will be sent prior to the next payment date.

- Payments may be made by money order, cashier’s check, credit or debit Visa or MasterCard. Personal checks are not accepted and will be returned. Individuals, or anyone paying on their behalf, completes the bottom of payment form and mails it with the payment(s) to: Spenddown Payment/Fiscal Operations, P.O. Box 19141, Springfield, IL 62794-9141.

- It is important to understand that HFS and IDHS will work together to help your client meet his spenddown. HFS will enroll, process payments and track medical payments. The local IDHS staff will inform eligible persons about the Pay-in Spenddown option, provide them with the information pamphlet Pay-in Spenddown Facts, and refer them to the Pay-in Spenddown Unit if they have questions. The IDHS caseworker will continue to process bills and receipts for Pay-in Spenddown clients who choose to also use medical expenses to meet spenddown and also make other needed changes on the case, such as changing the address.

- The cost of the medical services paid by HFS is less than the amount of the spenddown payment for the month, or
- The cost of the total medical services paid by HFS is less than the amount of the payment made on an asset spenddown or
- The spenddown case is cancelled for a month payment has been made.

Persons can opt out of the Pay-in option any time by calling the Pay-in Spenddown Unit at 1-800-226-0768 (TTY: 1-866-675-8440). Opting out is not permanent and individuals can request to re-enroll at any time by calling the Pay-in Spenddown Unit.

Questions about Pay-in Spenddown are able to be answered at: 1-800-226-0768 (TTY 1-866-675-8440).

This article was adapted from the state policy release which can be read in full by going to www.dhs.state.il.us/page.aspx?item=32892.

The DuPage Federation on Human Services Reform, a non-profit 501(c)(3) organization focused on advocacy and planning in DuPage County, Illinois and designer and trainer of Making the Connection: A Guide to Accessing Public Benefits. The DuPage Federation is affiliated with Northern Illinois University, Regional Development Institute. Questions can be directed to knelson@dupagefederation.org or cking@dupagefederation.org.

ACS Data
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National estimates released this week show that 45.6% of renter households reporting housing costs spent more than 30% of their income on rent and utilities. And while gross rent increased only slightly from $763 to $789 between 2006 and 2007, the share of units renting for less than $500 fell 0.4% while the share renting for more than $1,500 rose 0.7%. Because these data are from 2007, they do not yet reflect the full extent of the recent turmoil in housing markets.

With a sample size of roughly three million households, the ACS is an annual survey that will replace the long-form previously distributed only once every ten years with the national census. In December, three-year estimates based on data collected between 2005 and 2007 will be released for all areas with a population of 20,000 or more.

More information on the ACS is available at www.census.gov/acs/www/

Local data can be accessed by clicking on the Get Data - American FactFinder (AFF) link in the middle of the ACS webpage.