

STATE OF WISCONSIN FUNDING AND FUND SOURCES FOR HOMELESSNESS

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This chapter provides information relating to funding, including federal funds, provided by the State of Wisconsin for homelessness or prevention of homelessness and focuses on housing needs in particular. Some programs target specific populations [such as individuals with a disability, individuals living with human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS), individuals with mental illness or a substance abuse disorder, and veterans], while others address homelessness and housing in general. Funded activities may include: rental assistance; housing vouchers; foreclosure prevention payments; utility bill assistance; supportive services and outreach to homeless individuals; operation of transitional housing, emergency shelters, or housing voucher programs; housing rehabilitation; renovation or capital improvements to emergency and transitional housing facilities; low-income housing tax credits for housing developments; multifamily housing development loans; Homeless Management Information System project costs; and administrative expenses. In addition to programs related to homelessness or prevention of homelessness, a summary of programs that provide other types of services relating to homelessness is included as an appendix to this chapter.

DEPARTMENT OF ADMINISTRATION

Housing programs of the Department of Administration (DOA) are administered by the agency's Division of Energy, Housing and Community Resources. Funding for DOA programs that relate specifically to homelessness for 2014-15 through 2015-16 is summarized in Table 1. This information was provided by the administration. Depending on the program, budgeting may be done based on a state fiscal year, federal fiscal year (FFY), or program year. Therefore, funding listed for each program may be for different time periods for the year that is indicated in the table. Funding shown in Table 1 is from state general purpose revenues (GPR), state program revenues (PR), and federal revenues (FED). A description of each program follows Table 1.

TABLE 1
Department of Administration Funding for Homelessness
2014–15 and 2015–16

| Program | | Annual Funding | |
|--|-----|----------------|-------------|
| | | 2014-15 | 2015-16 |
| Homeless Prevention Program GPR | (1) | \$1,503,700 | \$1,515,000 |
| Critical Assistance Program GPR | (1) | \$282,800 | \$282,800 |
| Transitional Housing Grants GPR | (1) | \$300,000 | \$297,500 |
| State Shelter Subsidy Grant Program GPR | (1) | \$1,113,600 | \$1,113,600 |
| Tenant-Based Rental Assistance (TBRA) FED | (2) | \$780,000 | \$1,064,019 |
| Emergency Solutions Grants FED | (2) | \$3,169,745 | \$3,453,944 |
| Projects for Assistance in Transition from Homelessness (PATH) GPR | (1) | \$58,400 | \$58,400 |
| FED | (2) | \$836,000 | \$836,000 |
| All funds | | \$894,400 | \$894,400 |
| Housing Opportunities for Persons with AIDS FED | (2) | \$466,613 | \$468,812 |
| Shelter Plus Care FED | (2) | \$254,548 | \$261,692 |
| Interest-Bearing Real Estate Trust Account Receipts (IBRETA) PR | (3) | \$19,213 | \$17,894 |

(1) For state-funded programs (GPR and PR), funding is for a state fiscal year, July 1 through June 30.

(2) Federal funding shown for PATH is for state fiscal years 2014-15 and 2015-16, associated with the program award period. For other federally funded programs, funding is associated with federal fiscal years (FFY) 2014 and 2015.

(3) Receipts of IBRETA program revenue are shown for calendar years 2015 and 2016 (through October 31, 2016). Several programs may be supplemented from IBRETA receipts as needed from the available revenue balance, including transitional housing grants, state shelter subsidy grants, emergency solutions grants, and funding for PATH.

Homeless Prevention Program. This program funds homeless prevention and is awarded in annual grant cycles in combination with state funding for Transitional Housing Grants and federal funding for Emergency Solutions Grants. Funded activities under the program may include: rental assistance to households in the form of security deposits, short-term rental subsidies, or utility costs; foreclosure prevention, including payment of principal and interest on a mortgage loan that is past due, property taxes, and utility payments, if the homeowner shows the ability to make future payments; and administrative funds to support the above activities.

Critical Assistance Program. The Critical Assistance program funds Homeless Prevention Program activities in parts of the state that are not served by federal Emergency Solutions Grants or other state funds. As with the homeless prevention program, funded activities under the program may include: rental assistance to households, foreclosure prevention, and administrative funds.

Transitional Housing Grants. The Transitional Housing Grants program provides grants to private, nonprofit organizations; community action agencies; and county or municipal governments for operating transitional housing and associated supportive services for the homeless. The purpose of the program is to facilitate the movement of homeless individuals to independent living.

State Shelter Subsidy Grant Program. The State Shelter Subsidy Grant program provides funding of up to 50% of the annual operating budget of an emergency shelter or housing voucher program. Funding is distributed to eligible applicants using a formula that is based on the number of shelter nights provided.

Tenant-Based Rental Assistance. The Tenant-Based Rental Assistance program, known as TBRA, funds rental assistance and supportive services to homeless individuals with a disability and households at risk of homelessness. Funding is provided from the federal Home Investment Partnerships program (HOME).

Emergency Solutions Grants. The federally funded Emergency Solutions Grants program, which was known as the Emergency Shelter Grant program prior to FFY 2011 when the U.S. Department of Housing and Urban Development focused more on providing funding for shelters, funds homelessness prevention, rapid re-housing, emergency shelter, street outreach, and Homeless Management Information System projects.

Projects for Assistance in Transition from Homelessness. The Projects for Assistance in Transition from Homelessness program, known as PATH, funds outreach and mental health services for homeless individuals with serious mental illness, including individuals with co-occurring substance abuse disorders. Funding is distributed to counties with populations over 150,000 through a competitive application process.

Housing Opportunities for Persons with AIDS. The Housing Opportunities for Persons with AIDS program, known as HOPWA, provides rental housing assistance and services to households with an individual who lives with HIV or AIDS. Funding may be provided for housing assistance, including: emergency housing; shared housing arrangements; and permanent housing placement in apartments, single-room occupancy units, and community residences. Non-housing support services may include: supportive services such as physical and mental health care and assessment; drug and alcohol abuse treatment

The Emergency Solutions Grants program funds homeless prevention, rapid re-housing, emergency shelter, street outreach, and HMIS projects.

and counseling; day care services; intensive care; nutritional services; and assistance in gaining access to local, state, and federal government benefits and services.

Shelter Plus Care. The Shelter Plus Care program provides rental and utility assistance in combination with support services for homeless people with mental illness. The program is funded through the U.S. Department of Housing and Urban Development Continuum of Care application process.

Interest-Bearing Real Estate Trust Accounts. The source of funding for this program is generated from earnings on interest-bearing real estate common trust accounts established under state statute. The program, known as IBRETA, requires real estate brokers and salespeople in Wisconsin to deposit down payments, earnest money, and similar types of real estate payments in a pooled interest-bearing trust account at a depository institution. From the amounts credited to this PR appropriation, DOA provides grants to organizations that provide shelter or services to homeless individuals or families.

The Department of Administration administers several programs that increase the availability of affordable housing and could prevent homelessness.

Other Housing Programs. The Department administers several other housing programs not listed in Table 1 that benefit low-income and moderate-income households in general. To the extent that availability of affordable housing prevents homelessness, these programs could be considered preventive. The following programs could potentially be considered related to homelessness prevention: (a) the Housing Cost Reduction Initiative Homebuyer program (funded at \$2.6 million GPR over the 2015-17 biennium); (b) initiatives of the federally funded Home Investment Partnerships program (HOME) such as the Homebuyer and Rehabilitation program (allocated \$3,306,700 FED in FFY 2016) and the Rental Housing Development program (allocated \$2,803,500 FED in FFY 2016); and (c) federal funding for the Housing Rehabilitation program (allocated \$5,490,500 FED for rehabilitation of owner-occupied housing and \$59,700 FED for rehabilitation of rental housing in FFY 2016) and the Emergency Assistance program (\$3,317,800 FED from a combination of FFY 2015 and FFY 2016 funds to Vernon County for September 2016 flooding) from the Small Cities Community Development Block Grants program. It should be noted that emergency assistance funds provided to Vernon County relating to flood damage were not limited to assistance for damage to housing, and included public infrastructure and business assistance. Additionally, funding awarded to Vernon County represents an approved budget for disaster expenses. Actual expenses could differ from the estimated budget.

In addition, DOA administers the Wisconsin Home Energy Assistance Program, which provides low-income energy assistance services, including crisis assistance services and benefits to households experiencing or at risk of experiencing an energy emergency (heating or non-heating electric emergency). The crisis assistance component of the program provides limited cash assistance and services including providing heating fuel, short-term housing assistance, or in-kind benefits such as blankets or space heaters. The program also offers proactive services designed to minimize the risk of heating emergencies during the winter months. Funding is provided from: (a) the federal Low-Income Home Energy Assistance Program (LIHEAP); and (b) the state segregated utility public benefits fund. In 2015-16, about \$16.3 million (\$12.4 million FED and \$3.9 million SEG) was provided for crisis assistance benefits. In June 2016, DOA announced that it would allocate a portion of federal LIHEAP funds for crisis assistance targeted to homeless veterans, to assist with payments to energy providers, payment for one month of rent, and a security deposit (if needed). Through September 30, 2016, \$208,400 FED was expended for the initiative.

DEPARTMENT OF CORRECTIONS

The Division of Community Corrections within the Department of Corrections administers two programs that relate to housing and homelessness.

Emergency and Supplemental Housing. The Department provides state funds for offenders to stay up to 30 days in a hotel, motel, or small furnished apartment on a temporary basis in cases of emergency (with an option to apply for 30-day extensions). Emergency housing assistance is provided when an offender under community supervision does not have an appropriate residence and may be waiting for a residential program opening. Supplemental housing consists of temporary support of offender-leased housing for which the Division pays part or all of a few months' rent. Payment is made directly to the landlord on behalf of the offender. Purchase of offender goods and services funding is allocated to eight Division of Community Corrections regions. Subsequent to regional allocation, funding is provided on a needs-based prioritization. The Department expended \$851,371 GPR in 2015-16 for this purpose.

Transitional Housing (Transitional Living Program). Transitional housing is provided in the form of one to two bedroom apartment(s) or a facility with multiple single- or double-occupancy bedrooms with access to a congregate living area and shared kitchen. The housing program contractor supplies all bedding, household supplies (items such as dishes, cooking utensils, and alarm clocks), a food supply for one week, and supervision by staff through random on-site inspections. Offenders must follow rules, participate in program services as determined by their agent, and comply with employment requirements. The program is used to transition offenders from prison to the community when other housing options are unavailable. Housing may be provided for up to 90 days based on availability and may be extended. Funding targets offenders under supervision who do not have housing. As with emergency and supplemental housing (described above), purchase of offender goods and services funding is allocated to eight Division of Community Corrections regions, where regional chiefs allocate funding according to a needs-based prioritization. The Department expended \$3,615,675 GPR in 2015-16 for this purpose.

It should be noted that for the Corrections programs described above, the agency expends the funds to perform its statutory duties to place offenders in the community in a manner that protects public safety and provides for secure supervision of individual offenders.

DEPARTMENT OF HEALTH SERVICES

Ryan White Part B. The Department of Health Services receives Ryan White Part B funds from the U.S. Health Resources and Services Administration to support both medical and support services for persons living with HIV. For the 2016 project year (April 1, 2016, to March 31, 2017), \$82,800 FED is provided under a contract with the AIDS Resource Center of Wisconsin to provide security deposits and housing assistance not to exceed seven days to low-income people living with HIV.

The Transitional Living Program is used to transition offenders from prison to the community when other housing options are unavailable.

DEPARTMENT OF VETERANS AFFAIRS

Veterans Assistance Program. The Veterans Assistance Program (VAP), also known as the Veterans Housing and Recovery program, provides transitional housing and support services to homeless veterans and veterans who are at risk of becoming homeless. By rule, a veteran is eligible for the program if the veteran's need for services is based on any of the following circumstances: (a) homelessness or conditions that indicate that the veteran is at risk of becoming homeless; (b) incarceration; (c) unemployment or underemployment that significantly limits the veteran's ability to be self-supporting; (d) an affliction with acute or chronic physical or mental health problems that significantly limits the veteran's ability to be self-supporting; or (e) insufficient monthly income and resources to pay for the cost of care provided at an assisted living facility operated at a state veterans home. The Department funds VAP residential services on the campuses of the three state veterans homes.

Services provided in the VAP include: (a) transitional housing; (b) referrals to service providers; (c) financial assistance to veterans who are eligible for residency at a veterans home but lack financial resources; (d) assistance in seeking vocational opportunities; and (e) single-occupancy rooms at reduced rent for working veterans. Veterans who receive transitional housing or single-occupancy housing assistance may be charged a program fee, which is generally capped at 30% of monthly income.

The Veterans Assistance Program provides services such as housing assistance, financial assistance, vocational assistance, and other service referrals.

The Veterans Assistance Program is funded primarily with federal per diem payments, but it is also supported with other funding sources. In 2015-16, program expenditures totaled \$1,841,500, including federal per diem payments (\$1,120,100 FED), an appropriation from the veterans trust fund (\$364,300 SEG), an appropriation from the general fund (\$178,200 GPR), and revenue contributed by veterans who received VAP housing services (\$178,900 PR). Federal funds received for the Veterans Assistance Program must be used for supportive housing or supportive services for veterans. Program revenue funds represent rent payments received from certain program participants, and the use of those funds is subject to federal rules. The general fund appropriation is used to support the cost of assisted living services at the state veterans home at Union Grove for veterans who have insufficient income and assets to pay for those services.

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

WHEDA Foundation Grants. The Wisconsin Housing and Economic Development Authority (WHEDA) annually awards grants for entities or facilities offering emergency and transitional housing to alleviate or prevent homelessness in Wisconsin. Grants typically support smaller-scale renovations or capital improvements to facilities. Table 2 shows grants for 2011 through 2016. Awards are funded by annual surpluses in WHEDA's general reserves. The WHEDA Foundation, a nonstock corporation indirectly controlled by WHEDA, administers grants after the Authority annually transfers funds for the program.

TABLE 2
WHEDA Foundation Emergency and Transitional Housing Grants

| Year | Amount |
|------|-----------|
| 2011 | \$250,300 |
| 2012 | \$279,000 |
| 2013 | \$257,100 |
| 2014 | \$177,500 |
| 2015 | \$174,900 |
| 2016 | \$227,200 |

Source: WHEDA

Other Housing Programs. To the extent affordable housing programs can prevent homelessness for low-income households, other programs could be considered as addressing or preventing homelessness. The following paragraphs describe additional programs administered by WHEDA for affordable housing.

The federal Low-Income Housing Tax Credit (LIHTC) program is administered for Wisconsin by WHEDA. LIHTC competitively awards proposed developments an amount of future federal tax credits, the claims to which are typically sold at a discount to investors. The program therefore utilizes tax credits to encourage up-front private investment in the development and rehabilitation of low-income rental housing. For a period of 30 years, an LIHTC property must ensure either: (a) 20% or more of the units in a project are available to individuals with incomes at or below 50% of the county median income; or (b) 40% of the units are available to persons with incomes at or below 60% of the county median income. Rent paid by families in qualifying units typically is not to exceed 30% of income. Initial LIHTC awards in 2016 are \$14,271,600, although the credits are claimable each year for 10 years, making the total nominal value of the credits approximately \$142.7 million.

Under LIHTC, WHEDA in recent years has routinely allocated a supportive housing set-aside of 10% for developments intending to provide supportive services in at least 50% of the units for individuals or families who are chronically homeless or prone to homelessness and who require access to supportive services to maintain housing. The Department of Administration reports that funding allocated to this purpose totals \$1,428,700 in 2016.

The federal Section 8 program provides low-income households with rental assistance in the form of either: (a) tenant-based housing choice vouchers; or (b) subsidies paid to property managers for units continually participating in the program, so long as eligible tenants occupy available units. This latter type of subsidy is typically known as project-based assistance. Participants must make a minimum monthly contribution toward rent, which typically is 30% of adjusted monthly income. Section 8 assistance is limited to households at no more than 80% of county median family income (MFI), although some portions of the program require a limit of 50% of MFI, and program provisions commonly

The Low-Income Housing Tax Credit program utilizes tax credits to encourage up-front private investment in the development and rehabilitation of low-income rental housing.

target available assistance to households at or below 30% of MFI. WHEDA administers project-based assistance and a portion of voucher assistance available to Wisconsin. WHEDA reports it administered \$165.1 million in Section 8 project-based assistance in 2015-16. In the 2016 calendar year, WHEDA has budget authority to administer \$7.8 million in housing vouchers, plus up to \$2 million in contingent reserves held by HUD. Other local public housing authorities (PHAs) in Wisconsin also administer Housing Choice Vouchers, for a total of \$152,326,000 in FFY 2015 for all of Wisconsin.

Section 8 rental assistance is administered by both WHEDA and local public housing authorities.

WHEDA provides financing for multifamily housing developments through: (a) issuance of bonds, the interest on which may be tax-exempt; and (b) its general reserves. As under the LIHTC, WHEDA multifamily housing financing programs generally require properties to set aside: (a) 20% or more of the units in a project for persons with incomes at or below 50% of the county median; or (b) 40% of the units for persons with incomes at or below 60% of the county median. Rent paid by families in qualifying units typically is not to exceed 30% of income. Table 3 shows annual multifamily housing loans issued by WHEDA since 2010-11.

TABLE 3
WHEDA Multifamily Lending Activity

| Fiscal Year | Amount |
|-------------|---------------|
| 2010–11 | \$42,468,600 |
| 2011–12 | \$216,147,000 |
| 2012–13 | \$74,840,300 |
| 2013–14 | \$50,736,500 |
| 2014–15 | \$30,143,500 |
| 2015–16 | \$97,358,100 |

Source: WHEDA

The federal Section 811 program provides project-based assistance for housing for disabled adults under age 62 and with income no more than 30% of area median. As under other programs listed above, tenant contributions to rent are to be 30% of monthly income. Target populations for the program include those seeking to live in the community, but who are at risk of institutionalization due to substandard housing or the loss of adequate housing. WHEDA reports it has up to \$2,532,100 in funding available to award through 2020.

Finally, it should be noted that WHEDA is not a state agency. Its operating budget and authorized positions are not included in the state budget and are not subject to direct legislative control. Revenues to finance its operating budget primarily come from interest earnings on loans it makes, investments of its assets, and administrative fees it assesses.

APPENDIX

Programs Administered by the State for Homelessness Services Other than Housing Services

DEPARTMENT OF ADMINISTRATION

SSI/SSDI Outreach, Access, and Recovery. This program, known as SOAR, is designed to increase access to Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI), which are disability income benefit programs administered by the Social Security Administration for people who are homeless and have a mental illness or a co-occurring substance use disorder. The Department provides funding to SOAR programs in the state, where people are trained to facilitate the expediting of SSI and SSDI applications for this population. The program is funded \$382,500 FED in 2015-16 from the mental health block grant program (\$74,000) and community development block grant program (\$308,500).

DEPARTMENT OF CHILDREN AND FAMILIES

The Department of Children and Families (DCF) administers many programs to ensure the safety, well-being, and stability of children and their families. This includes several programs aimed in part toward alleviating and reducing homelessness.

Emergency Assistance. The Emergency Assistance program provides assistance to needy people with children in cases of fire, flood, natural disaster, energy crisis, homelessness, or impending homelessness. Emergency Assistance may be provided once in a 12-month period. Wisconsin Works agencies administer the Emergency Assistance program at the local level via contract with DCF.

Benefits are in the form of cash, voucher, or vendor payment and are funded under the federal Temporary Assistance for Needy Families block grant. Emergency Assistance payments totaled approximately \$6.9 million in 2015-16 and are budgeted at \$8.4 million in 2016-17.

Runaway and Homeless Youth Services. Twenty-three programs across the state provide residential, counseling, and other services designed to protect and reunite runaway and homeless youth with their families, such as the basic center and street outreach programs. These services are federally funded with \$700,000 annually under the Social Security Act, Title IV-B, Subpart 1. Most of these programs are also supported through other grants and funding sources, such as federal Family and Youth Services Bureau Runaway and Homeless Youth grants.

Independent Living Services. In FFY 2015, the state received \$2.1 million in federal funding under the Chafee Independent Living program to assist eligible youth and young adults who age out of the out-of-home care system to transition to self-sufficiency. The Department allocated \$1.6 million of these funds to regional service agencies, counties, and tribes, most of which is used for direct services for youth. No more than 25% may be used for room and board expenses.

The state receives federal funding under the Chafee Independent Living program to assist youth who age out of the out-of-home care system to transition to self-sufficiency.

DEPARTMENT OF HEALTH SERVICES

State Partnership Initiative to Address Health Disparities. The Department of Health Services provided a one-time grant to Pathfinder, Inc., for the period of August 15, 2015, to August 1, 2016, to promote HIV prevention practices among youth who are homeless, runaway, gay, bisexual, transgender, or minorities otherwise at risk for HIV. Through street outreach and a drop-in center, youth were provided access to condoms, HIV prevention education, regular HIV testing, referral to pre-exposure prophylaxis for appropriate clients, and supportive services addressing alcohol and drug abuse, mental health, and other social determinants that contribute to HIV disparities impacting minority communities. Support for clinical services was provided through formal collaboration with the Greater Milwaukee Center for Health and Wellness. The grant was funded \$16,000 FED from the U.S. Department of Health and Human Services Office of Minority Health.

DEPARTMENTS OF HEALTH SERVICES AND VETERANS AFFAIRS

Veterans Outreach and Recovery Program. The Department of Health Services and the Department of Veterans Affairs jointly operate the Veterans Outreach and Recovery Program (VORP) to connect homeless veterans in northern Wisconsin who have been diagnosed with a behavioral health condition with existing services related to housing, employment, and mental health and substance abuse treatment. The program combines funds received from two federal grants, which run through FFY 2017. The departments plan to spend \$1 million on the program in both FFY 2016 and 2017, funding that will be used primarily to hire outreach specialists. These funds were received based on a specific program description in the grant applications and must be used for those purposes.

DEPARTMENT OF PUBLIC INSTRUCTION

Under the McKinney-Vento Education of Homeless Children and Youth Assistance program, federal funding is provided to states to support school district programs that serve homeless students. Funding can be used to provide homeless students with tutoring and other educational support, school supplies, referral for medical or mental health services, and other support. Three-year grants are awarded to school districts on a competitive basis. Wisconsin school districts received approximately \$696,400 in federal funding under the McKinney-Vento Act in 2014-15, and \$700,200 under the act in 2015-16.

DEPARTMENT OF WORKFORCE DEVELOPMENT

The Department of Workforce Development's Office of Veterans Services provides employment services to veterans and other eligible applicants with significant barriers to employment. Disabled Veterans Outreach Program (DVOP) specialists provide employment services and training for veterans and other eligible applicants, with maximum emphasis on serving those who are economically or educationally disadvantaged, including homeless veterans, and veterans with barriers to employment. DVOP specialists assist veterans in coordination with partner agency programs within Job Centers, Workforce Development Centers, and community-based organizations. Funding levels for the DVOP are \$1,975,000 FED in FFY15 and \$1,756,000 FED in FFY16.

Wisconsin receives federal funding under the McKinney-Vento Education of Homeless Children and Youth Assistance program to serve homeless students.
