

4.05 Can Master Leasing Work to Provide Housing for Your Clients?



Kris Freed

Managing Partner, Impact Consulting Group

Darlene Matthews

Principal, Darlene Matthews, Inc

Irene Augustin

Chief Program Officer, King County Regional Homelessness Authority

Master leasing is an innovative tool that service providers can use to get their clients rehoused in a timelier fashion. In this session, learn the core tenets of how master leasing works, discuss potential barriers to implementation, and hear from organizations that have used master leasing successfully.





LAHSA

Master Leasing in Los Angeles

A Unit Acquisition Strategy

What is Master Leasing

- Innovative financing tool designed to help homeless systems acquire many units of housing for people in need
- Pools resources and leverages public and private partners towards the common goal of ending homelessness
- Reduces pressure on service providers to be experts of all domains and limits risk
- Proven concept around since 1990s, as a way to quickly address the needs of large numbers of people experiencing homelessness

HUD Shelter Plus Care Sponsor Based Programming

Why Master Leasing?

1. Service providers competing with one another for units
2. Too many barriers to housing for homeless participants
3. Original decentralized approach to searching for one unit at a time couldn't generate enough housing at scale

Essential Components of the Master Leasing Strategy

Core Components of LAHSA's Master Leasing Strategy

Government Backed

- Absorbs liabilities that agencies traditionally have had to take on
- Government fully backs financially leases and liabilities

Efficient Use of Resources

- Supports system throughput by eliminating landlord biases
- Increase regional housing options i.e., Shared Housing, Scattered and Single Site

Centralized Model

- Addresses in-system competition
- Clear and consistent segregation of duties ensures standardized and equitable provision of services
- Supports outcome measurement

Strength Based Approach

- Stakeholders are only responsible for doing what they do best
- Not one entity needs to be an expert of all domains



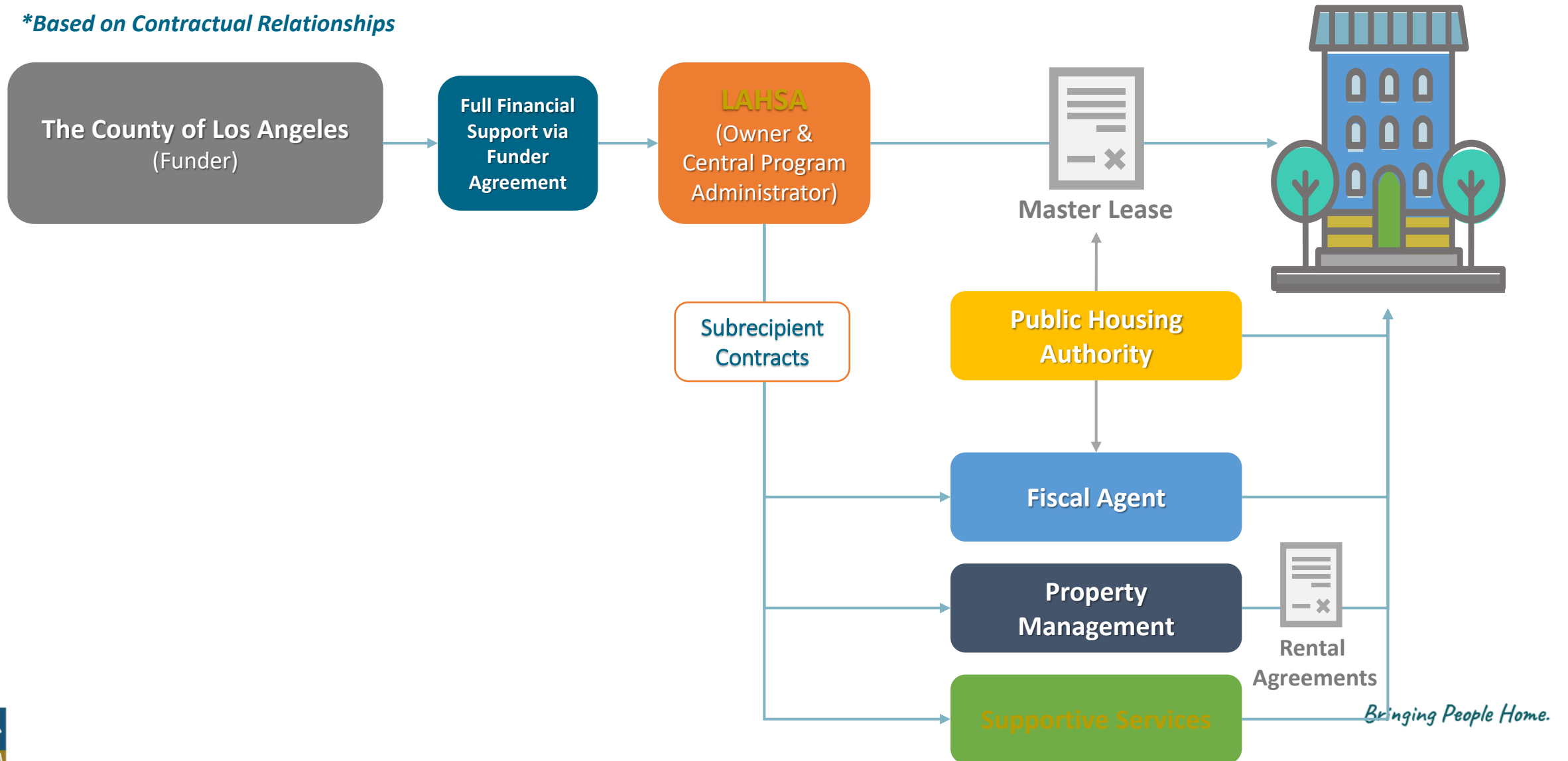
What Makes LAHSA's Master Leasing Approach Different?

- Unit Acquisition Strategy
- Accelerate Housing Placement for homeless people
- Eliminates housing barriers put in place by landlords
- **Negotiates competitive rents below rent reasonableness standards**
- Puts the centralized support structure in place to ensure that participants can thrive in their units
 - Security
 - LAHSA Resident Coordinators
 - Onsite services
 - Trauma informed property management
 - Multiple rent payment options for participants

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Snapshot of Critical Stakeholders

**Based on Contractual Relationships*



All Master Leasing Configurations Will Have:

- Tenancy Rights in place for all participants
- HQS approved units
- Pre-inspection by Housing Authorities
- Leases approved by LAHSA Commission
- Low-Barrier best practices in the leasing process
- Appropriate insurances in place
- Fiscal Agent to oversee and manage the financial health of assets
- Property Management to oversee day-to-day building operations
- Service Provider in place to provide services onsite

Move In Ready Units

The Property Manager will ensure that all units are:

- Comply with lease requirements
- Furnished
- 24/7 Security
- On-call Property Management supports e.g., plumbing, locked out, etc.



Housing Stabilization

Service Provider - Agency Expectations

After Moving Into a Master Leased Unit

- LAHSA is using a locally funded RRH program called Time Limited Subsidy (TLS) as the primary initial funding source for Master Leasing
- Housing retention services **MUST** be provided onsite/in person at a **minimum of 1 time per week for the first 6 months of the participant being housed**
- TLS providers will support client in adhering to their lease obligations.
- 90 days (3 months) after a client has moved into housing, TLS providers are required to complete the **Housing Acuity Index Tool** in HMIS
 - The tool assesses for clients needs, strengths, barriers, as well as need to transfer to an ongoing permanent subsidy.
- If a client is already connected to a voucher, TLS must support transitioning household to that subsidy.
- If client falls out of housing while enrolled in the TLS program, TLS staff resume responsibility to re-house the client

Connections to Permanent Housing: Transition in Place Model

- ML program will support the ***Transition-In-Place strategy***.
- Participants may move immediately in under the TLS assistance and be 'transferred' to a ***higher or lower level*** of care based on eligibility.

Sustainability is KEY:

TRANSFERS/EXITS WILL TAKE 4 FORMS

1. Connect people to ***vouchers*** for which they are ***already approved***.
2. Connect people to ***vouchers*** for which they are ***eligible but not already connected***.
3. Connect people to ***shallow subsidy***.
4. Become ***self-payers***.



Community Wins

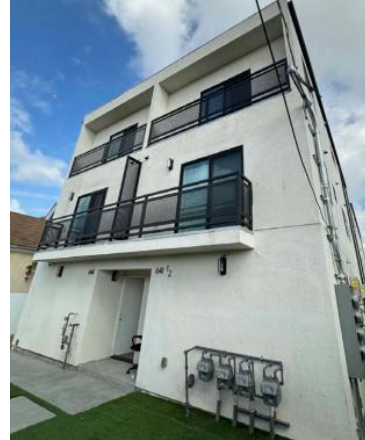
- Does not duplicate the work of housing programs
- Eliminates equity barriers such as criminal background checks and credit checks
- Federal balances in the Continuum of Care will be reduced
- HCV utilization rates will improve with shortened housing navigation time
- Expedites housing placement across the entire homeless response system
- Expanding shared housing efforts across the Continuum of Care
- Rent revenue can support building or expanding flexible subsidies (e.g. shallow subsidies) for households and/or bringing on more units

**Total Units Acquired Since
November of 2023: 571**

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Centralized Master Leasing
Executed - 767 units
Pipeline – 2,000+ units



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Starting Small

- Housing Innovation Pilot in San Diego
 - Partnership between the Regional Taskforce on Homelessness and City of La Mesa, City of Vista and Townspeople to bring on a combination of 75 units of shared/master leased units in their respective regions.
 - City of La Mesa Total Population is: 60,000
 - PIT Count: 53
 - City of Vista Total Population is: 97,800
 - PIT Count: 170
- King County Regional Homelessness Authority
 - Brought on 2 buildings of master leased units through a state grant that is being utilized as PSH.



National Alliance to End Homelessness

Irene Agustin, MSW

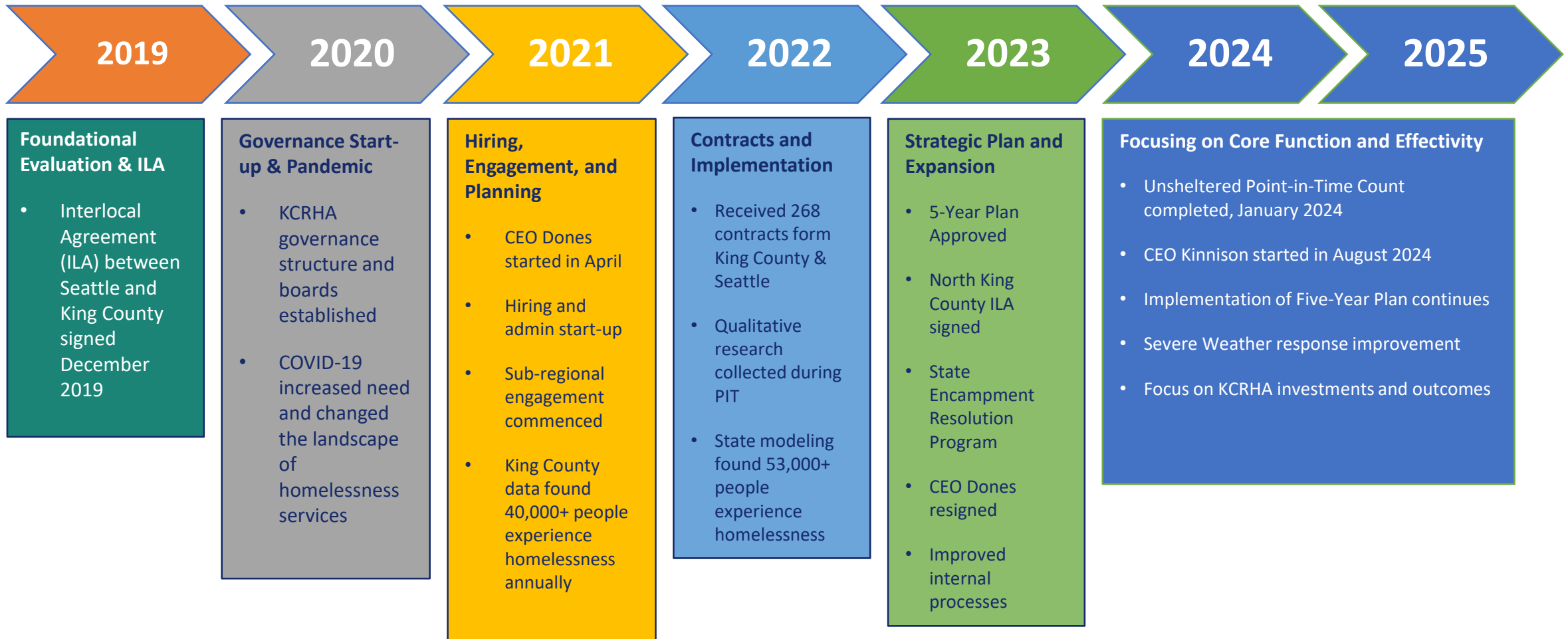
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KCRHA Mission

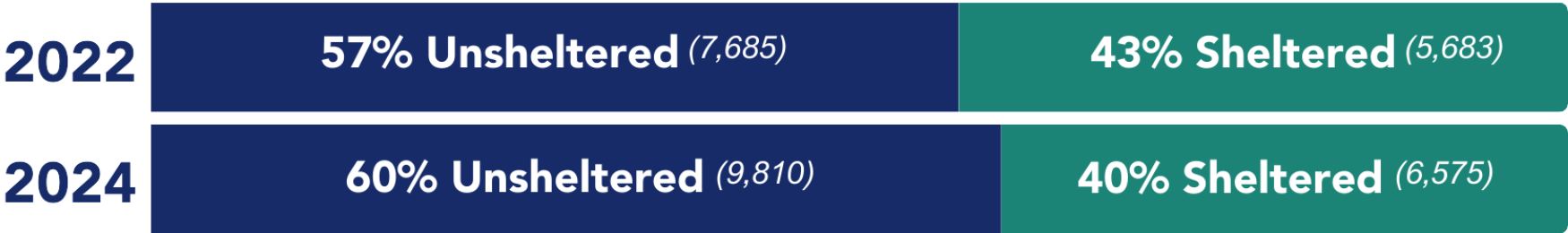
Administering effective, performance-based homeless services to support a high-functioning homelessness crisis response system to **significantly decrease unsheltered homelessness across King County** using equity and social justice principles.



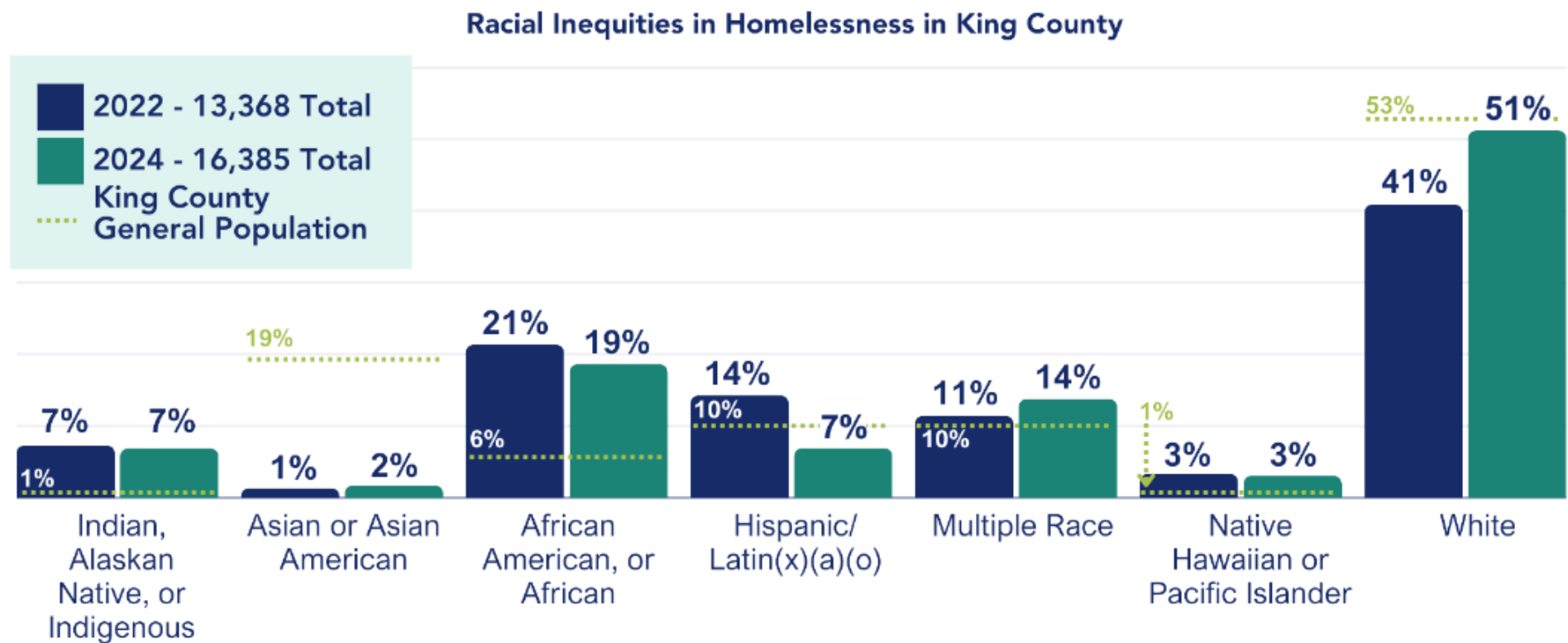
KCRHA History



2024 Point-in-Time (PIT) Count



2024 PIT Count Demographics



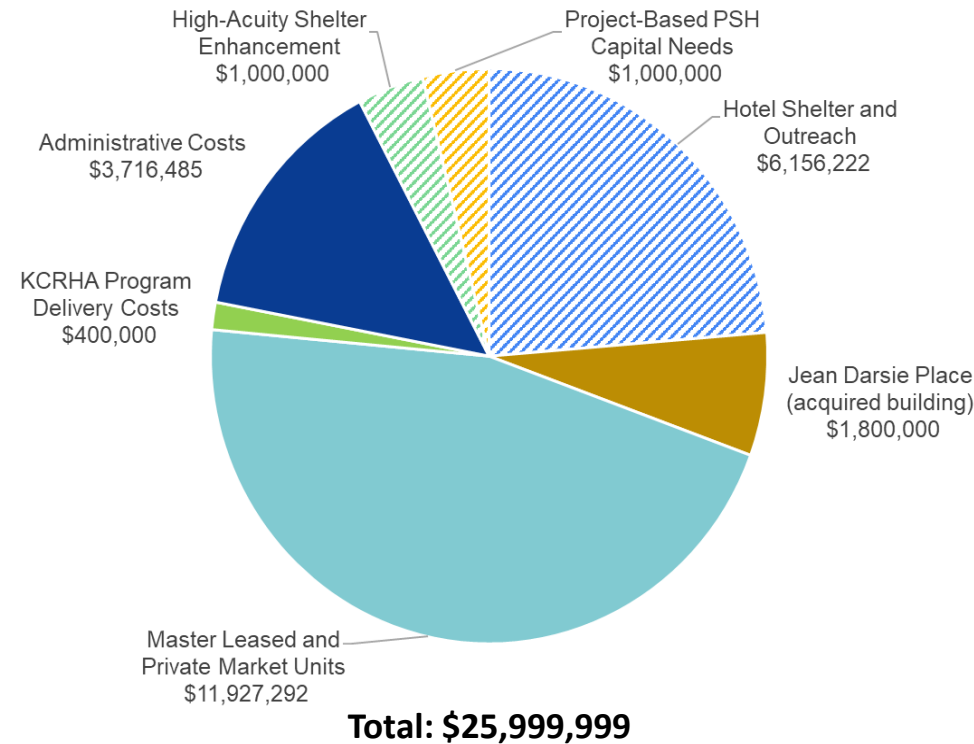
State Encampment Resolution Program

June 2022 -- State of Washington launched the Right of Way Initiative (ROW) – now called the Encampment Resolution Program – in five counties to improve safety along state highways and moving people living unsheltered into permanent housing

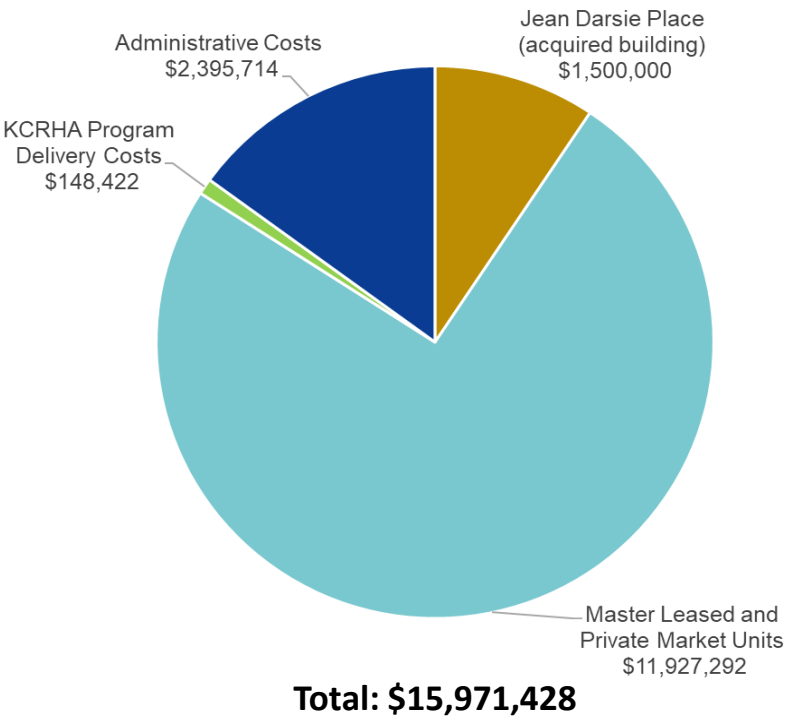
- Allowed outreach teams sufficient time to build connections and develop BNL of persons in the encampment
- Prioritized investments in housing over shelter
- Utilized non-congregate, highly sought shelter connections when interim arrangements are required

Initiative Budget

State Fiscal Year 2025
(July 1, 2024-June 30, 2025)

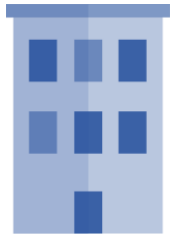


Ongoing Funding Level
(State Fiscal Year 2026+)



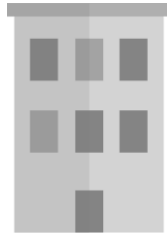
Locations and Costs

Westwood (44 Units)



Total: \$2,993,661

Olive (60 Units)



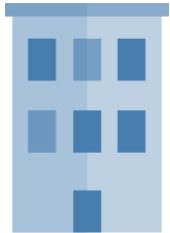
Total: \$2,689,878

Wallingford (15 Units)



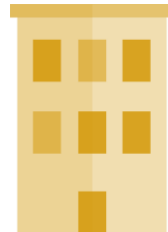
Total: \$691,716

Live 801 (35 Units)



Total: \$1,855,374

Scattered (74 Units)



Total: \$2,738,808

Jean Darsie Place

- \$19 million acquisition
- Existing building under purchase agreement with LIHI
- Commerce directly provided capital funding
- KCRHA holds operating contract for LIHI



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Outcomes

- 523 – number of individuals encountered at encampments to date
- 91% - proportion of individual on the BNL that have moved indoors
- 73% - proportion of individuals on BNL who are still indoors 2.5 years into the initiative
- \$40,000 estimated savings in public costs (e.g., emergency room, jail, etc.) for every person housed through the initiative

Considerations

- ERP was not fully integrated into the existing Coordinated Entry System
 - How do we ensure full integration and use best practices for system improvement?
- Re-evaluate organizational risk
- One-time funding has run out
 - What does future investment look like? Is there a way to set this up in a more sustainable way?

Thank you.

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