



**MEMORANDUM**

**TO:** Trustees

**FROM:** Terrell Carter, Housing Committee Chair **BOARD ACTION REQUIRED**

**DATE:** April 12, 2024

**SUBJECT:** Appropriate FY25 Funding and Approve Recommendations for Permanent Supportive Housing Initiative

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**HISTORICAL CONTEXT**

**Prior to November 2011**

In January 2010, MHB Trustees first considered an idea brought to them by then Executive Director Don Cuvo and Board Chair Phil Minden, to designate a part of reserve funds (unrestricted/ unreserved funds) for one-time expenditures in housing acquisition for persons with mental health and/or substance use disorders. Interest rates at that time were so low that reserve funds could not be considered a revenue source for the foreseeable future. Trustees were supportive of the idea and requested that Don Cuvo and Phil Minden develop a plan.

In March 2010, the St. Louis Equity Fund agreed to provide multi-family housing units available from their stock, reserved for affordable housing. The Board approved a resolution to utilize \$1M in reserve funds for this purpose and executed a Memorandum of Agreement with the St. Louis Equity Fund. Later in May 2010, Board Chair Phil Minden appointed Trustees Steve Doss, Mary Calzaretta, Dr. Ed Dodson, and Nina North Murphy to form MHB’s Housing Acquisition Committee.

In September 2010, MHB was awarded a \$3.67M five-year *SAMHSA Mental Health and Housing Transformation Grant* to improve the availability of safe and affordable housing for persons with mental illness and to fund services to assist them in sustaining housing, without returning to homelessness. Project partners included Community Alternatives, Places for People, St. Patrick Center, Queen of Peace Center, NAMI-St. Louis, and the Missouri Institute for Mental Health.

Later in November of that same year, Trustees approved the first “Housing Acquisition Initiative Grants” awarded to Queen of Peace Center (\$330K) for the Pope 12-unit apartment building in the Penrose Neighborhood and Preferred Family Healthcare (\$259K) for a four-family flat in the St. Louis Place Neighborhood, through 10-year forgivable loans. In February 2011, Trustees approved a 10-year forgivable loan for the ALM Hopewell Center (\$80K) to rehab a four-family flat which it already owned but had not used in a number of years located in the Central West End.

In March – April 2011, MHB convened a meeting of major public housing funders to improve working relationships and to share information. Both the *SMAHSA Mental Health and Housing*

*Transformation Grant* and MHB's Housing Acquisition Initiative shared common goals to bring about systematic improvements in policy, funding, and service delivery outcomes for persons with mental health and/or substance use disorders experiencing homelessness or at-risk of becoming unhoused.

### **Community Development Purpose Approved and Supportive Housing Initiative Established November 2011**

In November 2011, Trustees approved a resolution to add "Community Development" as an MHB function and approved a second separate resolution to establish a Supportive Housing Fund appropriating \$1M from MHB reserves and subsequent annual deposits of equal amounts, as needed, for three additional years. In that same meeting, Trustees also approved an additional \$32,180 for Preferred Family Healthcare's four-family flat for additional improvements which were not initially considered, but found necessary, as well as a \$30K grant to Shalom House (agency closed several years ago) to leverage a \$1.1M federal grant for 30 units of scattered site permanent supportive housing.

### **MHB's Permanent Supportive Housing Initiative November 2011 – April 2024**

As part of the *SAMHSA Mental Health and Housing Transformation Grant*, MHB engaged the Corporation for Supportive Housing (CSH) to conduct a study to determine the number of PSH units needed in the city. In conjunction with the CSH report published in September 2012, St. Louis set the goal of providing 1,227 units of PSH, of which 882 were to be specifically set aside for those individuals with serious mental illness who were experiencing homelessness or who might be at risk of homelessness.

Since FY12, MHB has supported this goal through the offering of funds from the Community Mental Health Fund reserves, usually in the form of 10-year forgivable loans, to support the development of PSH units by either renovating existing infrastructure or through the construction of new sites that provide behavioral health services in conjunction with housing. To date, MHB has awarded more than \$4.6M for 23 sites creating 288 units of permanent supportive housing.

Since the formation of the original Housing Acquisition Committee in 2010, MHB has had an active ad hoc Board Housing Committee to oversee MHB's investment in permanent supportive housing. Currently, the Housing Committee is chaired by outgoing Board Chair Terrell Carter. Other members of the Committee include Janice Thomas, Trustee; Jerry Burka, Old Orchard Consulting; Phil Minden, Sterling Bank (former MHB Board Chair); and Matt Nordmann, Gershman Mortgage (formerly with the St. Louis Equity Fund).

The accompanying PowerPoint presentation prepared by Director of Clinical Partnerships David Haasis, LCSW, will provide more details on MHB's current PSH portfolio, as well as an overview of the literature review and qualitative study he conducted seeking the input of current PSH residents with lived experience.

### **RECOMMENDATION**

The Housing Committee met April 5, 2024, at 2:00 PM, and again on April 12, 2024, at 2:00 PM to review the findings from the staff analysis and to discuss recommendations for future housing-related investments by MHB. Below are the recommendations from the Committee:

1. MHB should continue its investment in creating units of Permanent Supportive Housing
2. Future funding should focus on housing providers that can offer moderate or intensive support

3. Allocate \$500K per fiscal year to fund up to two new projects each year from Community Mental Health Fund revenue
4. Specify conditions for the use of funding to include:
  - a. For projects with tax credits – Establish a 12-month deadline from tax credit approval (with option for an additional 6-month extension) by which funds must be used or forfeited
  - b. Prioritize smaller housing projects where MHB's funding has significant impact

### MHB's Permanent Supportive Housing Portfolio 2010 – 2024

Agency	Property Name	Neighborhood	City Area	Type	Number of PSH Units	Note Date	Funds Disbursed
ALM Hopewell Center, Inc.	Hopewell	Central West End	Central	Forgivable Loan	4	5/23/2011	\$ 80,000
Criminal Justice Ministry	Dunnica Apartments	Dutchtown	South	Forgivable Loan	16	7/18/2019	\$ 250,000
Depaul, USA	St. Lazare House	Benton Park West	South	Forgivable Loan	15	5/16/2017	\$ 250,000
DOORWAYS Interfaith Residence	Gertrude	Bevo Mill	South	Grant	4	N/A	\$ 50,000
DOORWAYS Interfaith Residence	Allen House (Phase I)	JeffVanderLou	Central	Forgivable Loan	15	3/12/2021	\$ 250,000
DOORWAYS Interfaith Residence	Elliott Place (Phase II)	JeffVanderLou	Central	Forgivable Loan	39	7/24/2023	\$ 250,000
Gateway Housing First	Giles & Alberta	Dutchtown	South	Forgivable Loan	9	12/9/2015	\$ 215,000
Gateway Housing First	Nathaniel Rivers Place	Hamilton Heights	North	Forgivable Loan	15	6/30/2017	\$ 250,000
Gateway Housing First	Assisi Apartments	Tower Grove South	South	Forgivable Loan	10	2/4/2020	\$ 250,000
Gateway Housing First	Giles & Alberta	Dutchtown	South	Forgivable Loan	13	7/29/2020	\$ 121,000
Gateway Housing First	Francie's Place	Forest Park Southeast, Shaw, Benton Park West	South	Forgivable Loan	23	2/26/2021	\$ 250,000
Grace Hill Settlement House (Merged with Urban League in 2020)	Strodtman	College Hill	North	Forgivable Loan	2	7/2/2012	\$ 150,000
Horizon Housing Development Company (Property assumed from Grace Hill prior to merger)	Strodtman	College Hill	North	Forgivable Loan	2	12/13/2019	\$ 86,000
Horizon Housing Development Company	Bates	Carondelet	South	Forgivable Loan	4	5/21/2021	\$ 250,000
Horizon Housing Development Company (Property assumed from Queen of Peace with additional funding)	Pope Apartments	Penrose	North	Forgivable Loan	8	5/2/2018	\$ 167,000

Agency	Property Name	Neighborhood	Area	Type	Number of PSH Units	Note Date	Funds Disbursed
Keyway Center for Diversion and Reentry	Sharon House	Central West End	Central	Forgivable Loan	15	7/15/2020	\$ 250,000
Lutheran Development Group	Marquette Homes	Dutchtown, Gravois Park	South	Forgivable Loan	10		\$ 250,000
Peter & Paul Community Services	Garfield Place	Benton Park West	South	Forgivable Loan	15	11/8/2013	\$ 250,000
Preferred Family Healthcare	Rauschenbach	St. Louis Place	North	Forgivable Loan	6	8/19/2011	\$ 291,180
Queen of Peace Center	Pope Apartments	Penrose	North	Forgivable Loan	12	4/12/2011	\$ 330,000
Queen of Peace Center	Miami Apartments	Tower Grove South	South	Forgivable Loan	8	8/1/2014	\$ 270,712
Shalom House (Agency closed)	Scattered Sites	Various	Varies	Grant	30	N/A	\$ 100,000
YWCA Metro St. Louis	Phylis Wheatley	Midtown	Central	Grant	13	N/A	\$ 30,000

**Legend**

**TOTALS**

**288**

**\$ 4,640,892**

Properties that have completed 10-year loan forgiveness period or one-time grants

Properties approved for funding that have not closed

All other properties listed are currently in the 10-year loan forgiveness period

**CITY OF SAINT LOUIS MENTAL HEALTH BOARD OF TRUSTEES**

**APPROPRIATE FY 2025 FUNDING FROM THE COMMUNITY MENTAL HEALTH FUND AND APPROVE POLICY CHANGES FOR THE PERMANENT SUPPORTIVE HOUSING INITIATIVE**

**RESOLUTION**

**WHEREAS**, the City of St. Louis Mental Health Board (MHB) has levied a property tax pursuant to the laws of the State of Missouri (Section 205.975 – 205.990 RSMo.) to fund the Community Mental Health Fund; and

**WHEREAS**, MHB is desirous to bring about systemic improvements in policy, funding, and service delivery outcomes for persons with mental health and/or substance use disorders experiencing homelessness or at-risk of becoming unhoused; and

**WHEREAS**, MHB has determined that there is a shortage of quality, safe, and affordable housing for persons with serious behavioral health conditions; and

**WHEREAS**, permanent supportive housing is an evidenced-based practice recognized by the Substance Abuse and Housing Services Administration (SAMHSA) to support the recovery of individuals with mental health and/or substance use conditions, other disabling conditions, and who are experiencing, or at risk for homelessness; and

**WHEREAS**, MHB established a Supportive Housing Fund in FY 2012 to expand access to housing and to assist organizations to develop properties for the intended purposes set forth by the Fund; and

**WHEREAS**, staff conducted a literature review, utilization review, and qualitative study of current housing issues, challenges, and barriers experienced by persons with mental health and substance use disorders residing in MHB-funded permanent supportive housing properties in the City of St. Louis; and

**WHEREAS**, continued implementation of a Permanent Supportive Housing initiative will support the principles of "Housing First," and the benefits of low-barrier access to housing for those with behavioral health conditions who are most in need; and

**WHEREAS**, MHB's Housing Committee has duly and thoroughly considered the benefits of permanent supportive housing for city residents with behavioral health conditions and reviewed the performance of the initiative and its associated portfolio of properties from 2010 – 2024; and

**WHEREAS**, MHB's Housing Committee has identified recommended policy changes to the permanent supportive housing initiative to begin in FY 2025;

**NOW THEREFORE BE IT RESOLVED:**

The Board of Trustees approve continued investment in the Permanent Supportive Housing Initiative and appropriate up to \$500,000 from Community Mental Health Fund revenue beginning in fiscal year 2025 to support one or more permanent supportive housing projects through either 10-year forgivable loans or one-time grants that create additional units of permanent supportive housing for people with behavioral health conditions residing in the City of St. Louis. Additionally, the Board

approves the following Housing Committee recommended changes to the initiative’s policies which guide the investment of funds designated for this purpose:

1. Future funding should focus on housing providers that can offer moderate or intensive support
2. Specify conditions for the use of funding to include:
  - a. For projects with tax credits – Establish a 12-month deadline from tax credit approval (with option for an additional 6-month extension) by which funds must be used or forfeited
  - b. Prioritize smaller housing projects where MHB’s funding has significant impact

**APPROVED THIS 18<sup>th</sup> DAY OF APRIL 2024**

Board Chair/Officer Name (printed):	Signature:
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**ATTEST:**

Board Officer Name (printed):	Signature:
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