

November 29, 2023

To: Mayor and Members of City Council 202302456
From: Sheryl M.M. Long, City Manager
Subject: **COUNCIL REPORT – STEP UP HOUSING**

REFERENCE DOCUMENT #202302075

The City Council at its session on October 11, 2023, referred the following item for review and report:

MOTION, submitted by Vice Mayor Kearney, requesting a report within thirty (30) days on the status of the City's partnerships with the Step Up Housing First program. Step up acquires hotels and motels, renovates them to create apartments, and uses the properties to provide affordable housing for those experiencing chronic homelessness. The report should include the City's proposed funding responsibilities, status of acquisitions and other pertinent matters.

BACKGROUND

Step Up Housing First is a non-profit organization that began by providing psychosocial rehabilitation and support in 1984. The organization has grown to provide permanent supportive housing that fosters environments that include art therapies, supported employment training, coping skills, service coordination, and social connectedness for individuals. Step-Up specializes in acquiring underutilized hotels and motels, transforming these properties into apartments, and utilizing them to offer affordable housing solutions to individuals grappling with chronic homelessness. The program's primary focus is on providing stable, long-term housing to those in need, complemented by supportive services to aid in their transition toward self-sufficiency. The Administration has had several meetings with representatives of Step Up Housing First, one meeting involved Greg Johnson from CMHA, to better understand their development model and identify where there may be opportunity for City support.

PROPOSED FUNDING RESPONSIBILITIES

As of the initiation of this report, the City of Cincinnati does not have an established partnership with the non-profit organization Step Up Housing First. Given the

absence of an existing partnership, any potential collaboration or support towards the Step Up Housing First program would draw from the City's pre-existing resources for permanent supportive housing, which are limited. Funding to support this organization could come from our existing housing programs, such as our annual Notice of Funding Availability (NOFA) or federal resources that the City provides to Strategies to End Homelessness (STEH), which serves as the lead agency that facilitates the work of the community related to homelessness for the City of Cincinnati and Hamilton County.

STATUS OF ACQUISITIONS

From preliminary conversations with Step Up Housing First, the organization actively engages with property owners of hotels and motels, particularly those in urban areas near transit corridors. Typically, these properties are not currently on the market, and with appropriate resources, Step Up Housing First engages in a private property acquisition transaction. While Step Up Housing First takes on the costs of acquisition and renovation, they look to municipalities to support the ongoing wraparound services and rental subsidies needed to support the individuals housed. While this hotel and motel concept is new to our market, it does compete with services already provided by local partner agencies who are already working and assisting people experiencing homelessness in this space. Full implementation of this model would likely require the engagement of the Cincinnati Metropolitan Housing Authority for housing vouchers or STEH, a Unified Funding Agency with the ability to apply for and administer Continuum of Care grants for rental subsidies directly from the Department of Housing and Urban Development (HUD).

While the City of Cincinnati welcomes new providers interested in the Cincinnati market to assist individuals experiencing homelessness and exploring the potential role the City can play in addressing this critical issue, we cannot emphasize enough the significant role the City of Cincinnati would be required to play to partner with Step Up Housing First. This significant financial role is further complicated by the limited resources already in existence to support this need county-wide; a partnership or collaboration could have a detrimental impact on existing providers currently in our local space who deliver similar services.

RECOMMENDATION

This report is for information only. No action by the City Council is recommended at this time.

Copy: Markiea L. Carter, Director, Department of Community & Economic Development