

## HOUSING

According to the Coalition for the Homeless more than 11,000 Louisville residents experience homelessness over the course of a given year, a number that is on the rise. According to 2020 data from the Department of Housing and Urban Development an estimated 4,011 Kentuckians experience homelessness on any given day. A recent study in January of 2023 counted a total of 581 unsheltered individuals in Louisville, up from 243 for the same time period in 2022 (Aulbach). Our community's homeless population is not a monolithic entity, and the

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### Estimates of Homelessness

**2,991** individuals

**993** people in families with children

**223** unaccompanied homeless youth

**328** veterans

**670** chronically homeless individuals

A robust response to the housing crisis requires interventions that move individuals into long-term stable housing situations and includes provisions for emergency housing, along with the need for supportive housing that allows for the development of skills and resources to achieve permanent, and independent, housing. (HUD) Workforce safe housing programs, such as that offered by Goodwill, offer a bridge that many need between emergency housing and independent housing, but Federal funding opportunities have been limited to “Housing First” models.

challenges they face are manyfold. Like the challenges, solutions are varied and there is no “one-size fits all” methodology to address our housing crisis. A robust response to the housing crisis requires provisions for emergency housing, along with the need for supportive housing that allows for the development of skills and resources to achieve permanent, and independent, housing (HUD). Workforce safe housing programs, such as that offered by Goodwill, offer a bridge that many need between emergency housing and independent housing, but Federal funding opportunities have been limited to “Housing First” models. When correctly implemented “Housing First” as a model offers low barrier access to housing and supportive services, but may fail to adequately address the needs of those in recovery or with justice-involved backgrounds. A study by UCLA showed that the homeless population is three times as likely to report a mental health issue and eight times as likely to experience substance use disorder (Rountree). In 2023 Congressman Andy Barr (KY-06) reintroduced the Housing Promoted Livelihood and Ultimate Success (Housing PLUS) Act (Barr). The legislation was introduced after Rep. Barr met with constituents in Frankfort and heard about their experiences with supportive housing models and the success they had in achieving permanent housing. For unhoused individuals, the opportunity exists for workforce-safe housing programs that provide wraparound services such as job training, financial coaching, peer support services, outpatient substance use disorder (SUD) treatment and work programs to accelerate the transition into stable housing. However, in order for these programs to grow and meet demand substantial funding changes need to be made.

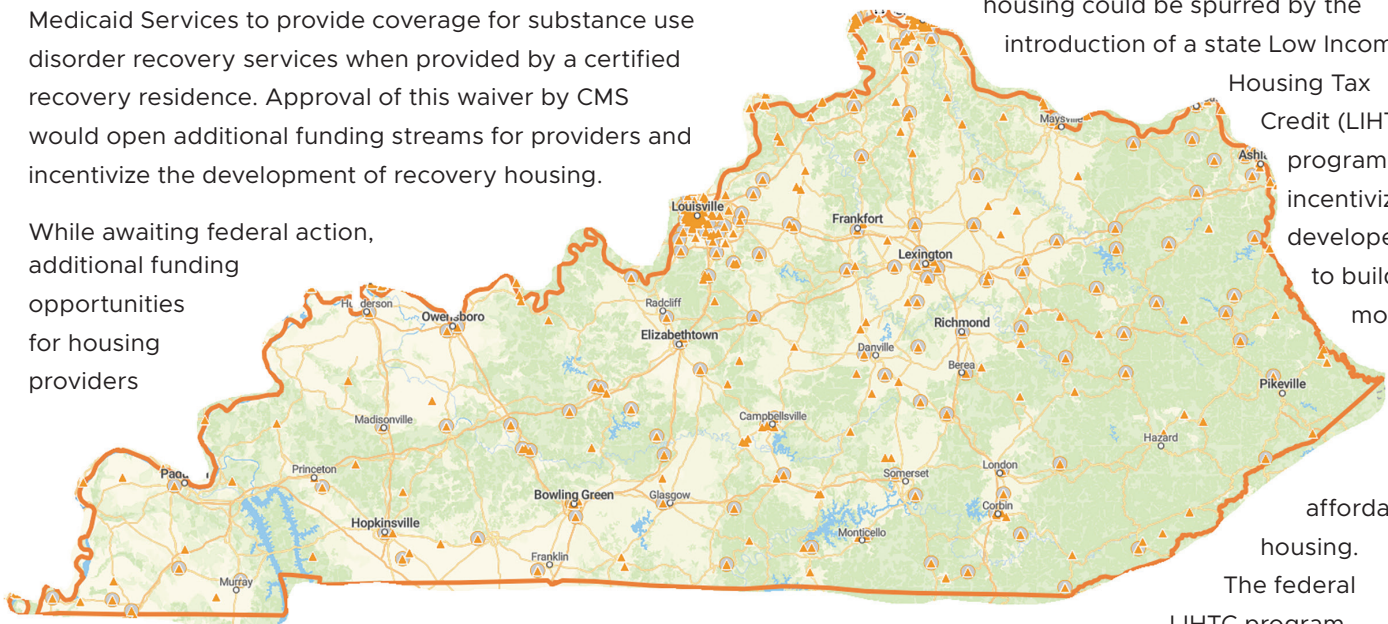
In 2023 the Kentucky General Assembly passed House Bill 248, sponsored by Rep. Samara Heavrin. This bill creates a framework for regulating what is known as “Recovery Housing” to address the needs of individuals leaving substance use disorder treatment in need of stable workforce safe housing (KRS). With this new regulatory framework, the opportunity exists for providers who offer wraparound services to operate housing that

addresses the mental and physical health conditions that led an individual to homelessness in the first place. Combined with proposed reforms at the federal level directing HUD to shift funding to providers offering multiple models of care, Kentucky can begin to address homelessness in rural and urban communities. With the passage of HB248, the Kentucky Cabinet for Health and Family Services will be better able to allocate Medicaid funding to providers who have been vetted and certified

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by nationally recognized accrediting bodies. The law directs the Department for Medicaid Services to pursue an 1115 waiver through the Centers for Medicare and Medicaid Services to provide coverage for substance use disorder recovery services when provided by a certified recovery residence. Approval of this waiver by CMS would open additional funding streams for providers and incentivize the development of recovery housing.

While awaiting federal action, additional funding opportunities for housing providers



prioritize those that serve people with SUD, which have pre-trial diversions, or those with a previous criminal record (ODCP). In their recommendations Pew stated that the funds should be awarded only to organizations that meet the National Association of Recovery Residences standards for recovery housing, aligning with HB248. A 2006 NIH study found that those with stable housing are less likely to relapse and overdose, making safe and supportive housing a vital component of Kentucky's efforts to combat the substance use disorder epidemic we face (Sherman). Additionally, further investment and reforms need to be made to the DBHDID revolving loan program to ensure that funds are available to providers that serve the justice-involved population, without excluding other populations. A 2020 study by the Kentucky Injury Prevention and Research Center found less than 20% of Recovery Houses surveyed will accept residents with a justice-involved background (Kirby).

Along with government loan funds, private investment in housing could be spurred by the introduction of a state Low Income Housing Tax Credit (LIHTC) program to incentivize developers to build more affordable housing. The federal LIHTC program

State Low Income Housing Tax credits Properties, Novogradac

exist at the state level. In a 2021 report to the Office of Drug Control Policy (ODCP), Pew Charitable Trusts recommended

that the Department for Behavioral Health, Development, and Intellectual Disabilities (DBHDID) expand a revolving loan fund to allow access to recovery residences and

was created by the Tax Reform Act of 1986 and gives state housing authorities the ability to issue tax credits for the construction of rental housing for low-income households. According to HUD, as of June 2023, there are currently 840 LIHTC-funded residences across Kentucky, with approximately 29,500 units. This falls short of the estimated 30,000 units needed in Louisville alone according to The Coalition for the Homeless.

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According to the Affordable Housing Resource Center, twenty-four states offer some state-level variation of the Federal LIHTC program (HUD). One advantage state-level funding models offer is the ability for policymakers to be more responsive to the needs of their localities. While some states simply opt to model their program after Federal requirements, others, such as Indiana, have allocated their funding by region in order to ensure equitable distribution of the available funds.

Once out of recovery housing, two additional policies have been identified that would aid in the transition to permanent housing. One would be the introduction of liability protections for landlords who rent to justice-involved individuals. In 2021 the Kentucky Chamber of Commerce advocated for a certificate of employability for individuals leaving incarceration, to provide an affirmative defense for employers who hire justice-involved individuals

**Evicted: Poverty and Profit in the American City” Matthew Desmond shares that “in-formal” evictions outnumber judicial evictions 2-1**

in the event a negligent hiring claim was brought (KRS). With the passage of HB248 in 2023, and the crossover between the affected populations of those in recovery housing and with justice-involved backgrounds, policymakers should explore opportunities to create a similar certification, allowing property managers an affirmative defense in the event a negligent leasing claim is brought. The effect is twofold in that it helps to prevent frivolous claims brought against property owners, but also could assuage the concerns of insurers and bring lower rates for properties that serve a justice-involved population. In April of 2022 Secretary of Housing and Urban Development Marcia Fudge instituted an agency-wide review of programs to ensure they are inclusive of people with criminal justice records, and the resulting recommendations were published in April of 2023 (HUD). These updates would ensure that HUD-affiliated housing and Public Housing Agencies (PHAs) are not

automatically denying an applicant for housing, other than where prohibited by Federal law. They are also directed to disregard criminal history unlikely to bear on fitness for tenancy such as arrests, expunged records, older convictions, and convictions not involving violence or harm to persons or property. Housing providers should also use individualized assessments to determine if an application truly poses a risk and provide applicants the opportunity to provide evidence of mitigating factors before a decision is made. State policymakers should carefully consider the proposed federal rules when considering reforms at the state level in order to ensure that compliance requirements for housing providers are the least burdensome possible and avoid stifling development.

In his 2016 book, “Evicted: Poverty and Profit in the American City” Matthew Desmond shares that “in-formal” evictions outnumber judicial evictions 2-1. In these cases, simply the threat of eviction, and the collateral consequences that come with that judgment, is often enough to see tenants forced out of their homes (Desmond). While recent pilot projects, administered by Develop Louisville and the KY Equal Justice System, creating an eviction mediation program have been undertaken in Lexington and Louisville, data from these projects is still forthcoming (Loosemore). A similar pilot project in the South Bronx borough of New York City, the Housing Help Program, had an estimated cost of \$450,000 a year but saved the city \$737,376 in estimated shelter costs alone (Seedco). This pilot and similar interventions that reduce the long-term impacts of evictions are a net benefit to the public in terms of safety, property value, and tax expenditures without unduly impacting property owners’ rights.

## HOUSING PARTICIPANT STORY

**Jarod Goodwin** came to Louisville from Eastern Kentucky seeking substance abuse treatment from the Healing Place. His story is likely familiar to the many people in Kentucky whose lives have been impacted by addiction. “It was in October of 2020... because the way I was doing things just really wasn’t working out. I had lost a couple of jobs in a row, my physical health declined, and I had emotionally, and mentally declined. I went through The Healing Place program, and I am now a staff member there.” After completion of the recovery program, Jarod sought out housing but faced challenges with his background, so he was referred to Goodwill. “I participated in Goodwill’s job readiness and barrier reduction initiatives leading to acceptance in Goodwill’s housing program, where I resided for around six months. Subsequently, I graduated from the housing program and moved into an unsubsidized apartment as I worked at The Healing Place. Today I continue to practice recovery and life is good.” Through his experience, he learned that recovery is not just one event but a continuing commitment to sobriety and that giving back by serving others is part of the recovery process.

When it came to the foundation Jarod needed to reintegrate into society, he felt that Goodwill’s model of support and accountability within their housing program was essential to his success in recovery. “A lot of places that I called...weren’t necessarily appropriate for someone who had already done a long-term treatment program.” Through Goodwill’s housing program, Jarod was able to obtain safe and subsidized shelter for six months with attached programmatic requirements.

“I saw a lot of my peers complete treatment and move out without any layers of accountability. So, while in Goodwill’s sober living environment I still had to attend meetings and take drug tests. It is a good feeling when you can walk in and pass a drug test.” Along with this accountability, the wrap-around services that Goodwill provides helps people transition into independent housing. “A Goodwill Housing Coach sat down with me and showed me how to budget and how to calculate the actual cost of things such as apartments.” Working with a Goodwill Housing coach gave Jarod the confidence to succeed. “At the end of the day, I always left my coach’s office knowing that they cared about me, and they were in my corner, which meant a lot but also knowing they’re still going to hold me accountable.

Even with strong programming, wrap-around services, and accountability, barriers remain to affordable housing for those in recovery or with justice-involved backgrounds. During the interview Jarod shared an example of this, “I worked with an individual who had almost 10 years sober and had completed parole five years ago and because she had a felony trafficking conviction, even though she had been working for a nonprofit for 10 years assisting numerous others in recovery and had a clean record since then, she was still unable to find housing. When you have a background, it doesn’t matter how much money you make, or all the progress you have made, landlords just hang up the phone.”

There is a crisis in affordable housing for people in recovery and with backgrounds that make it difficult to obtain housing even with stable employment. Even

with Jarod securing gainful and stable employment he was met with challenges to obtaining affordable housing that enables him to be successful in recovery and is in alignment with

his values. “At \$17 an hour the best apartments that I could find by myself, were not a step up, and would have placed me in an unhealthy environment.” Jarod was able to use Goodwill’s Housing program to help bridge that gap and make the connections he needed to be successful. “The real game changer for me came from networking within the program and finding a roommate to split bills with who had the same ideas and values that I had. I think connecting like-minded people that have similar histories and struggles and are now on the same wavelength and getting independent housing together is a crucial cog in reintegrating.”

Other barriers to reintegration and recovery exist that are not financial or policy-related, like the ability to live with a pet, which is a real-life issue that people encounter when trying to find housing. A sense of community and relationships is a key factor for individuals to be successful on their recovery journey. Pets can offer a variety of benefits for individuals in recovery including but not limited to, accountability as Jarod stated earlier, companionship and a decrease in stress and anxiety. According to Jarod “Having a pet added an extra layer of complexity to my housing search but was crucial in my recovery. There is accountability in pet ownership. I’ve got to care for myself to care for my dog. I’ve got to feed, walk, and groom her. The companionship in addiction recovery is huge because addiction is a lot about isolation. In times I don’t necessarily feel like calling somebody, even though I probably should, or going to a meeting, I can walk my dog and I can still have a connection with something that I have a relationship with.” But finding those opportunities can be a challenge for someone in low-income housing. “If I had lost her in that moment, that could have been a sobriety-threatening moment. If I would have had to give her up versus finding housing that would have been sobriety threatening.”

Many Kentuckians are in similar situations to Jarod where housing is a barrier to success. Finding safe and affordable housing that allows individuals to work and recover is crucial for the growth of our state. Goodwill wants to address this barrier head-on and make successful pathways for reintegration to citizens across the Commonwealth which in turn will strengthen our economy, communities, and workforce.



Jarod Goodwin

Congressman Morgan McGarvey

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