

## *A Way Home: From Breakfast To A \$20 Million Endowment*

A group of lay leaders had been meeting for breakfast every month to discuss how their congregations could collaborate to address homelessness. Frustrated by overcrowded homeless shelters and neighborhood revolts against constructing affordable housing, the volunteers envisioned a rental subsidy program that would house homeless families by sliding under the “Not-In-My-Back-Yard” radar screen.

Their vision was that families would sign leases in existing apartments scattered throughout the community to avoid the neighborhood NIMBY response to new affordable housing construction. Income generated from an endowment would subsidize the gap between what a family could afford to pay and what a landlord charged for rent. Social services support would help the family address the barriers that led to homelessness and increase their income so that the subsidy could be temporary.

The math worked and the homeless shelter agencies loved it, but how could an idea conceived over eggs and coffee become a reality? The group’s first — and only — pitch was made in 2012 to Foundation For The Carolinas (FFTC). By 2014, FFTC had elicited a \$10 million, five-year commitment from the City of Charlotte, promising a match with \$10 million in private funding, and creating A Way Home.

“This is quintessentially Charlotte,” said Michael Marsicano, President and CEO of FFTC, now a \$2.5 billion community foundation. “We are better when everyone pulls together -- the faith community, nonprofits, philanthropists, the private sector, and our local government.”

### *Pilot results excel*

While the endowment was building, A Way Home embarked on a pilot, moving 114 families experiencing homeless into housing and arranging for support services for up to two years. The program tracked families for a third and fourth year to determine if stability was sustainable after support ended. Success was defined as stable housing with stable income, and no new evictions during and after the two years of support.

These families had multiple barriers to housing when they entered the program, often including evictions and bad credit. Many also struggled with undependable childcare and transportation challenges, inhibiting their ability to get and keep a job. Sometimes their path to stability was further complicated by criminal history, health issues, and/or domestic violence. *Yet only two years of rental subsidy and social services support moved 75% of these families from homelessness to sustainable stability.*

Nearly half of these successful families were able to renew their lease for a third year in their same apartment without subsidies. Children whose families experience homelessness are likely to change schools mid-year, sometimes more than once, yet about 70 children in the pilot spent three consecutive years in their same schools. This stability is critical for creating economic mobility - another community initiative of FFTC.

A Way Home costs about \$11,000 per family in rental subsidies, with the social worker expense of about \$5,000 per family covered by the agency or Mecklenburg County. If the family had remained in a homeless shelter for that same time period, the cost to the community would be \$33,000 – more than double. Yet with the support of A Way Home, three out of four families can move from homelessness to housing stability.

### *“Tired of living paycheck to paycheck”*

Ms. S. and her 14-year old daughter came to Charlotte after they were evicted from their home in Pennsylvania following a job loss. Like many people, Ms. S. saw better job opportunities, housing, and school options for her family in Charlotte.

While receiving an A Way Home subsidy, Ms. S. improved her credit by working two jobs and learning how to budget with the help of her social worker. Before the program, she remarked that she had never thought about only using 30% of her income towards rent and utilities. However, she knew that she was tired of living “paycheck to paycheck,” and needed to make some changes.

She has earned a pay increase of \$2/hour plus now commission, allowing her to renew her lease without a subsidy and save money towards her homeownership goal. Her oldest daughter is in her junior year in the same high school where she started as a freshman, and she is on track to graduate early. Ms. S. now also has a month’s rent saved as a cushion for the future.

### *Ramping up*

Most of the 114 A Way Home pilot families have exited the program, and 125 new families are moving into housing between 2018-20, subsidized by the now-significant endowment income. The endowment is expected to annually move 100 new families out of homelessness and into homes starting in 2021, and every year thereafter, ideally with increased case worker funding from Mecklenburg County.

The majority of A Way Home families earn under 30% Area Median Income (under \$22,000/year), where the most urgent need lies for affordable housing in Charlotte. A shift in community attitudes toward affordable housing led to a record-high \$50 million housing bond passing in 2018, amplified by a private funding match also led by FFTC. Yet affordable housing developers build most of their units for 60% AMI or higher, as structural subsidies such as tax credits, below-market interest rates, or free land typically yield a small number of 30% AMI units.

The City of Charlotte has committed to provide access for families with rental subsidies to some of these upcoming 60+% AMI units, which would otherwise be unaffordable. The rental subsidy will enable an A Way Home family to pay the higher rent, and the social work support creates the opportunity for the family to increase their income yet remain in place after exiting the A Way Home program.

### *A life-changing program*

Ms. L. and her children lived in a homeless shelter for six months, and then experienced additional hardships in public housing. This eventually led her to become a resident of a domestic abuse shelter where she and her four children received therapeutic counseling services. She said:

“The A Way Home program gave me an opportunity to get on my feet. People don’t realize the amount of time it actually takes to become stable and independent. Starting this program in a new apartment I had nothing. My case manager assisted me with not only getting furniture and beds, but also essential items for the home like pots and pans to cook.”

“Overall, these two years really motivated me to make the necessary changes to keep going. I learned about community resources, budgeting, and set goals for myself. I currently have \$1,700 in my savings account plus one month’s rent for emergencies.

“This was life changing for both me and my children.”