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MASTER LEASING

Key Concepts

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The definition of master leasing is: a legal contract in which a third party (other than the actual tenant) enters into a lease agreement and is responsible for tenant selection and rental payments. Under "master leasing" a nonprofit or public agency leases multiple units of housing (could be scattered site units or a whole apartment building) from a landlord, and subleases the units to homeless or low-income tenants. By assuming the tenancy burden, the agency facilitates housing of clients who may not be able to maintain a lease on their own due to poor credit, evictions, or lack of sufficient income. The landlord receives a certain monthly payment whether or not the units are occupied.

Elements of Master Leasing:

- Benefits the landlord, service provider and client
- Reduces rental costs due to the size and long-term nature of the lease
- Provides an alternative for clients with poor credit or evictions
- Divides upkeep costs between master lessor and landlord (with landlord responsible for major maintenance).
- Includes on-site supportive services; property management can be subcontracted in larger master leases
- Creates a public-nonprofit-private partnership
- Works with many populations: chronically homeless, transitionally homeless and homeless youth.

Supportive services can be included in master-leased buildings such as: case management, medical care, behavioral health care, property management and third party rent payment. Provision of these health care services could lead to a reduction in emergency room and hospital inpatient bed use as well as reduction in length of psychiatric hospitalization.

In order to refer potential tenants to master-leased units, a referral system and access points are necessary. Street outreach teams, emergency shelters, institutional settings, and community-based organizations can be utilized as key access points.

EXAMPLES AND COMMON SOLUTIONS

Program	San Francisco Department of Health's (SFDPH) Direct Access to Housing (DAH)
Web Information	www.endhomelessness.org

Practice Used	• Currently, the DAH program provides 370 units of permanent supportive housing in five Single Room Occupancy (SRO) residential hotels and an additional 33 units in a licensed residential care facility.
	• DAH is a "low threshold" program that accepts single adults into permanent housing directly from the streets, shelter, acute hospital or long-term care facilities. Residents are accepted into the program with active substances abuse disorders, serious health conditions, and/or complex medical problems.
	• The key components of DAH's "master-leasing" strategy include:
	  ϖ Identifying privately-owned buildings that are vacant or nearly vacant where the owners are interested in entering into a long-term lease. These are triple net leases with the owner retaining responsibility only for large capital improvements.
	  ϖ Negotiating improvements to the residential and common areas of the building prior to executing the lease. It is the owner's responsibility to deliver the building with improvements completed and in compliance with all health and safety codes. All rooms are fully furnished prior to occupancy.
	  ϖ SFDPH contracts with one or more organizations to provide on-site support services and property management. Most buildings include a collaborative of two or more entities.

Program	SHELTER, Inc. of Contra Costa County's Masterleasing Program
Web Information	www.shelterincofccc.org.org
Practice Used	- Currently, the SHELTER, Inc. program provides 70 units of scattered-site permanent supportive housing in privately owned apartment buildings throughout Contra Costa County. - This program accepts single, chronically homeless adults into permanent housing directly from the streets and shelter. - The key components of SHELTER, Inc.'s "master-leasing" strategy include: - Identifying privately-owned apartment units and negotiating leases with landdlords. - SHELTER, Inc. provides property management and contracts with one or more organizations to provide on-site support services.

Online Resources

HomeBase
http://www.homebaseccc.org/index.php/homebase/content/view/full/120/

Partnership for Strong Communities
www.ctpartnershiphousing.com

Consensus Project
www.consensusproject.org

Corporation for Supportive Housing
www.csh.org/index.cfm?fuseaction=Page.viewPage&pageID=501

Beyond Shelter
www.beyondshelter.org/aaa_the_institute/publications.shtml

Publications

Bassuk, E. L., Perloff, J. N. & Dawson, R. (2001). *Multiply homeless families: The insidious impact of violence.*

Shinn, M., Weitzman, B. C., Stojanovic, D., Knickman, J. R. Jimenez, L. Duchon, L. and Krantz, D. H. (1998). *Predictors of homelessness among families in New York City: From shelter request to housing stability.*

Rog, D. J. and Gutman, M. (1997). *Homeless families program: A summary of key findings.*