



The State of the Supportive Housing Industry



STATE OF THE SUPPORTIVE HOUSING INDUSTRY SURVEY

2013 State of the Industry Report

In June 2013, CSH released its fourth annual State of the Industry Survey. This survey is designed to take a pulse of the supportive housing industry and help us better understand the challenges, opportunities, trends and issues that our partners in the field are facing in the current climate. The survey included questions covering topics about the future prospects for the industry, targeting supportive housing to new populations, funding issues, organizational capacity, training needs, the level of political will to maintain or increase supportive housing development, and CSH's value to the local community.

We had nearly 300 people complete the survey. Seventy three percent of the respondents were from non-profit agencies, and about one-fifth (22%) represented local, state or federal government agencies. Respondents also included representatives from public housing authorities, for profit businesses and foundations. There was wide participation from many different sectors – most prominently housing and community development, mental health and social services, but also workforce development, veterans services, youth services, public health, services for the aging and criminal justice.

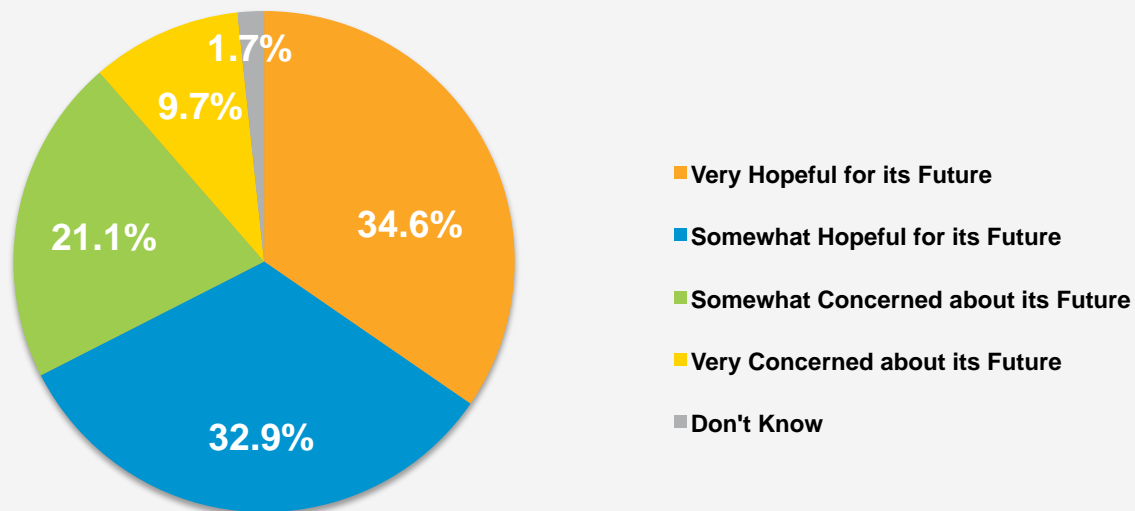
This year's survey uncovered the following trends:

- **Political support and optimism about the future of supportive housing remains high.**
- **Supportive housing is integrated into a wide variety of systems, but more work needs to be done to expand our footprint.**
- **Funding for supportive housing remained relatively stable in 2013 although funding sources are shifting.**
- **Innovation in supportive housing continues to grow.**
- **Awareness among industry members of important policy changes surrounding the Olmstead decision and Medicaid is relatively weak.**
- **Industry members report a variety of different technical assistance and training needs, particularly around improving support services and reporting systems.**
- **Industry members continue to report a strong focus on the most vulnerable homeless populations.**

POLITICAL SUPPORT AND OPTIMISM ABOUT THE FUTURE OF SUPPORTIVE HOUSING REMAINS HIGH

Nearly 70% of respondents reported feeling “hopeful” or “somewhat hopeful” about the future of supportive housing in 2013 and 85% said that supportive housing was a commonly used and accepted intervention in their community. Increased funding at the federal, state and local level, as well as increased coordination between different funding streams was deemed most important to the future success of the supportive housing industry. When asked about perceived political support for investing public resources for supportive housing, 61% reported that the level of support increased or stayed the same since 2012 and 22% anticipated support to increase in 2013. Support at the city/county level seems particularly strong, with approximately 70% of respondents reporting a high or medium level of local support compared to only 45% at the state level.

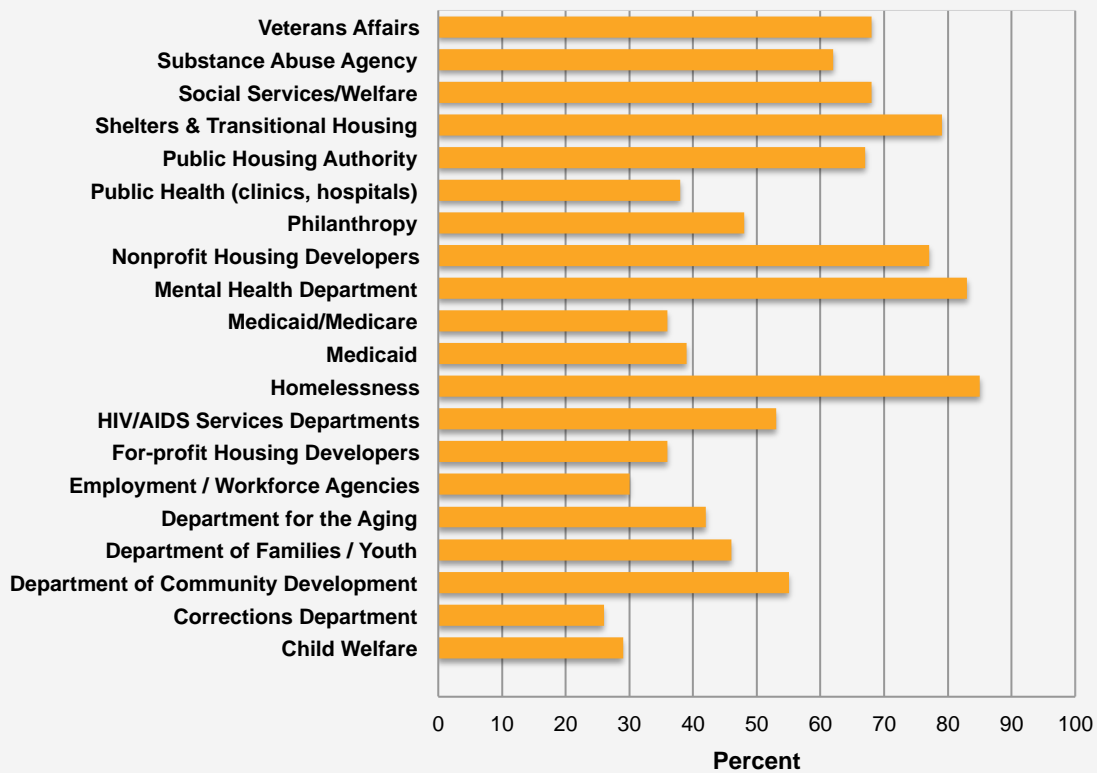
FIGURE 1.
WHEN YOU THINK ABOUT THE SUPPORTIVE HOUSING MODEL AND THE INDUSTRY, HOW DO YOU GENERALLY FEEL?



Supportive housing is integrated into a wide variety of systems, but more work needs to be done to integrate supportive housing into the corrections, child welfare, and workforce development systems.

As shown in *Figure 2*, over three-quarters of respondents reported a high or moderate level of integration of supportive housing in the following systems: homeless services (85%), mental health (83%), non-profit housing developers (77%) and shelters/transitional housing (79%). Relatively high levels of integration were also reported with the veterans affairs (68%), public housing (67%), social services/welfare (68%) and substance abuse services (62%) systems. Corrections, child welfare, and workforce development systems showed the lowest levels of integration and acceptance, indicating areas in need of further advocacy and education on supportive housing.

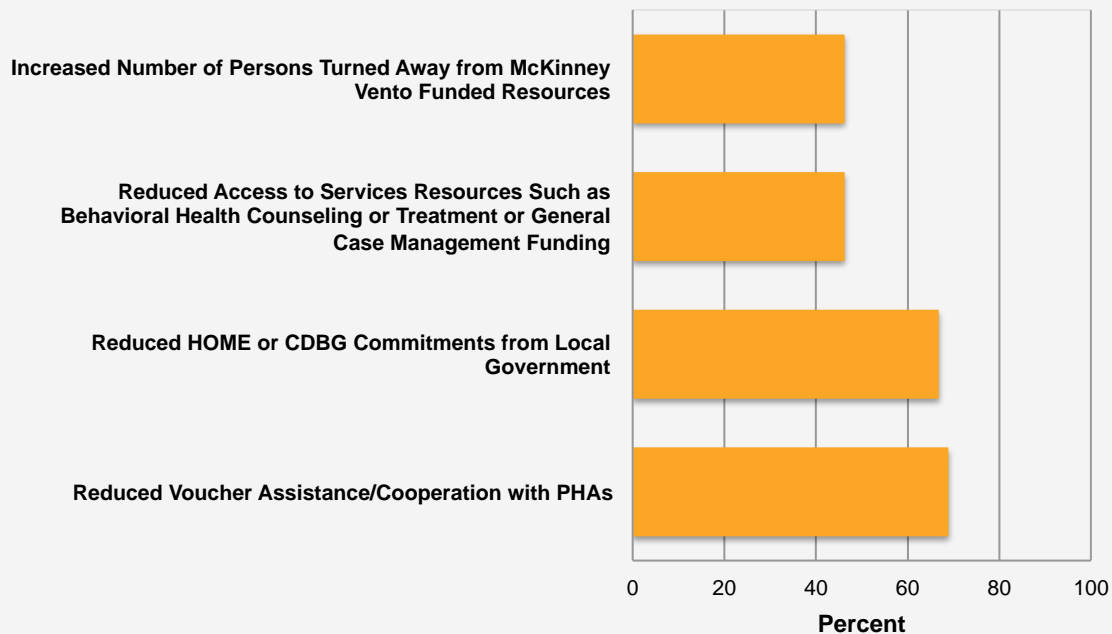
FIGURE 2.
IN YOUR COMMUNITY, WHAT IS THE LEVEL OF ACCEPTANCE AND INTEGRATION OF SUPPORTIVE HOUSING IN THE FOLLOWING SECTORS?



Sequestration had a clearly negative impact on the supportive housing industry, yet respondents report that overall availability of funding for supportive housing remained relatively stable in 2013; funding sources are shifting away from traditional (McKinney Vento) sources toward more mainstream (Medicaid and PHA) sources.

Survey responses demonstrate the negative impact that sequestration – mandatory across-the-board budget cuts in federal spending that went into effect on March 1, 2013 – had on the supportive housing industry. In particular, given the increased integration of supportive housing with public housing authorities, the unprecedented cuts in federal housing assistance and community development programs were notably consequential – 69% reported reduced voucher assistance and cooperation with PHAs and 67% reported reduced HOME or CDBG commitments from local governments.

FIGURE 3.
HOW HAS SEQUESTRATION (FEDERAL BUDGET CUTS IN 2013)
IMPACTED YOUR COMMUNITY'S WORK AND/OR PLANNING
TO CREATE SUPPORTIVE HOUSING?



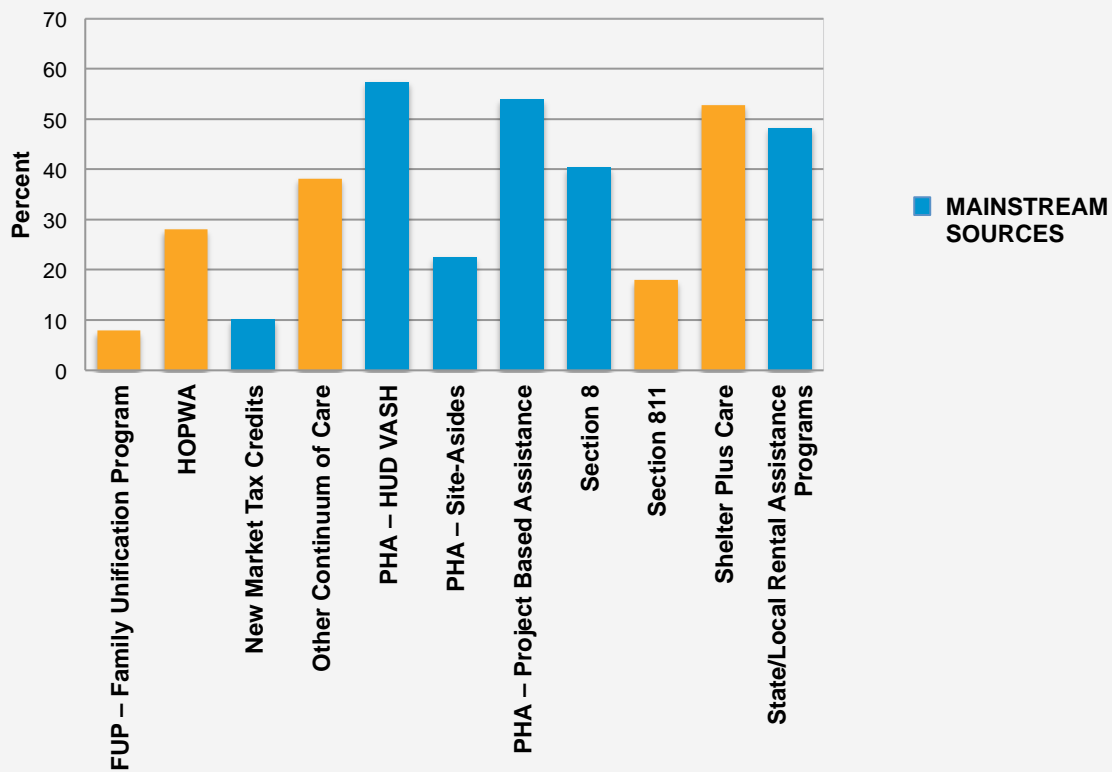
Despite sequestration impacts, respondents report that overall funding for supportive housing remained relatively stable in 2013. In fact, year-to-year changes in funding availability seem to have improved since 2012. The table compares 2012 and 2013 survey responses to the question “compared to last year, is funding for supportive housing more or less available in your community?” Across all categories, 36% of respondents in 2012 reported funding being less available compared to the prior year while only 18% responded similarly in 2013. These year-to-year comparisons were particularly stark for support services and operations funding: in 2012, 43% reported less availability in support services and availability of operations funding compared to 2011 levels; in 2013, only 26% reported less in services funding and 30% reported less in operations funding.

TABLE 1.
COMPARED TO LAST YEAR, IS FUNDING FOR SUPPORTIVE HOUSING MORE OR LESS AVAILABLE IN YOUR COMMUNITY?

	More Available		Less Available		Same		Don't Know	
	2012	2013	2012	2013	2012	2013	2012	2013
Acquisition financing	1.8%	4.7%	33.8%	18.7%	29.7%	31.8%	34.7%	44.9%
Construction financing	3.2%	8.4%	32.3%	16.8%	31.4%	29.9%	33.2%	44.9%
Employment services funding	NA	2.8%	NA	15.0%	NA	31.8%	NA	50.5%
Operating funding/rental assistance	4.1%	6.5%	42.7%	29.6%	26.8%	27.8%	26.4%	36.1%
Permanent financing	2.7%	4.8%	33.3%	13.3%	28.3%	37.1%	35.6%	44.8%
Philanthropy	NA	2.8%	NA	15.1%	NA	38.7%	NA	43.4%
Predevelopment financing	1.4%	1.9%	32.4%	11.3%	31.1%	41.5%	35.1%	45.3%
Private/commercial loans	NA	3.8%	NA	6.6%	NA	41.5%	NA	48.1%
Scattered site rental assistance voucher	NA	6.7%	NA	31.4%	NA	31.4%	NA	30.5%
Supportive services funding	3.6%	4.7%	42.7%	26.4%	29.5%	42.5%	24.1%	26.4%
ALL	2.8%	4.7%	36.2%	18.4%	29.5%	35.4%	31.5%	41.5%

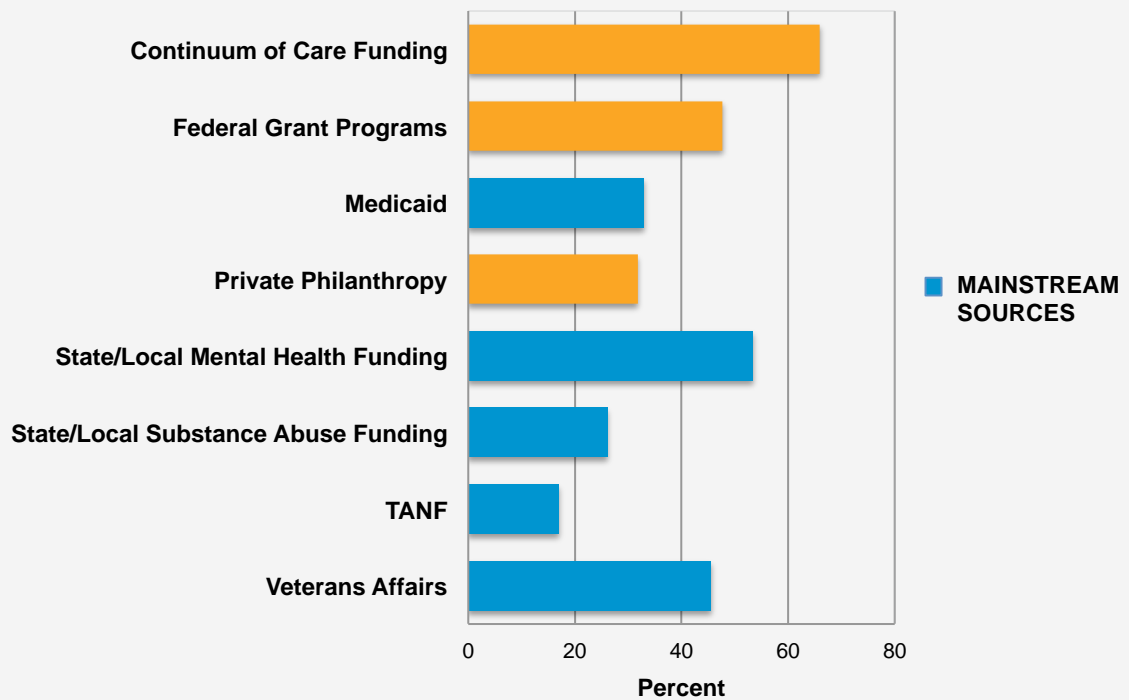
The reported sources used for funding supportive housing shifted significantly between 2013 and 2012 from traditional homeless funding sources to more mainstream sources. In 2013, a higher proportion of respondents reported using Bond financing (23% in 2012 vs. 39% in 2013) and local/county housing trust funds (34% in 2012 vs. 43% in 2013) and a lower proportion reported using HOME/CDBG funds (62% in 2013 vs. 71% in 2012) to support development. For operating costs, more respondents in 2013 reported accessing funds through state/local rental assistance programs (48% in 2013 vs. 36% in 2012) and various PHA programs, including HUD-VASH (57% vs. 48%), project-based assistance programs (54% vs. 29%) and set-asides (23% vs. 13%); less reported using funding from Shelter Plus Care (53% versus 74%) and Section 8 (40% vs. 69%) compared to 2012.

FIGURE 4.
IN THE CURRENT CLIMATE, WHAT OPERATING/RENTAL SUBSIDY
SOURCES ARE BEING USED TO UNDERWRITE/SUBSIDIZE NEW
SUPPORTIVE HOUSING IN YOUR COMMUNITY?



For services funding, a higher proportion in 2013 reported using Medicaid (33% in 2013 vs. 26% in 2012) and state/local substance abuse dollars (26% in 2013 vs. 15% in 2012) than in 2012. In addition, nearly half (45%) reported receiving VA funding to support services in supportive housing.

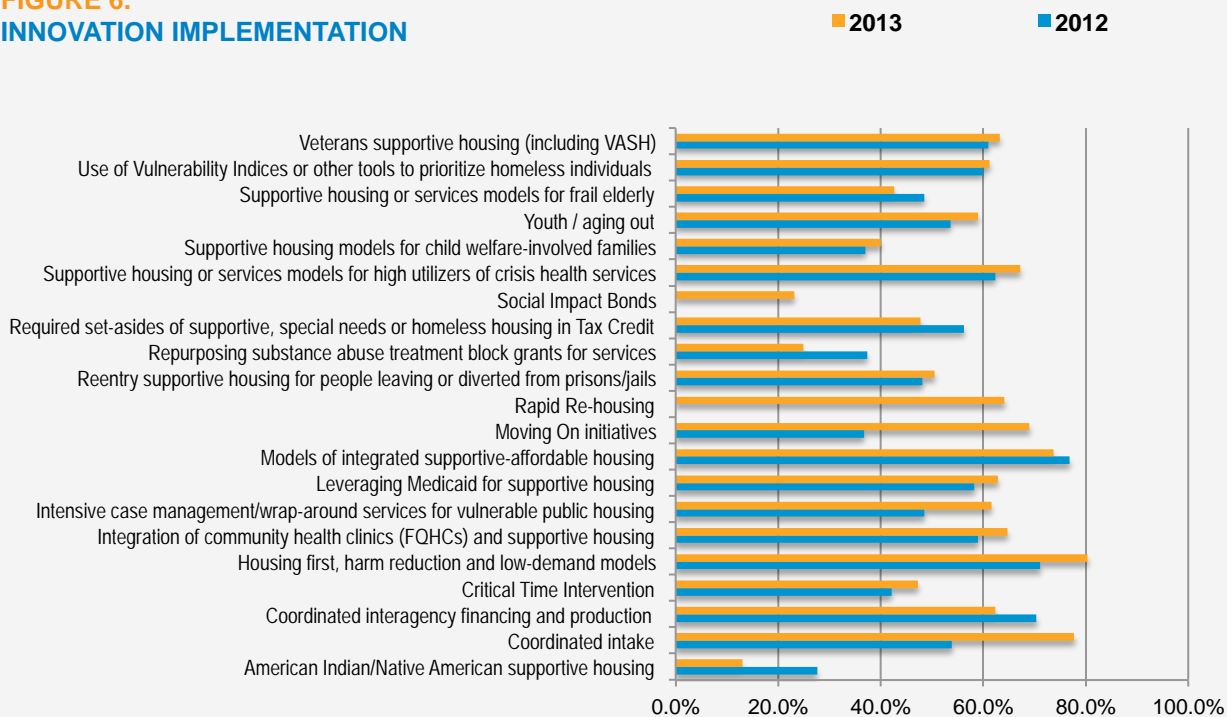
FIGURE 5.
IN YOUR COMMUNITY, WHAT FUNDING SOURCES ARE BEING USED TO FINANCE SERVICES IN NEW SUPPORTIVE HOUSING IN YOUR COMMUNITY?



Supportive housing providers continue to advance innovative housing solutions to improve the lives of vulnerable populations.

As shown in *Figure 6*, innovation in supportive housing continues to grow. With the exception of notable decreases in three categories – supportive housing for American Indians (13% in 2013 vs. 28% in 2012), coordinated interagency financing/production of supportive housing (62% in 2013 vs. 70% in 2012) and repurposing substance abuse block grants for supportive housing (25% in 2013 and 37% in 2012) the proportion of respondents in 2013 that reported implementing or planning to implement a wide variety of innovations in supportive housing either increased or remained largely unchanged since 2012. Reflecting the impact of new HEARTH regulations, most respondents reported implementing or planning to implement a coordinated intake process (78%) and rapid re-housing (64%) in their communities. Increases were also notable for Housing First/Harm Reduction strategies (80% in 2013 vs. 71% in 2012), intensive case management for public housing residents (62% in 2013 vs. 48% in 2012) and Moving-On initiatives (69% in 2013 vs. 37% in 2012). A new area of innovation – Social Impact Bonds (SIB) – appears to be gaining some traction in the field with almost a quarter (23%) of respondents reporting that they are currently or hope to be involved in implementing a SIB for supportive housing. These advances align closely with CSH’s innovation work and suggest that CSH is making progress in moving the field forward.

FIGURE 6.
INNOVATION IMPLEMENTATION



SERVING OUR VETERANS

“Homelessness among Veterans declined by 24% between 2009 and 2013.”¹

- As homelessness among Veterans has declined our survey has found a corresponding increase in respondents who are pursuing innovations in Veterans Supportive Housing (27.7% in 2010 to 44.7% in 2013).
- Nearly half (45%) of respondents report using VA funding to support services in Supportive Housing
- Respondents using HUD-VASH for operating costs has increased by less than 10% in just one year (48% in 2012 compared to 57% in 2013)

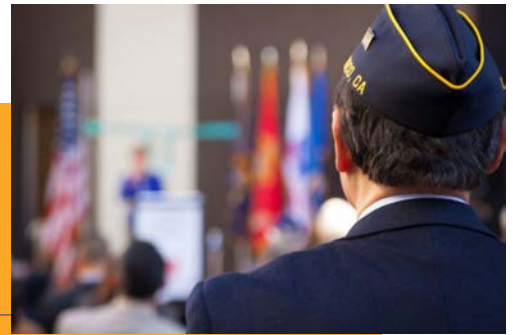


Photo courtesy of Swords to Plowshare

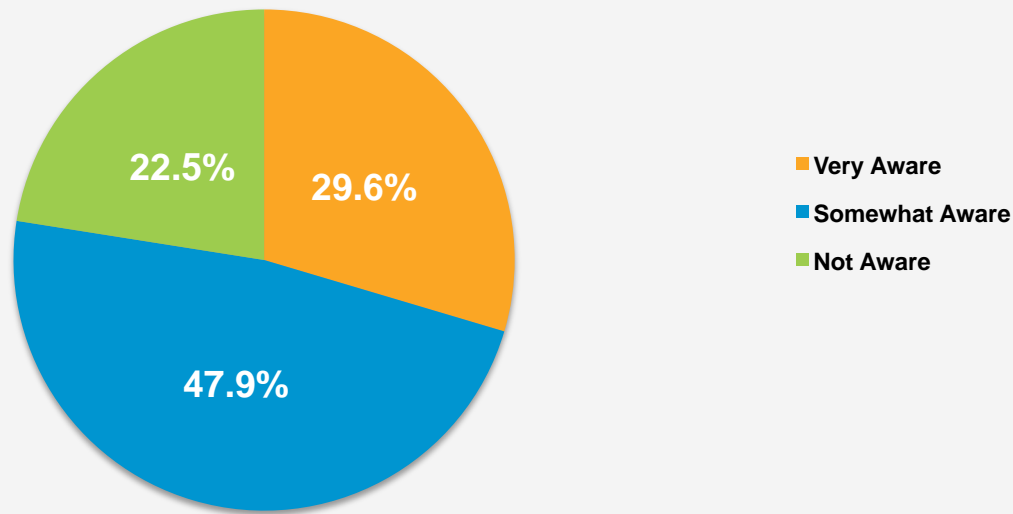
Awareness among industry members of policy changes surrounding the Olmstead decision and Medicaid reform – and the opportunities for supportive housing arising through these changes – is relatively weak, reflecting the need for greater education and training on both fronts

Two national, concurrent policy initiatives have major implications for the future of supportive housing. The first is the Affordable Care Act, which has expanded Medicaid eligibility for many individuals in our target population and heightened attention around high-cost users of crisis health services and innovative models of care – like Health Homes and collaborative care networks - to serve chronically ill patients. The second is increased federal enforcement of the Supreme Court’s Olmstead decision of 1999, which is creating new opportunities for individuals with disabilities to live in the community. Together, these policy changes present an unprecedented opportunity to expand supportive housing across the country. In 2013, CSH added special survey modules to collect information on respondent knowledge of these important policy changes and how they were impacting activity in the supportive housing industry.

¹ U.S. Department of Housing and Urban Development, Office of Community Planning and Development. *The 2013 Annual Homeless Assessment Report (AHAR) to Congress*, Meghan Henry, Dr. Alvaro Cortes, and Sean Morris, Abt Associates.

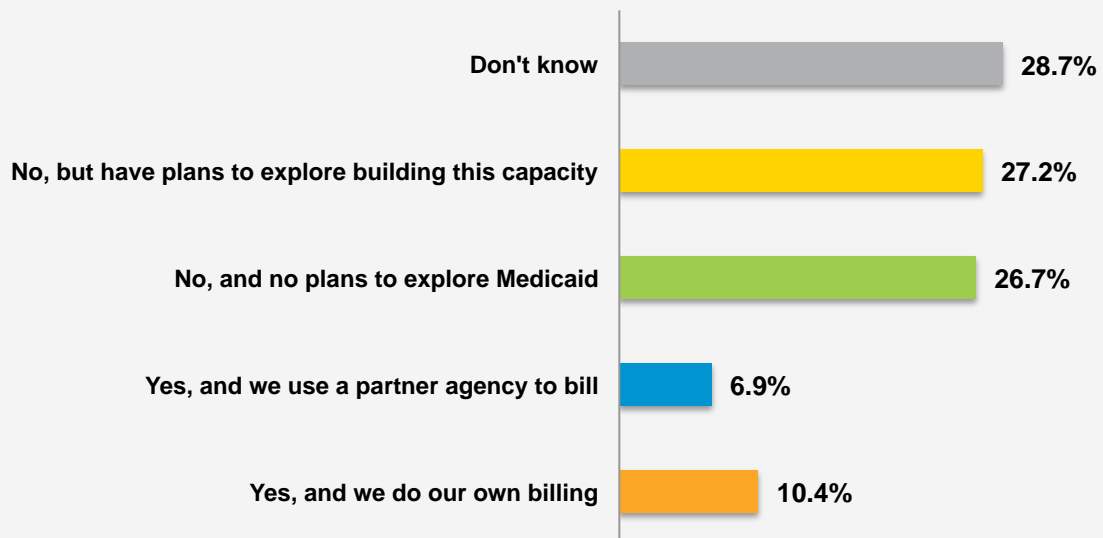
Results indicate a need for CSH to provide more education and information on both issues. Despite a majority of respondents (61%) reporting that they currently provide or plan to provide services to individuals exiting institutional care settings, over two-thirds (70%) of respondents reported being not at all aware or only somewhat aware of the impacts of both Olmstead enforcement and fair housing on supportive housing. Of those that were aware of an Olmstead plan in their state, 67% were not aware if individuals at risk of institutionalization (folks living on the street, in shelter) were included in the plan and 90% did not know how states planned to measure integration.

FIGURE 7.
ARE YOU AWARE OF THE POTENTIAL IMPACT OF FEDERAL ENFORCEMENT OF BOTH THE US SUPREME COURT'S OLMSTEAD DECISION AND FAIR HOUSING LAW ON SUPPORTIVE HOUSING?



In terms of Medicaid, 43% of respondents reported that their Governor supports Medicaid expansion under the Affordable Care Act but 42% were uncertain. The vast majority (69%) were not aware if their state was considering Medicaid plan amendments that would impact supportive housing. Only 17% of respondents reported currently receiving Medicaid reimbursements for support services but 27% reported plans to build this capacity and 56% reported interest in training around Medicaid billing. These results indicate a strong need for increased training and education around integrating supportive housing with Medicaid and taking advantage of various opportunities arising from ACA implementation.

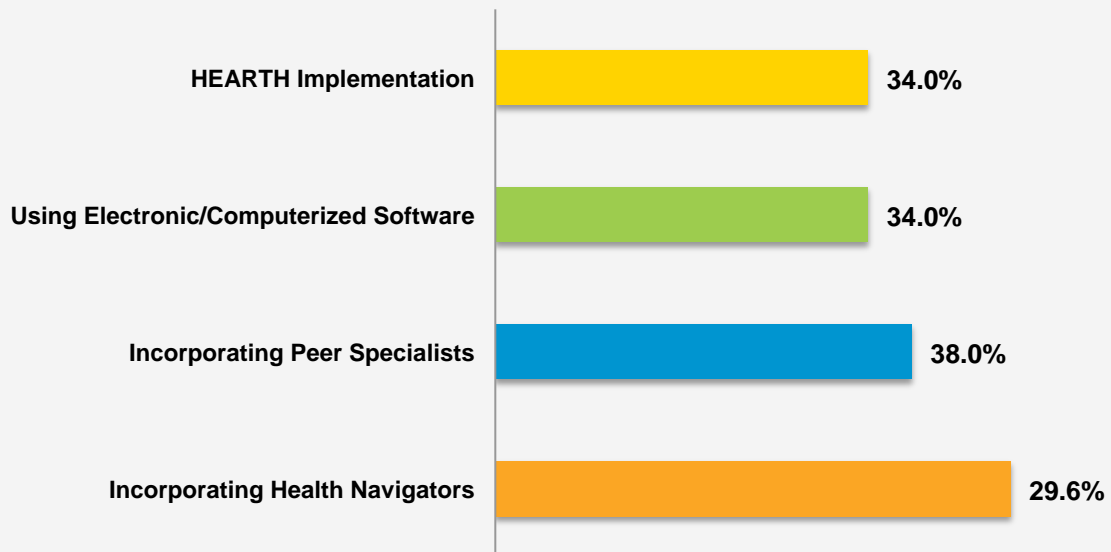
FIGURE 8.
DOES YOUR AGENCY RECEIVE MEDICAID?



Industry members report a variety of different technical assistance and training needs, particularly around improving support services and reporting systems.

Figure 9 illustrates the types of technical assistance and training that industry members reported needing in their communities. Top reported training needs include: incorporating health navigators in service teams (47%), incorporating peer specialists in service teams (38%), using electronic/computerized record-keeping and case management software (34%) and HEARTH implementation (34%). Other important needs include forming tenant councils, tailoring services for aging in place/elderly populations, targeting supportive housing, and training property management companies in supportive housing.

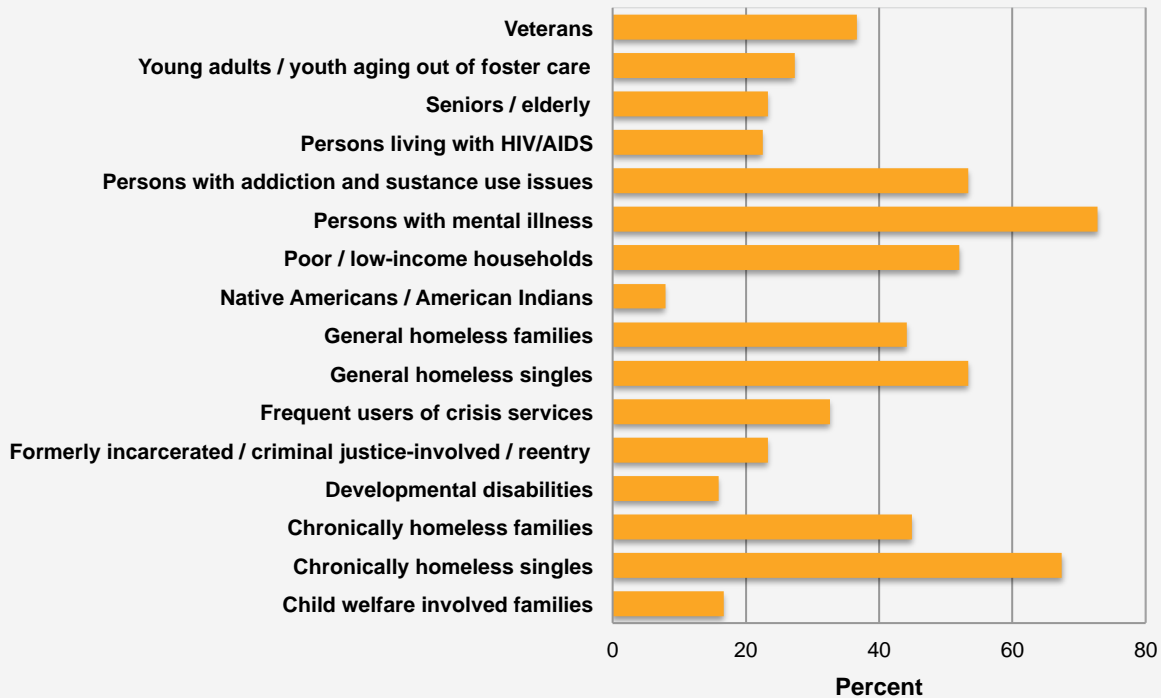
FIGURE 9.
TECHNICAL ASSISTANCE AND TRAINING NEEDS BY INDUSTRY MEMBERS.



As in previous years, industry members continue to report a strong focus on the most vulnerable homeless populations.

As shown in *Figure 10*, respondents reported that chronically homeless individuals (68%), people with mental illness (73%) and people with substance abuse issues (53%) are a main focus for their supportive housing efforts. Compared to 2012, a higher proportion in 2013 reported serving vulnerable families – 45% served chronically homeless families (compared to 37% in 2012) and 17% served families involved with the child welfare system (compared to 12% in 2012). Not surprisingly, respondents report that the most significant unmet needs among the populations being served are related to economic self-sufficiency, including access to affordable housing and rental assistance (79%), income and benefits (51%) and employment support (57%).

FIGURE 10.
WHICH SUPPORTIVE HOUSING TENANT POPULATION(S) DOES YOUR CURRENT WORK AND AGENDA MOST FOCUS?



Looking Forward

CSH will be using these findings to inform our work going forward as we continue to lead the industry, foster innovations, secure resources, and expand opportunities to create supportive housing while still being flexible enough to respond to each community's unique needs. The findings from the 2013 State of the Industry Survey demonstrate the ongoing commitment of supportive housing providers, developers and funders to ending homelessness and transforming the lives of our most vulnerable citizens. Political support, optimism and innovation in the supportive housing industry are on the rise and major policy changes around Medicaid and Olmstead present unprecedented opportunities for growth across the industry. CSH is proud to be a leader and supporter in this dynamic field of work and we look forward to helping the industry adapt to new challenges and leverage opportunities for growth and innovation.