



FORGING AHEAD:

# The State of the Supportive Housing Industry in 2010



THE CSH SUPPORTIVE HOUSING SURVEY

2010

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Nearly nineteen years ago, the Corporation for Supportive Housing (CSH) began working to build and organize a national industry and movement around the most cost-effective solution to homelessness and public system involvement among vulnerable individuals and families: Supportive Housing. Together with many of our partners across the country, we have succeeded in building and cultivating an industry that is strong, thriving, and highly innovative.

In late January 2010, we asked individuals who are part of the supportive housing industry to complete a survey that attempted to better understand the challenges, opportunities, trends, and issues that they are facing in the current climate. CSH understands that the supportive housing industry is facing a moment of both great promise and great challenges. The economic downturn and its impact on state and local budgets happened just as supportive housing was being embraced and adopted by communities across the country as the central solution to chronic homelessness, and as the supportive housing industry was entering into maturity.

The purpose of the survey is to take the pulse of the industry at this critical moment. The results will inform our work going forward and how we tailor our approach to best meet the needs of the industry. The survey had questions covering topics about the future prospects for the industry, targeting supportive housing to new populations, funding issues, organizational capacity and training needs, and the level of political will to maintain or increase supportive housing development in local communities.

We received a tremendous response, as over 350 people completed the survey. The respondents well represented the supportive housing industry as a whole:

- Survey respondents predominantly represented non-profit organizations, but about one-quarter of the respondents represented state and local government. A small number of survey respondents represented federal government agencies, foundations, and academic institutions.
- Not surprisingly, two-thirds of the respondents were from organizations and public agencies involved in the housing and community development sector and close to half in the mental health sector. A significant proportion of the respondents represented the substance abuse, social services, and employment sectors, and to a lesser extent, the HIV/AIDS services, criminal justice, veterans, aging/senior services, and youth sectors were represented.
- Close to half of the respondents characterized themselves as “very familiar with supportive housing” and one-third as “somewhat familiar”.

The following report summarizes the findings from the survey.

- **Despite the economic downturn and state and local budget crises, the majority of industry members maintain that supportive housing has a bright future, great potential, and broader applications, but needs increased and sustained public investment and interagency coordination to realize its full potential.**

Over two-thirds of the survey respondents were “very hopeful” or “somewhat hopeful” about the future of the supportive housing model. Respondents generally agreed that supportive housing needed to be brought to scale and that the model should be adapted to serve other vulnerable populations. Over 90 percent of respondents agreed or strongly agreed that supportive housing needs to be brought to more communities around the country; and close to 80 percent agreed or strongly agreed that supportive housing is a model with untapped potential for solving complex social problems other than homelessness. These responses bolster the sense that, despite current constraints and economic conditions, the industry should not be deterred in its effort to bring supportive housing to scale and to realize its untapped potential as a solution to a variety of complex social problems related to vulnerable people experiencing housing crisis.

“

*Supportive housing should not be positioned as ‘either/or’ with other important elements to ending homelessness—such as prevention and rapid re-housing—but rather as a highly important component within the spectrum of interventions needed to prevent and end homelessness.*

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Perhaps as a testament to the maturity of the industry in many communities, survey results also indicated that industry members can explain supportive housing and justify why it is needed comfortably and with facility. In general, respondents seemed very clear about the purpose and effectiveness of supportive housing. Close to three-quarters disagreed or strongly disagreed with the statement: “I have trouble explaining what supportive housing is and why it is needed to key stakeholders in my community”. Three-quarters of the respondents disagreed or strongly disagreed that supportive housing is too expensive to be taken to scale.



The survey asked respondents what the supportive housing industry must do to remain viable and thrive. The strategies that rose to the surface not surprisingly were focused primarily on increasing public investment in supportive housing and making sure that these funding streams were more coordinated. There was close to unanimous agreement that the following strategies were critical:

- Create coordinated and integrated systems for financing and funding supportive housing (95.5% agreed or strongly agreed);
- Increase state and local coordination and investment in supportive housing (93.4% agreed or strongly agreed);
- Increase federal government coordination and investment in supportive housing (89.3% agreed or strongly agreed);
- Make supportive housing a more prominent part of the implementation of Ten Year Plans to End Homelessness (87.9% agreed or strongly agreed); and
- Have more low-cost predevelopment and acquisition financing to help initiate and purchase properties (83.8% agreed or strongly agreed).



These findings suggest that one significant, if not the most significant, focus of the industry and CSH's effort should be at the systems-level, working to generate greater public investment, as well as to align and integrate public agencies and funding.

Respondents also felt that private and philanthropic investment has an important role to play in helping to finance supportive housing. When asked how foundations can be most helpful to the industry, a large majority of respondents felt that providing grants that fund service enhancements (71.4%) and start-up costs of new supportive housing projects, programs, or models (69.9%) were most important.

- **Supportive housing continues to be targeted primarily to individuals who are chronically homeless and those with serious mental illness, but the reach of the model is widening, particularly to families with children, veterans, people leaving incarceration, and young adults.**

Respondents were asked which homeless or at-risk sub-populations are of high priority for the current work of their organization. Not surprisingly, a large majority of respondents reported that chronically homeless singles (64.9%) and people with mental illness (62.9%) were a high priority to their organization followed closely by people with addiction and substance use issues (50.2%). Although supportive housing has historically served chronically homeless single adults with mental illness, many respondents reported placing a high priority on other populations including chronically homeless families (44.4%), general homeless families (43.1%), veterans (35.2%), and formerly incarcerated individuals (33.8%). Worth noting as well are the twenty-eight percent of respondents that indicated a high priority for young adults.

Respondents were also asked which populations are of high priority in their communities. In general, the responses showed the same general trends, but the respondents' communities tended to place a lower priority for all the subpopulations. For example, only about half of respondents reported that chronically homeless individuals were a high priority in their community. The only exception was veterans; they were more likely to be a high priority in the respondents' communities.

- Affordable housing was ranked the most significant need for all populations served by supportive housing, followed closely by case management and flexible supportive services.



*With real estate at all-time lows throughout the country, the opportunity to build, rehab and expand affordable housing has never been more appealing. This is our time.*



Respondents were asked to identify the two most significant needs for each subpopulation. Overwhelmingly, respondents identified affordable housing as the number one priority, particularly for general homeless families (80.2%), chronically homeless families (74.6%), general homeless singles (69.7%), and the elderly (67.8%). For other groups, services addressing specific needs were also identified as important, including medical and primary care for people living with HIV/AIDS (40.6%), mental health and psychiatric services for people with mental illness (41.8%), substance abuse treatment for people with addiction (53.8%), and family and parenting services for child welfare involved families (30.4%). When asked about the second most important need, respondents were most likely to identify case management and flexible supportive services for each subpopulation.

- There is widespread interest in as well as current efforts to advance new innovative program and financing models for supportive housing.

The agencies and organizations represented in this survey are involved in the type of innovation necessary to adapt the supportive housing model to new target groups and settings. Interestingly, the most common innovation among survey respondents is the housing first/harm reduction model—60 percent of the respondents indicated that their organization was actively implementing/operating this model. Models of integrated supportive and affordable housing are being implemented by half of the organizations represented in the survey.

There is a tremendous interest in new models of supportive housing, and many of the respondents reported that they were hoping to implement program and financing innovations including reentry supportive housing for formerly incarcerated individuals, leveraging Medicaid for services in supportive housing, and pursuing set-aside policies for supportive housing through Tax Credit Qualified Allocation Plans (*see Table 1*).

**TABLE 1.**  
**INNOVATIONS IN**  
**SUPPORTIVE HOUSING**

	Which, if any of these innovations are you actively implementing?	Which, if any, of these innovations do you plan or hope to implement in the near future?
Housing first, harm reduction and other low-demand models of supportive housing	60.3%	15.0%
Models of integrated supportive/affordable housing	49.1%	24.0%
Supportive housing or services models for high users of crisis health services	38.2%	25.8%
Coordinated interagency financing and production for supportive housing	36.7%	28.1%
Reentry supportive housing for people leaving or diverted from prisons/jails	31.5%	30.0%
Veterans supportive housing (including VASH)	27.7%	31.8%
Leveraging Medicaid for supportive housing	22.8%	30.3%
Supportive housing models for child welfare-involved families	22.8%	24.7%
Required set-asides for supportive, special needs, or homeless housing in Tax Credit Qualified Allocation Plans	21.3%	27.0%
Use of Vulnerability Indices to prioritize homeless individuals for supportive housing	19.5%	32.6%

- **Funding availability is still a problem in many communities, and of the types of funding needed, funds to cover operating and services costs are the most difficult to secure.**

Not surprisingly, funding for supportive housing is less available in this economic climate. Respondents were asked about changes in funding availability for capital, operations, and services now as compared with two years ago. Half or more of all the respondents in each case thought that funding is less available than it was (*see Table 2*).

**TABLE 2.**  
**FUNDING**  
**AVAILABILITY**

	More Available	Less Available	Equally Available	Don't Know
Capital Financing	5.5%	54.9%	9.8%	29.8%
Tax Credit Investments	8.6%	49.6%	7.4%	34.4%
Operating/Rental Subsidies	12.1%	49.1%	19.2%	19.6%
Supportive Services	9.2%	59.2%	20.6%	11.1%

Supportive housing continues to be financed by many different sources of funding for capital, operating, and services. Respondents were asked to provide information on the funding sources that are used for supportive housing in their communities. *Table 3 summarizes this information on page 8.*

In terms of capital funding sources, equity from low-income housing tax credits is reported as the most widely used source to finance the development of supportive housing, but that the availability of tax credit equity is decreasing, which bodes poorly for the development of supportive housing. Industry members cited federal sources like HOME and CDBG as the second most commonly used source of capital for supportive housing, followed by other state, local, and federal sources.

In terms of operations and services funding, the supportive housing industry relies heavily on federal sources to underwrite these costs. Continuum of Care funding continues to be the largest source for operating and services. However, a new industry trend appears to be that state and local sources are “stepping up” and playing a greater role in underwriting operating and services including state/local rental subsidies and state mental health services funding.

In addition, funding from the US Department of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA), which is a rather recently created source, was cited by nearly 43 percent of respondents as a source of funding for housing-based supportive services.

While an earlier survey question found that there is great interest in tapping mainstream sources of funding, in particular Medicaid, most industry members still do not use mainstream sources to finance services. Medicaid was cited by only one-third of respondents and TANF cited by an even smaller percentage (14.5%). Clearly, more work is needed to help communities find ways to tap these mainstream funding vehicles to finance supportive services.

**TABLE 3.**  
**FUNDING SOURCES FOR**  
**SUPPORTIVE HOUSING**

% of respondents that are  
using funding source for  
supportive housing

**Capital Funding**

Low-income housing tax credits	75.5%
HOME, CDBG, etc.	70.0%
State housing trust fund	52.7%
Local/county housing trust fund	36.7%
Section 811	32.9%
Bond financing	26.2%
HOPWA	25.3%
City/county tax levy	17.3%

**Operations Funding**

Shelter Plus Care	69.8%
Section 8	65.9%
State/local rental subsidies	51.2%
Other Continuum of Care Funding	46.0%
Section 811	22.6%
HOPWA	20.6%

**Supportive Services Funding**

Continuum of Care	67.9%
State/local mental health funding (from general fund)	56.4%
Federal grants program (i.e. SAMHSA)	42.7%
Medicaid	33.3%
State/local substance abuse funding (from general fund)	27.4%
TANF	14.5%

- Survey respondents report a fair amount of organizational capacity in many of the core skills and knowledge areas needed to operate supportive housing, but need capacity building around tailoring services for special populations, tapping private and philanthropic funding, and increasing tenant involvement and governance.



The survey asked respondents about their organization's capacity and training needs along a variety of different dimensions. Respondents reported that their organizations have capacity in a lot of different areas, but could use some capacity building and training in others. Those areas where there was the greatest level of capacity include:

- Supportive services / case management delivery in supportive housing (70.1% responded that their organization had “high” or “good” capacity)
- Linking tenants to mainstream health and behavioral health services (67.2% responded that their organization had “high” or “good” capacity)
- Benefits and entitlements advocacy and coordination (55.8% responded that their organization had “high” or “good” capacity)
- Finding sites for supportive housing (55.3% responded that their organization had “high” or “good” capacity)
- Housing search for scattered-site supportive housing (53.1% responded that their organization had “high” or “good” capacity)

There were many areas where respondents felt their organizations had less capacity, including:

- Tailoring services for persons involved in the criminal justice system (72.9% responded that their organization had “fair”, “low”, or “no” capacity)
- Forming tenant councils and involving tenants (65.6% responded that their organization had “fair”, “low”, or “no” capacity)
- Tailoring services for young adults (63.5% responded that their organization had “fair”, “low”, or “no” capacity)
- Obtaining tax credit equity for supportive housing financing (60.4% responded that their organization had “fair”, “low”, or “no” capacity)
- Securing philanthropic and foundation funding (59.9% responded that their organization had “fair”, “low”, or “no” capacity)

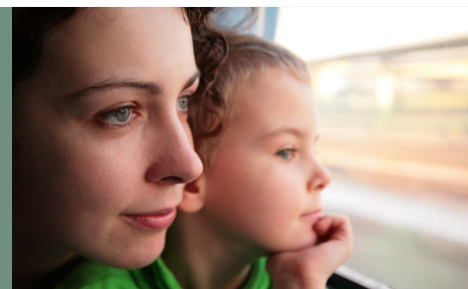
Respondents felt that their organizations needed training in many different areas. Many respondents felt that their organization needed comprehensive training in tailoring services for persons involved in the criminal justice system (55.6%) and forming tenant councils and involving tenants (47.3%). Respondents also felt that their staff could use supplemental or refresher training in other areas including tailoring services for families with children (53.7%), benefits and entitlements advocacy and coordination (52.7%), linking tenants to mainstream health and behavioral health services (51.7%), and housing first and harm reduction (51.6%).

- **Political will and government commitment for supportive housing remain as strong as ever, but are threatened by state and local budget constraints. Community resistance to supportive housing development, on the other hand, remains high and a significant obstacle.**

Most respondents felt that they were getting a medium level of political support at the state or local level, and less than one-fifth felt that they were getting a high level of support. At the government agency level, levels of commitment were ranked higher, but varied by sector. The housing and mental health sectors seem to be demonstrating the highest levels of support, followed by the housing authorities and veterans agencies (*see Table 4*).



*I believe that supportive housing is a key component in ending homelessness. It is imperative that we educate lawmakers and communities so that supportive housing can be built to help those most in need.*



On the other hand, community resistance to supportive housing development remains an issue (three-quarters of the respondents report to currently be experiencing resistance), but that resistance does not seem to have changed much over time (only one-sixth of the respondents report that resistance is getting worse—about the same as report it is getting better). More efforts are needed to increase public education about and improve the public image of supportive housing, and strengthen developers' capacity to engage and build support among community residents and overcome NIMBY.

**TABLE 4.**  
**LEVEL OF LOCAL**  
**PUBLIC AGENCY**  
**COMMITMENT BY**  
**SECTOR**

	High level of commitment	Medium level of commitment	Very little to no commitment	Don't know
Mental health	41.1%	38.6%	12.7%	7.6%
Housing and community development	37.2%	40.6%	9.4%	12.8%
Housing authority	26.6%	34.8%	27.5%	11.2%
Veterans agency	24.0%	36.5%	21.0%	18.5%
Substance abuse agency	21.8%	29.6%	25.5%	23.1%
Social services/welfare	15.5%	43.5%	26.3%	14.7%
Child welfare	12.9%	30.9%	33.5%	22.7%
Public health	10.3%	28.2%	34.6%	26.9%
Employment/workforce	9.5%	28.0%	37.5%	25.0%
Corrections department	7.3%	33.0%	37.8%	21.9%

The majority of respondents report that political support for investing public resources in supportive housing stayed the same or increased in 2009, although close to one-third report that support has decreased, undoubtedly due to the economic crisis and resulting state and local budget cuts. Expectations for the coming year were roughly the same.

- **The cost effectiveness of supportive housing remains the most compelling argument for public investment in supportive housing, but the health and social benefits of supportive housing on formerly homeless and vulnerable tenants themselves is also important and compelling.**

Given the current economic and budgetary environment, it is not surprising that the cost effectiveness of supportive housing was ranked as the most compelling argument to policy makers and public agency administrators for investing in supportive housing. The large majority of respondents, however, felt that arguments about ending homelessness, improving health and mental health outcomes, and reducing prison and jail recidivism were also compelling to elected officials and agency heads. The evidence that supportive housing cost effectively delivers positive outcomes for vulnerable individuals and families will remain a strong selling point, even in an era of government budget cuts and reduced investment in public services. If anything, these arguments will be more important than ever if we want to continue our mission to end homelessness.



The Corporation for Supportive Housing (CSH) is a national non-profit organization and community development financial institution that helps communities create permanent housing with services to prevent and end homelessness. Founded in 1991, CSH advances its mission by providing advocacy, expertise, leadership, and financial resources to make it easier to create and operate supportive housing. CSH seeks to help create an expanded supply of supportive housing for people, including single adults, families with children, and young adults, who have extremely low-incomes, who have disabling conditions, and/or face other significant challenges that place them at on-going risk of homelessness. For information regarding CSH's current office locations, please see [www.csh.org/contactus](http://www.csh.org/contactus).

Supportive housing is a successful, cost-effective combination of affordable housing with services that helps people live more stable, productive lives. Supportive housing works well for people who face the most complex challenges—individuals and families who are not only homeless, but who also have very low incomes and serious, persistent issues that may include substance use, mental illness, and HIV/AIDS.