



Supportive Housing Evaluation Results

March 25, 2021

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## Our Mission: The Core Purpose

Housing is the foundation for success, so we collaborate with individuals, communities and partners to create, preserve and finance housing that is affordable.

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### Agenda

Time	Topic
9:30-9:45	Introduction and Background
9:45-9:55	Welcome from Commissioner Jennifer Ho
9:55-10:10	Evaluation Report- overview and key findings
10:10-10:25	Best Practices Report- overview and key findings
10:25-10:40	Recommendations and Action Items
10:40 -11:00	Questions and Discussion

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## Background- Why did we do the evaluation?

- Introduction
- Background
  - Assessment- Portfolio Growth
  - What questions were we asking?
    - What do we want to achieve with our investment in supportive housing?
      - Is the intended population being served in an equitable manner?
      - Do tenants achieve housing stability and improved quality of life?
      - Are providers following best practices to achieve the desired results?
    - What level of monitoring should we have to track performance, adherence to fidelity standards and tenant outcomes?
    - What data should we collect?
    - How should we do it?

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## Evaluation Methodology

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## Evaluation Methodology

- HMIS data (records about 6,976 individuals)
- Minnesota Housing property data (261 properties)
- Service funding data (74 properties)
- Surveys:
  - Property managers (N=116)
  - Service providers (N=148)
  - Tenants (N=78)
- Focus groups (8 groups around the state)
- Interviews with key stakeholders/informants (Mn and Nationally)

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## Key Findings

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## Overall Positive Findings

- Highly effective “program”
- Program has created stable portfolio of PSH units for homeless households across the state
  - 206 properties
  - 4,695 units
- Program uses highly effective incentives in the QAP and RFP selection criteria to encourage PSH units
- Minnesota Housing effectively collaborates with:
  - Continuums of Care
  - Minnesota Department of Human Services

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## Challenges

“Program” faces challenges in:

- Accessing adequate service funding to support PSH properties across
- Switching target population from long-term homeless to high-priority homeless
- Implementing coordinated entry as the primary referral mechanism
- Providing the level of services needed by higher-vulnerability tenants
- Monitoring & evaluating tenants’ quality of life, the effectiveness of services, and fidelity to best practices

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### Key Evaluation Finding: Reaching Intended Population

- Minnesota Housing-funded PSH developments successfully reach those most in need of supportive housing.
  - ✓ At entry, 91% of tenants met Minnesota's definition of long-term homeless
  - ✓ The demographic characteristics of tenants reflect the homeless population at large, as well as the long-term homeless population

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### Key Evaluation Finding: Population Served Aligned with Those in Need

Characteristic	PSH Tenants	2018 Wilder Survey
<b>Gender</b>		
Male	52%	53%
Female	48%	47%
Transgender or Non-Conforming	0%	1%
<b>Race/Ethnicity</b>		
Black or African American	39%	36%
White	35%	38%
American Indian or Alaska Native	14%	14%
Asia or Pacific Islander	2%	2%
Multi-racial or Other	10%	11%
Hispanic/Latinx Origin	6%	8%

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### Key Evaluation Finding: Many Achieve Housing Stability with No Real Disparities

Source: MN HMRS Data. African American/Black N=982, White N=810, American Indian or Alaska Native N=389, Asian or Pacific Islander N=30, Hispanic/Latino N=161. The sample includes housing episodes that started in 2015 or 2016 in order to have the possibility of 2 full years of data with which to measure stability.

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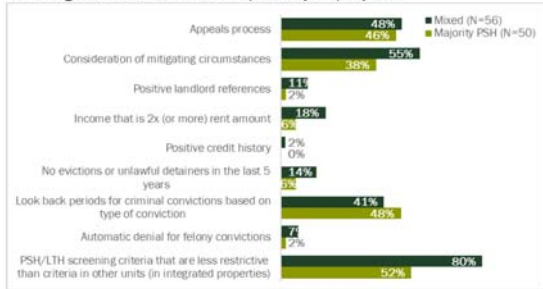
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### Key Evaluation Finding: Mixed Properties Have More Restrictive Screening Criteria

Screening Criteria for PSH Units – Reported by Property Staff



Source: Property Management Survey 3/25/2021 Minnesota Housing | mnhousing.gov 13

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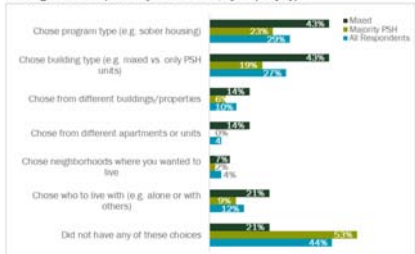
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### Key Evaluation Finding: Tenants in Mix Properties Have Had More Choice

Housing Choices Reported by PSH Tenants, by Property Type



Source: Tenant Survey. Mixed properties N=14; Majority-PSH properties N=53; All Respondents N=73. The Ns by property type do not add to the total of all respondents because property type was unknown for some respondents.

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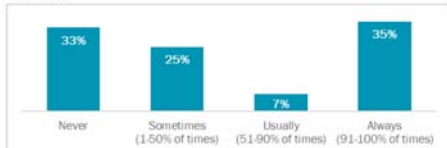
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### Key Evaluation Finding: Many Tenants Lack Choice in Service Provider

Give Tenants a Choice in Who Provides Supportive Services – Reported by Service Providers



Source: Service Provider Survey (n=131)

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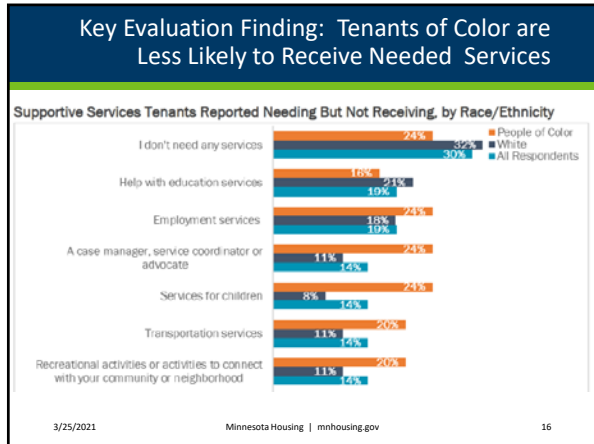
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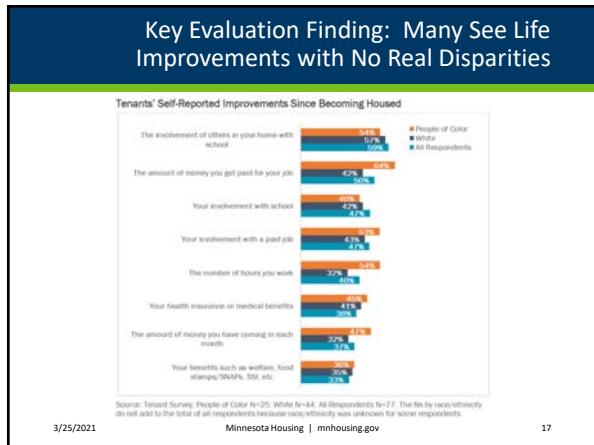
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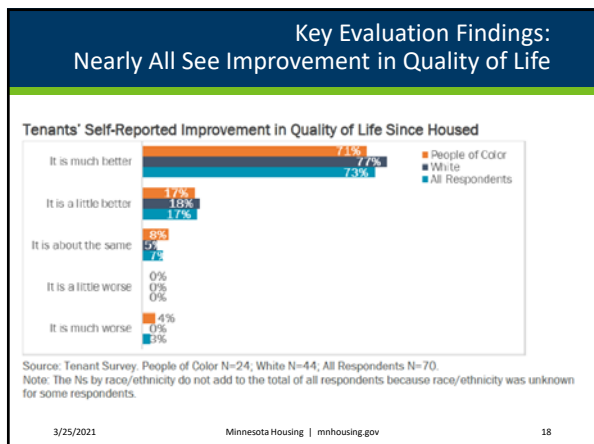
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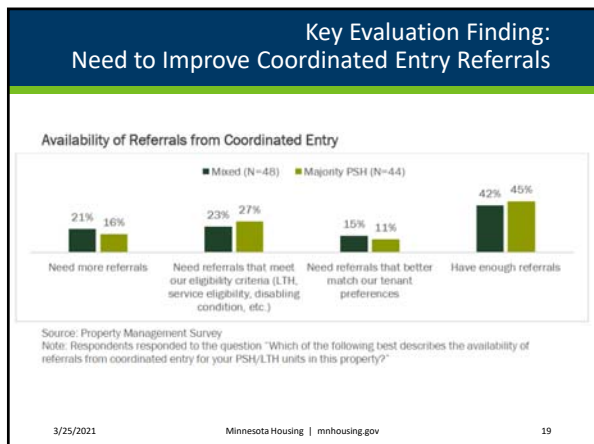
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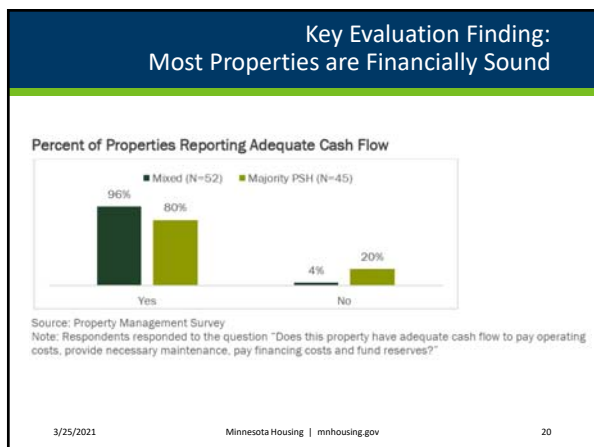
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### Key Evaluation Finding: Most Properties are Financially Sound

**Net Operating Income for Properties With a First Mortgage or First Mortgage Oversight With MN Housing**

Overall						
	Number of Properties	Mean	Median	Min	Max	Std. Deviation
Net Operating Income (NOI)	80	\$216,146	\$183,186	\$(41,137)	\$1,122,137	\$296,145
NOI per Unit	80	\$3,359	\$3,702	\$(4,114)	\$9,180	\$2,519

Mixed Properties						
	Number of Properties	Mean	Median	Min	Max	Std. Deviation
NOI	58	\$262,401	\$217,888	\$9,137	\$1,122,137	\$201,419
NOI per Unit	58	\$4,426	\$4,507	\$1,331	\$9,180	\$1,762

Majority-PSH Properties						
	Number of Properties	Mean	Median	Min	Max	Std. Deviation
NOI	22	\$41,474	\$34,606	\$(41,137)	\$304,740	\$75,239
NOI per Unit	22	\$541	\$524	\$(4,114)	\$6,349	\$1,942

Source: MN Housing Property Data. This analysis includes the latest year for which NOI data were available, which varied by property between 2017 and 2018. The average NOI per unit is for all units in the property, not only PSH units.

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## Best Practices Report

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### Best Practices Report: Methodology

- Interviews and document review of states with innovative PSH models: Connecticut, Michigan, Massachusetts
  - PSH funding priorities and portfolio
  - Development incentives and application requirements
  - Project selection process
  - Tenant referral mechanisms
  - Monitoring protocols
  - Key performance measures
- Review of PSH asset management practices: Colorado, Indiana, Kentucky, Maryland, North Carolina

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### Key Findings: Connecticut

- Connecticut Housing Finance Agency (CHFA)
- Production of PSH:
  - LIHTC is the primary driver of PSH development.
  - Service Funding - Developer guarantee minimum of 15 yrs.
  - Rents -Project based vouchers or rents written down to 15% AMI.
  - Eligibility for Capital funding dependent on provider organization in good standing with DMHAS or DDS.
- Monitoring performance for PSH
  - Supportive Housing Quality Initiative program -focus on 6 broad areas.
  - Quality Service Review - focus on 7 broad areas.

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### Key Findings: Massachusetts

- Massachusetts Department of Housing and Community Development (DHCD)
- Mechanism for production of PSH:
  - Standalone PSH rental competition through Housing Preservation and Stabilization Trust Fund: capital funding, rental assistance, service funding
  - State bonds for mixed use PSH through LIHTC competition
- Monitoring performance of PSH:
  - New data collection tool that looks at tenant outcomes in housing stability, employment and income, and access to community and health services

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### Key Findings: Michigan

- Michigan State Housing Development Authority (MSHDA)
- Production of PSH:
  - Funded through the LIHTC program with PSH set-aside
  - Point Eligibility – 15 units or 35%
  - Commitment to “inclusive tenant selection” practices - additional points
  - Medicaid Contracts – additional points
- Affordability: Tenant incomes at or below 30% of AMI
  - QAP commits PBVs available on case-by-case basis.
  - Utilities – Must be included in rent.

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### Key Findings: Review of Asset Management Practices

- Colorado: Hosts two day PSH Toolkit Institute annually for developers and management companies
- Indiana: Convenes Supportive Housing Performance Committee monthly to review projects at all stages of process from predevelopment through compliance monitoring
- North Carolina: Employs full-time PSH-dedicated monitor as single point of contact
- Maryland: Conducts physical and management reviews as well as Resident Services review

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## Recommendations and Action Plan

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## Recommendations and Action Plan

- Supportive Housing Development
  1. Sustain current incentives to create both mixed and 100% PSH
  2. Sustain/increase HIB; Continue to leverage federal resources
  3. Consider incentive in QAP to encourage low-barrier tenant selection plans
  4. Incorporate Medicaid HSS into service plans and budgets
  5. Develop PSH fidelity standards in collaboration with partners

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## Recommendations and Action Plan

- Sustain Supportive Housing
  6. Promote housing navigation services within CoCs to stay connected to applicants and improve connection to housing and services
  7. Coordinate with CoCs to track and improve CE responsiveness
  8. Collaborate with CoCs and PHAs to grow Moving-On options to assist tenants to move from PSH to market unit with TBRA

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### Recommendations and Action Plan

- Monitoring, Performance and Ongoing Oversight
  - 9. Establish a risk-based monitoring process for all PSH
  - 10. Develop a PSH monitoring protocol, assessment tools and feedback loop
  - 11. Conduct a HST staff review every 2 years to keep pace with portfolio growth
  - 12. Establish and collect standardized HMIS data to monitor and assess trends
  - 13. Develop a standard set of performance measures and benchmarks to assess property performance and tenant outcomes
  - 14. Incorporate a periodic review of performance to identify trends to inform policy and identify areas for training/capacity building

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### Recommendations and Action Plan

- Sustain Services
  - 15. Support implementation of the Medicaid Housing Stabilization Service to fully integrate the services for PSH
  - 16. Create a pool of dedicated resources for supportive services targeted to households that are not eligible for Medicaid HSS or Housing Support.
- Consumer Feedback (we added)
  - 17. Develop methodology to regularly obtain feedback from current AND prospective tenants

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## Questions and Discussion

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**Questions and Implementation Opportunities**

- What questions do you have about the evaluation reports?
- What questions do you have about the recommendations or action plan?
- Discussion- Implementation Opportunities
  - Establish practices for a continuous improvement feedback loop
  - Stakeholder input- housing and service providers, tenants and people who want to access supportive housing
  - Supportive Housing Standards
  - Stewardship Council role
  - Resource development (training, technical assistance, service resources, funding alignment)
  - Oversight, monitoring practices and tools
  - Public Reports on project performance, tenant outcomes and feedback

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