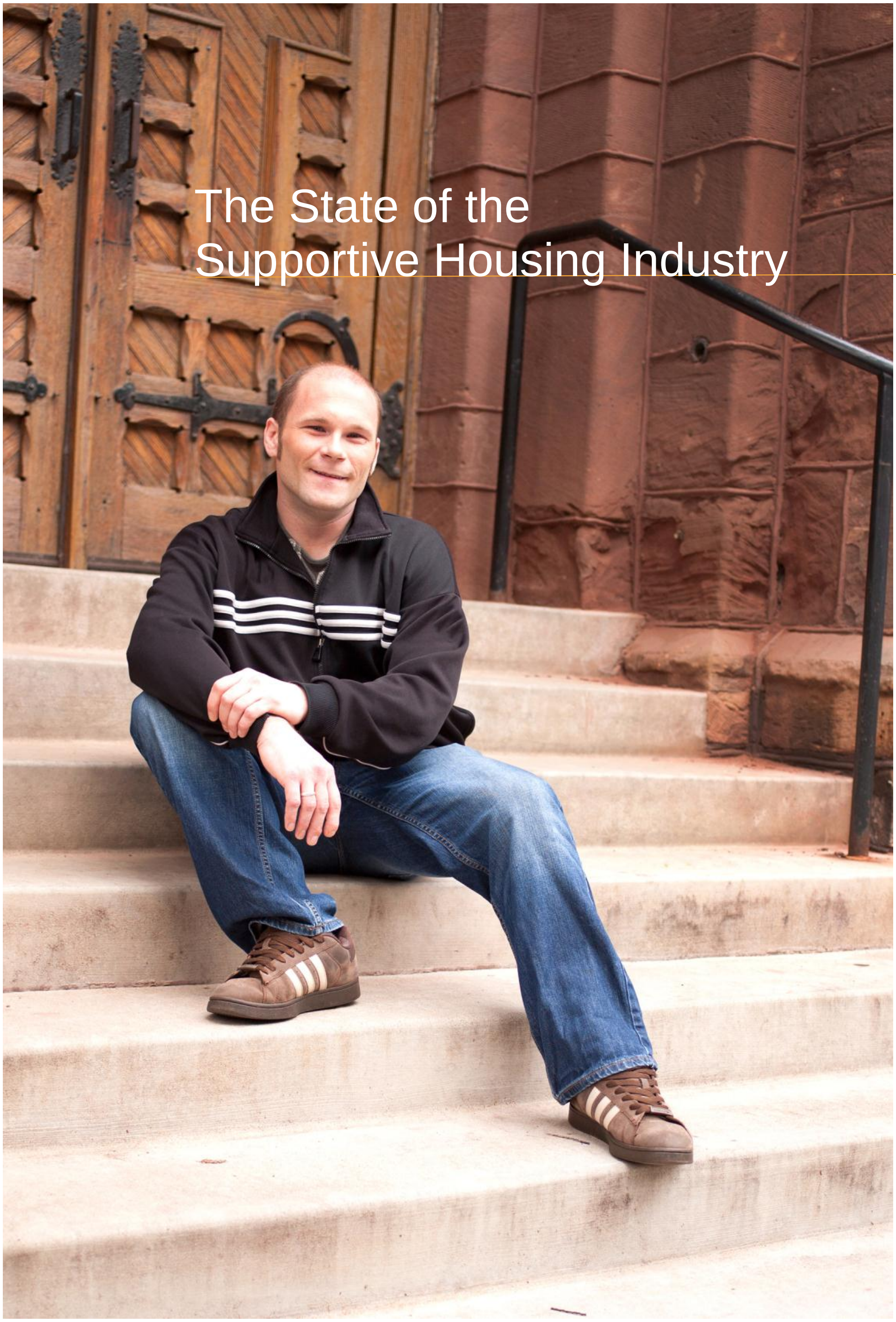
The State of the Supportive Housing Industry



THE CSH SUPPORTIVE HOUSING SURVEY

2012

State of the Supportive Housing Industry Survey

For over 20 years, CSH has been in leader in the national supportive housing industry. In this role, CSH has overseen the annual State of the Industry Survey to take the pulse of the supportive housing field and enhance our understanding of the challenges, opportunities, trends and issues that we all face. This is the third year that we have conducted this survey of supportive housing providers, government agencies that fund supportive housing, and other key industry partners. This year, we have used the information gathered in the State of the Industry Survey to inform our strategic planning and CSH's long-term goals and work planning over the next few years.

KEY FINDINGS

- **Optimism about the future of supportive housing is increasing.** Over 70% of the respondents felt "hopeful" or "somewhat hopeful" about the future of supportive housing, up from 63% in 2011, and 85% said that supportive housing was a commonly used and accepted intervention in their community.
- **Supportive housing is well-integrated into a wide variety of public systems.** Over 80% of the respondents reported that there was a high or moderate level of integration of supportive housing in the homeless system, 75% in the mental health system and over 60% in the substance abuse treatment system. Relatively high levels of integration were reported with the veterans affairs and public housing systems as well.
- **Innovation in supportive housing is on the rise, suggesting that CSH is making progress in moving the field forward.** These increases were particularly steep for supportive housing for the aging population, American Indians, and the Critical Time Intervention. With the exception of innovations for child welfare families and people involved in the corrections system, increases in innovation were seen across the board.
- **As in previous years, industry members continue to report a strong focus on the most vulnerable homeless populations.** According to the respondents, the populations served by supportive housing have not changed much since last year, although there was a slight increase in the percentage of respondents that reported poor/low-income households, seniors/elderly and young adults/youth aging out of foster care as a focus, which is encouraging given that these populations were part of CSH innovation efforts in 2012.

- **Industry members report a variety of different technical assistance and training needs, providing us with some guidance as to where we may need to add capacity in our consulting work.** These needs include forming tenant councils and involving tenants; tailoring services for criminally involved tenant; securing philanthropic and foundation funding; mobile case management for scatter site supportive housing, and employment services and vocational support (44%).

- **Given the current budget climate, funding for supportive housing on average is less available than 2011, particularly for operations and supportive services.** Respondents reported funding for supportive housing being either less available or equally available as compared with 2011. This was particularly true for operations and services funding where over 40% of the respondents reported that these funding sources were less available. Very few respondents thought that funding is more available than it was in 2011.

ABOUT THE SURVEY

In February 2012, we asked individuals who are part of the supportive housing industry to complete this survey. As in past years, we had a high level of participation. A total of 374 people responded, which is fewer than last year but slightly more than 2010. The overall composition of the respondents has been similar over the years, although we had more government respondents than any other year with almost one-quarter representing local, state or federal government agencies and public housing authorities. To better understand shifts in the industry, we ask similar questions every year about the outlook of the industry, trends in practice and priorities, funding availability and political will.

ABOUT THE RESPONDENTS

In general, survey respondents were representative of the larger supportive housing industry − 68% were from non-profit agencies, 23% were from government agencies, 7% were from for-profit businesses and 2% were from foundation/philanthropic/charitable organizations or universities.

The majority of respondents' sector affiliations were from housing and community development/finance (64%); others sectors with large representation included social services (49%), mental health (44%), substance abuse (30%) and employment and workforce development (21%).

THE FUTURE OF SUPPORTIVE HOUSING

As the country slowly recovers from the recent recession, supportive housing has been impacted by the tough economic times. However, optimism remains strong as organizations like CSH work to demonstrate and educate on the cost-effectiveness of this model as well as focus on re-investment rather than newly dedicated funding. Seventy percent (70%) of the respondents were very or somewhat hopeful about the supportive housing model and industry, as compared to only 63% last year. Only a small percentage, 9%, are very concerned for its future.

Respondents were asked to identify the top three most important areas of focus and advocacy necessary for the future success of the supportive housing industry. Not surprisingly, respondents focused primarily on the importance of increasing and streamlining supportive housing funding, including:

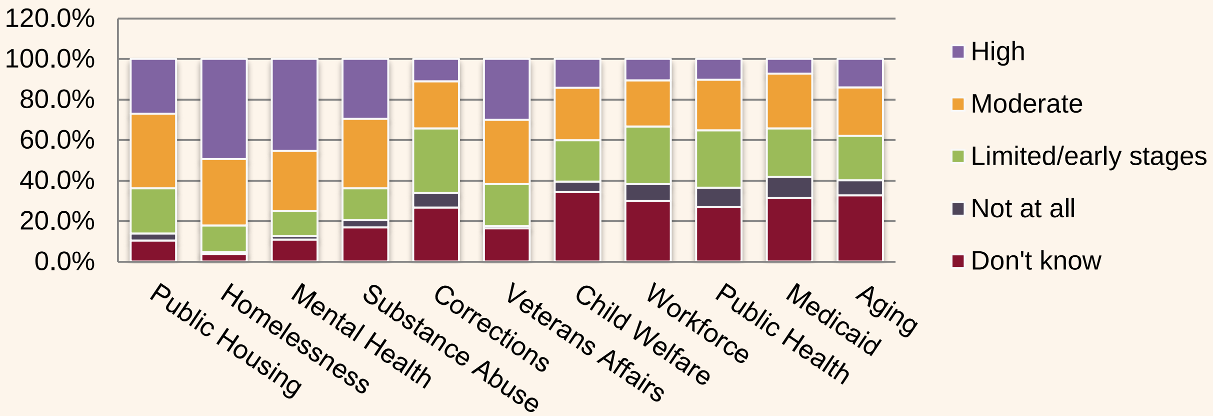
- **increasing federal funding for supportive housing (76%);**
- **increasing state or local funding for supportive housing (73%); and**
- **making the financing of supportive housing more simple and efficient (60%).**

Increased public funding for supportive housing depends in large part on the support of elected officials and integration into mainstream public systems. On both scores, the supportive housing industry is making progress:

Close to three-fourths (74%) of respondents reported a high or medium level of support from local elected officials, up from 69% in 2011. Support has also increased at the state level – 42% of respondents reported support from state commissioners, 39% from state governors, and 37% from state legislators.

As shown in *Figure 1*, over 80% of the respondents reported that there was a high or moderate level of integration of supportive housing in the homeless system, 75% in the mental health system, and over 60% in the substance abuse treatment system. Relatively high levels of integration were reported with the veterans affairs and public housing systems as well. Other systems – including corrections, child welfare, and Medicaid – showed lower levels of integration and acceptance of supportive housing. CSH focuses much of its work on the integration of these three systems through initiatives at the national and local level.

FIGURE 1.
IN YOUR COMMUNITY, WHAT IS THE LEVEL OF ACCEPTANCE AND INTEGRATION OF SUPPORTIVE HOUSING IN THE FOLLOWING SECTORS?



While most communities accept supportive housing, developing new projects remains a challenge for many developers. 66 people responded that they have supportive housing projects in development; of these, 44% reported having some or all their projects stalled. 54% of those projects were reported stalled due to lack/loss of public capital sources and 12.5% reported stalling due to both opposition from community or public officials and lack of operating sources.

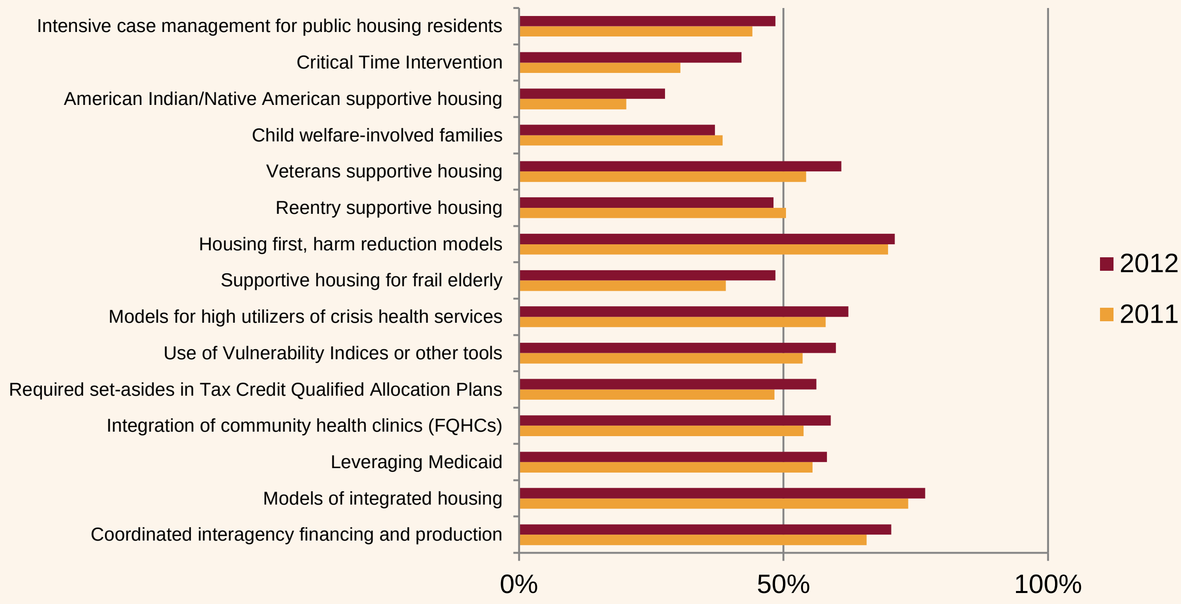
Forty-five percent (45%) also reported that conditions for developing supportive housing have worsened. A high number (67.5%) of the respondents reported that they are currently experiencing resistance/opposition from the community or local residents when siting and developing new supportive housing, although over half (54.8%) reported that this resistance is the same as three years ago.

INNOVATIONS IN SUPPORTIVE HOUSING

As shown in *Figure 2*, a greater number of respondents reported implementing or planning to implement a wide variety of innovations in supportive housing. With the exception of innovations for child welfare families and people involved in the corrections system, increases in innovation were seen across the board. These increases were particularly steep for supportive housing for the aging population, American Indians, and the Critical Time Intervention.

FIGURE 2.

PERCENT OF RESPONDENTS IMPLEMENTING OR PLANNING TO IMPLEMENT INNOVATIONS IN SUPPORTIVE HOUSING

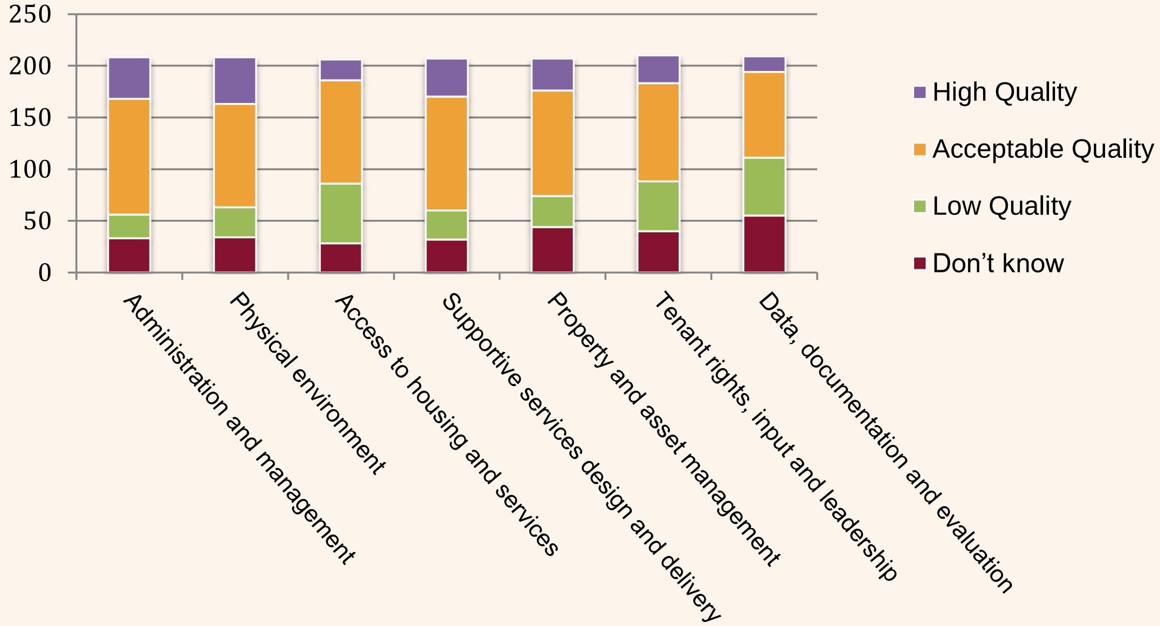


SUPPORTIVE HOUSING QUALITY AND PROVIDER CAPACITY

The survey asked respondents to rate their available supportive housing inventory in their community along our Seven Dimensions of Quality for Supportive Housing.[1] As shown in *Figure 3*, respondents reported that their housing was of high or acceptable quality, particularly in the areas of administration and management; physical environment; supportive services design and delivery; and property and asset management. Areas of lower quality were consistent with previous years – access to housing and services; tenant rights, input and leadership; and data, documentation and evaluation. This indicates that CSH must concentrate on improving its efforts to provide tools and training in these three areas.

[1] *For more information about CSH's Dimensions of Quality, please see www.csh.org/dimensionsofquality.*

FIGURE 3:
RESPONDENT ASSESSMENT OF SUPPORTIVE HOUSE QUALITY



The survey also asked respondents to identify the training and capacity building needs of supportive housing providers in their community. The top five identified areas include:

- **Forming tenant councils and involving tenants (59%)**
- **Tailoring services for tenants involved in the criminal justice system (55%)**
- **Securing philanthropic and foundation funding (50%)**
- **Mobile case management for scattered site supportive housing (44%)**
- **Employment services and vocational support (44%)**

TARGET POPULATIONS AND THEIR HOUSING AND SERVICE NEEDS

As in previous years, industry members continued to report a strong focus on the most vulnerable homeless populations. According to the respondents, the populations served by supportive housing have not changed much since last year, although there was a slight increase in the percentage of respondents that reported poor/low-income households, seniors/elderly and young adults/youth aging out of foster care as a focus, which is encouraging given that these populations were part of CSH innovation efforts in 2011. There seemed to be slightly less focus on formerly incarcerated/criminal justice-involved populations, persons with addiction and substance use issues and persons living with HIV/AIDS.

TABLE 1:

KEY TARGET POPULATIONS FOR SUPPORTIVE HOUSING

	2011	2012	Difference
Chronically homeless singles	67.7%	68.1%	+.4
Persons with mental illness	69.2%	66.9%	-2.3
Poor/low-income households	50.8%	54.1%	**+3.3**
Persons with addiction and substance use issues	56.8%	50.9%	**-5.9**
General homeless singles	52.3%	48.1%	-4.2
General homeless families	42.6%	39.1%	-3.5
Chronically homeless families	37.2%	38.1%	+.9
Frequent users of crisis services	n/a	38.1%	n/a
Veterans	35.3%	34.7%	-.6
Seniors/elderly	23.4%	26.6%	**+3.2**
Young adults/youth aging out of foster care	20.8%	23.8%	**+3**
Formerly incarcerated/criminal justice-involved/reentry	30.9%	21.6%	**-9.3**
Persons living with HIV/AIDS	26.6%	20.9%	**-5.7**
Child welfare involved families	15.3%	11.9%	-3.4
Native Americans/American Indians	8.1%	8.1%	0

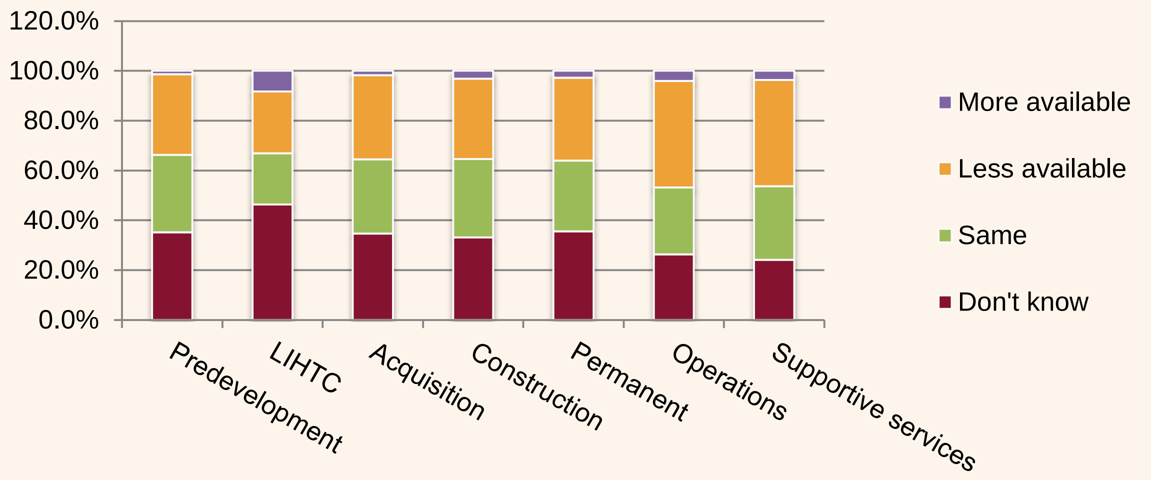
Respondents were asked to identify the most pressing unmet needs for the people with whom they work. As in 2011, they overwhelmingly noted affordable housing as the number one priority. The top five reported needs include:

- **Affordable housing and/or rental assistance (86%),**
- **Housing-based services and case management (52%),**
- **Employment supports and job training (49%),**
- **Mental health and psychiatric services (39%), and**
- **Access to benefits and income supports (34%).**

FUNDING AVAILABILITY

Given the current budget climate, funding for supportive housing on average is less available than in 2011. As shown in *Figure 4*, respondents reported funding for supportive housing being either less available or equally available as compared with 2011. This was particularly true for operations and services funding, where over 40% of the respondents reported that these funding sources were less available. Very few respondents thought that funding is more available than in 2011.

FIGURE 4.
AVAILABILITY OF FUNDING FOR SUPPORTIVE HOUSING COMPARED TO 2011



As shown in *Table 2*, the funding sources used for supportive housing have not changed significantly since 2011. Survey respondents reported the following:

- As in 2010 and 2011, the majority of people are using Low Income Housing Tax Credits (87.7%) and HOME/CDBG (70.8%) sources for **development funding**. The least used capital financing was County/City tax levy capital funds (14.4%).
- **Operations funding** remained generally the same with two exceptions: the use of Shelter Plus Care increased by 12% from 2011 to 2012 and the use State/Local Rental Assistance Programs decreased by 13.8% in the same time period.
- **Service funding** also experienced fluctuations with an 8.9% decrease in the use of State/local Substance Abuse Funding (from general fund) and a 6.3% decrease in the use of Medicaid to fund supportive services.

NEXT 3 YEARS

WHAT WILL HAVE THE GREATEST IMPACT ON SUPPORTIVE HOUSING OVER THE NEXT 3 YEARS?

- NEW FUNDING STREAMS SUCH AS MEDICAID
- NEW OPPORTUNITIES THROUGH HEALTH CARE REFORM
- OUR ABILITY TO TAP INTO SUSTAINABLE/MAINSTREAM FUNDING SOURCES
- BEING ABLE TO DEMONSTRATE THAT SUPPORTIVE HOUSING PRODUCES RESULTS THAT ARE OF VALUE TO THE COMMUNITIES IN WHICH THEY OPERATE

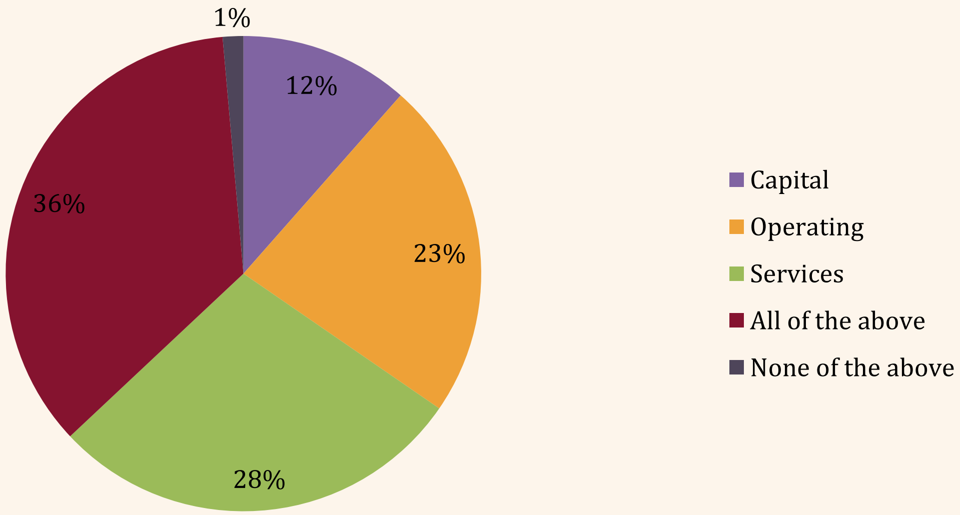
TABLE 2.

FUNDING SOURCES FOR SUPPORTIVE HOUSING

	2010	2011	2012
DEVELOPMENT			
Low-income housing tax credits	75.5%	78.5%	87.7%
State housing trust funds	52.7%	40.6%	45.1%
Local/county housing trust funds	36.7%	29.4%	33.8%
HOME,CDBG	70.0%	67.4%	70.8%
City/County tax levy capital	17.3%	12.9%	14.4%
Bond Financing programs	26.2%	20.6%	23.1%
Section 811	32.9%	31.5%	31.8%
OPERATING			
Section 8	65.9%	68.1%	68.9%
Shelter Plus Care	69.8%	61.6%	73.6%
Other Continuum of Care	46.0%	39.5%	40.9%
State/local Rental Assistance Programs	51.2%	50.1%	36.3%
HOPWA	20.6%	20.7%	22.8%
HUD VASH	*not asked in 2010	48.2%	47.7%
SUPPORTIVE SERVICES			
Continuum of Care funding	67.9%	61.9%	63.2%
State/local Mental Health Funding (from general fund)	56.4%	54.1%	57.5%
State/local Substance Abuse Funding (from general fund)	27.4%	23.8%	14.9%
Federal grant programs (i.e., SAMHSA, Ryan White, HOPWA)	42.7%	45.3%	50.6%
Medicaid	33.3%	32.2%	25.9%
TANF	14.5%	16.3%	15.5%

As shown in *Figure 5*, respondents reported that of the three types of funding – capital, operating and services−services funding was the most difficult to secure, although the largest proportion of respondents thought all three were equally difficult to secure. This finding underscores the need for CSH to continue to advocate for increased funding for supportive housing.

Figure 5.
OF THE THREE DIFFERENT TYPES OF FUNDING NEEDED FOR SUPPORTIVE HOUSING (CAPITAL, OPERATING, SERVICES), WHICH IS CURRENTLY THE MOST DIFFICULT TO SECURE?



CONCLUSION

CSH will be using these findings to inform our 2013-15 Strategic Plan and 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 2012 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. Optimism about the future of the supportive housing industry is on the rise and while funding for supportive housing is somewhat less available during these difficult economic times, systems integration and innovation continue to increase. CSH is proud to be a leader in this dynamic and successful industry.