

CATALYST ²⁰¹²



executive message

OVER THE PAST TWO DECADES, supportive housing has matured from an approach aimed at primarily solving chronic homelessness, to a high-quality housing solution with broad reach and appeal, helping transform and build healthy communities for a variety of vulnerable men, women and children across the country. Under CSH's leadership the industry has expanded, with more and more public systems adopting supportive housing as the scaffolding for improving their responses to the people in most need. We are proud of our work and we understand the importance of ensuring that as an organization, we continue to create solutions. So in 2012, we took time for self-discovery and development of our future direction. We met with nonprofit and government partners, held focus groups with our visionary funders, listened to residents of supportive housing and used our signature *State of the Industry Survey* to gauge the direction and the needs of individuals who work in supportive housing. Our goal was simple, gain a better understanding of what the industry needs from its leader moving forward, and ensure that our work continues to contribute to the recovery and growth of the men, women and children living in supportive housing.

This year long discovery underscored the importance of our role as the industry's creative catalyst, to bring supportive housing solutions from idea to implementation. In late October we were awarded a \$2 million Wells Fargo NEXT Award. The award, presented by Opportunity Finance Network with support from Wells Fargo, The Kresge Foundation, and the John D. and Catherine T. MacArthur Foundation, is the nation's largest awards program for the CDFI industry. The award provided the foundation for CSH's Supportive Housing Solutions Fund, the first ever national loan fund specifically focused on taking supportive housing development to new geographic markets across the country, exemplifying our commitment to the creation of a healthy pipeline of new housing opportunities.

Our 2012 Annual Report tells the story of CSH's spirit and our unprecedented impact. Our work this year highlights the measureable difference CSH makes in the communities where we work. We innovate, measure and evaluate smart solutions, engage and influence policy and decision makers, reform and improve government systems, fund new projects and programs, educate and empower industry players, and lead and expand the supportive housing industry. CSH is of course proud of everything we accomplished in 2012 but look forward to the new challenges ahead, and we hope you will join us for the ride. *Thank you.*



DEBORAH DE SANTIS
President and CEO



JIM LOGUE
Chair of the Board

new market tax credits

RECEIVING A \$25 MILLION New Market Tax Credit Allocation provided CSH with a new avenue to innovate the funding model used for supportive housing development in some of the highest need areas in the country. Investing in developments in Harlem, Detroit and Philadelphia, our use of the New Market Tax Credits was unique in its focus on the service delivery for supportive housing.

Transforming the former headquarters of Bell Telephone in Detroit into 155 units of supportive housing for formerly homeless individuals along with a health center and NSO's headquarters required CSH to pair some of our traditional loan products with New Markets. This innovative approach brought much needed development and supportive housing units to a community in need and is making an impact so that many of Detroit's formerly homeless have a safe place to call home.

The projects CSH has invested New Market Tax Credits in are as innovative as our use of this new source of funding. In Broadway Housing's Sugar Hill development in Harlem, in addition to supportive housing and retail space, there will also be a Children's Museum of Art and Storytelling. And in Philadelphia, Paseo Verde developed by Asociación Puertorriqueños en Marcha, is a mixed income, transit-oriented development that also includes a community health facility, located steps from a commuter rail line station.

“CSH was a key partner in this effort through their provision of predevelopment loans, bridge loans and New Market Tax Credits to the project. This was an extremely complex financial transaction and CSH remained committed and flexible as we addressed challenges with completing the deal.”

Joe Heaphy, Executive Director, Neighborhood Services Organization

VISIT [CSH.ORG/CSH-SOLUTIONS/LENDING/NEW-MARKET-TAX-CREDITS/](https://www.csh.org/csh-solutions/lending/new-market-tax-credits/)

FUND

social impact

financing

COMMUNITIES FACE CHALLENGES, and effective solutions require stepping outside the box. Supportive housing is a solution that has been helping communities deal with problems like those related to chronic homelessness for the past two decades. CSH has been at forefront of finding new and innovative means to provide for services funding so that communities can implement supportive housing solutions for their most vulnerable citizens. Enter social innovation financing known as Pay for Success or Social Impact Bonds.

CSH believes that – in its many variations – social innovation financing presents a tremendous opportunity to diversify and expand investment in supportive housing, increasing opportunities for the people who need it most. And it presents an excellent opportunity for government to reform how it invests and allocates public resources, with much greater emphasis on paying for results. Throughout 2012 CSH explored opportunities across the country to look at utilizing social innovation financing to create supportive housing.

The Commonwealth of Massachusetts stepped forward as the first state to issue a request for proposals for a Social Innovation Financing contract to address among several issues, chronic homelessness. In a partnership led by the Massachusetts Housing and Shelter Alliance (MHSA), with the United Way of Massachusetts Bay and Merrimack Valley, Third Sector Capitol and CSH, we pursued this ground breaking initiative. CSH is committed to using supportive housing solutions to pull people with the most complex issues out of the revolving door of homelessness and costly crisis health services. We look forward to carving a path with our partners on this innovative solution as a model to replicate throughout the country.

“*We need to invest in innovative ideas and strategies to tackle challenging, long-term social issues. The results-oriented nature of Social Innovation Financing contracts will help us improve services and build a better Commonwealth for the next generation.*”

*Massachusetts Governor,
Deval Patrick*

SOCIAL INNOVATION FINANCING MODEL

An intermediary organization is responsible for raising funds from private investors to cover the upfront costs of innovative responses to social challenges. Only when outcomes are demonstrated and found to generate cost savings for the state or local government, is the investor repaid. This model ensures that taxpayers only pay for social innovations that demonstrate success and secure cost savings.

VISIT **MHSA.NET** TO
LEARN MORE ABOUT
SOCIAL IMPACT
FINANCING IN
MASSACHUSETTS

INNOVATE

improved public systems

PUBLIC HOUSING AUTHORITIES (PHAs) administer a powerful resource for homeless and extremely vulnerable populations – through Section 8 vouchers and their public housing stock. Many individuals and families are able to lead stable, thriving lives because of the foundation that public housing provides them, but some low-income households also need supportive services in order to access and remain in housing. The resources, capacity and experience that PHA's have serving extremely low-income individuals and families, make them critical partners in efforts to create supportive housing and end homelessness. Over the past two years CSH has significantly increased its engagement with PHAs and their work with homeless individuals who have special needs, veterans, people cycling through shelter, hospitals, jail and other institutions, and vulnerable families.

In 2012 CSH, with support from JPMorgan CHASE, executed a multi-pronged approach to the work with PHAs, focusing on changing practice, expanding partnerships and reforming and improving policy. The CSH PHA Toolkit became the first comprehensive resource guide for PHAs seeking to create supportive housing. The online toolkit provides tools, concrete examples and advice for PHAs venturing into or expanding their work in supportive housing. CSH's trainings and direct technical assistance to PHAs is building their capacity to develop and operate supportive housing while discussing effective strategies and practices in the field. In addition, CSH partnered with the U.S. Department of Housing and Urban Development and the U.S. Interagency Council on Homelessness to help plan convenings for PHAs and their community partners to explore best practices, discuss barriers to success and exchange knowledge and tips on how PHAs can expand their work to end homelessness in their communities.

“CSH is truly a valued and “invested” partner that helped our organization evaluate our housing and support services, identify desired objectives and develop action plans. They provided advocacy and technical assistance to our developments, moving this organization into best practice mode with materials and techniques that we will definitely put to use in the future.”

Hattie Tinney, Deputy Executive Director, Grand Rapids Housing Commission

EXPLORE OUR **PHA TOOLKIT**, A RESOURCE FOR PUBLIC HOUSING AGENCIES AND THEIR PARTNERS WHO WANT TO END HOMELESSNESS. 

REFORM

innovative partnerships

CSH IS DEDICATED to using supportive housing as a solution to solve some of communities' toughest problems. It was this dedication that led CSH to develop and implement a pilot program funded by the Robert Wood Johnson Foundation called *Keeping Families Together* in New York City. *Keeping Families Together* used supportive housing to offer stability to homeless families with children who are at risk of recurring involvement in the child welfare system. The pilot demonstration not only showed positive results in keeping and reuniting children with their families in a safe, stable environment, but it generated a 91% housing retention rate among participating families and by the end of the evaluation, 61% of the child welfare cases open at the time of placement in supportive housing had been closed.

Promising results like these caught the eye of many, including Bryan Samuels, Commissioner, the U.S. Department of Health and Human Services, Administration on Children, Youth and Families (ACYF). After a visit to one of the *Keeping Families Together* sites in 2012, ACYF was inspired to join with the Robert Wood Johnson Foundation, the Annie E. Casey Foundation, Casey Family Programs, and the Edna McConnell Clark Foundation in a historic public-private partnership, providing \$35.5 million over five years to communities creating supportive housing designed to give kids and families the chance to live healthier more productive lives.

CSH commends this dedication and will continue to work with federal, state and local government partners to increase the understanding of supportive housing and advocate for comprehensive policy and programs that help vulnerable people and families receive the care coordination they need.

“To prevent child maltreatment, innovative strategies like this are urgently needed. Working across systems to provide comprehensive, trauma-informed services that address the complex needs of families at risk of abuse and neglect—this is what it will take to prevent child maltreatment and improve outcomes for our nation’s most vulnerable children.”

Bryan Samuels,
Commissioner, the U.S.
Department of Health
and Human Services,
Administration on Children,
Youth and Families

LEARN ABOUT THE **CHILD WELFARE AND SUPPORTIVE HOUSING RESOURCE CENTER**, A TECHNICAL ASSISTANCE COLLABORATION THAT PROVIDES SUPPORT TO THE GRANTEEES OF THIS FEDERAL INITIATIVE. 

ENGAGE

quality supportive

housing

OVER ITS 20-YEAR HISTORY working to promote the development of supportive housing throughout the country, CSH has learned not only what it takes to create supportive housing but also what is required to achieve the highest level of quality. In 2009, it was that dedicated focus on assuring and continuously improving the quality of the supportive housing, coupled with more than two years of focused conversations with supportive housing tenants, providers, funders and other stakeholders, that produced a comprehensive set of resources describing quality in supportive housing – the First Edition of the Dimensions of Quality for Supportive Housing.

CSH's Dimensions of Quality for Supportive Housing quickly became an in-demand resource for the development and operation of supportive housing. From our assessment tools and trainings, to our statewide CSH Dimensions of Quality Supportive Housing Awards in California, CSH's emphasis on advancing quality supportive housing is one of a kind.

In 2012, CSH's unwavering commitment to quality supportive housing led to a grant from the MetLife Foundation to revisit the Dimensions of Quality, responding to demand for additional content to account for developments in the field. The new CSH Dimensions of Quality Supportive Housing will build the capacity of the supportive housing industry to create and operate high-quality, effective, and sustainable supportive housing; help ensure that existing resources for supportive housing are being used efficiently and effectively, while supporting the allocation of new resources; and help ensure better outcomes for supportive housing tenants, especially those with multiple barriers to housing stability.

ACCESS THE CSH
DIMENSIONS
OF QUALITY
SUPPORTIVE
HOUSING
GUIDEBOOK,
TOOLS,
TEMPLATES, CASE
STUDIES AND
ONLINE TRAINING
OPPORTUNITIES.

LEAD

housing is health care

CSH HOLDS THE FIRM BELIEF that engaging and connecting to the health sector, both at the policy level and with providers, enhances and improves both supportive housing and health care service delivery. Affordable Care Act implementation creates a unique opportunity for innovations in supportive housing, improving health, expanding health workforce, reducing hospital and emergency department re-admissions, lowering costs for the health systems, developing replicable models for targeting high utilizers, and integrating supportive housing with health services.

It was because of this strong conviction that CSH hosted “*Managing Costs and Improving Outcomes through Integrated Housing and Health Innovations*,” a Supportive Housing Leadership Forum in Chicago attended by nearly 100 partners representing hospitals; community health centers; behavioral health clinics; managed care companies; housing providers; federal, state and local government agency staff; and other supportive housing stakeholders. The event highlighted the role supportive housing has in improving health and reducing costs, and identified concrete strategies and opportunities for integrating housing and health care financing.

As part of this event, CSH and the Center for Health Care Strategies released, “*Medicaid-Financed Services in Supportive Housing for High-Need, Homeless Beneficiaries: The Business Case*,” explaining the financial reasons for states to ensure that services in supportive housing are Medicaid reimbursable. The paper also articulates the arguments housing providers can use when engaging potential health service agencies partners and explains to services agencies what can be gained by integrating housing into their programs.

For the past two years CSH has worked to further inform and educate the supportive housing industry with the “*Focus on Health Care Webinar Series*” that put a spotlight on issues surrounding Medicaid, community health care centers and other matters at the intersection of housing and health care.

OUR SOCIAL
INNOVATION FUND
INITIATIVE SUPPORTS
GRANTEES IN FOUR
COMMUNITIES
IMPLEMENT
SUPPORTIVE
HOUSING FOR
HIGH UTILIZERS OF
HEALTH SYSTEMS.
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EDUCATE

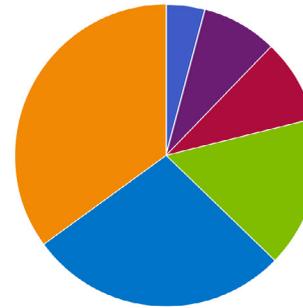
2012

financials

	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Total</i>
PUBLIC SUPPORT & REVENUE			
Grants and Contributions	1,624,079	4,686,578	6,310,657
In-Kind Contributions	1,525,157		1,525,157
Contract Services	5,056,245		5,056,245
Interest & Dividend Income	666,564		666,564
Interest Income	2,229,460		2,229,460
Fee Income - Loans	638,479		638,479
Other Income*	1,625,607		1,625,607
Net assets released from restriction	10,372,986	-10,372,986	0
TOTAL SUPPORT & REVENUE	23,738,577	-5,686,408	18,052,169
EXPENSES			
Program Services	19,342,599		19,342,599
Management & General	2,927,846		2,927,846
Fund-Raising	1,278,491		1,278,491
TOTAL EXPENSES	23,548,936		23,548,936
NET ASSETS			
Beginning of year	16,417,255	16,772,770	33,190,025
Change in Net Assets	225,820	-5,686,408	-5,460,588
END OF YEAR	16,643,075	11,086,362	27,729,437

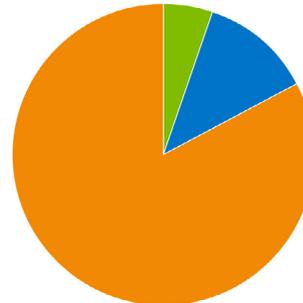
* Events, new market tax credits and fees.

REVENUE



	<i>% Total</i>
Interest & Dividend Income	4%
In-Kind Contributions	8%
Other Income	9%
Interest & Loan Fee Income	16%
Contract Services	28%
Grants and Contributions	35%
TOTAL REVENUE	18,052,169

EXPENSES



	<i>% Total</i>
Fund-Raising	5%
Management & General	12%
Program Services	82%
TOTAL EXPENSES	23,548,936

In 2012, CSH awarded over \$3.6M in grants to more than 50 organizations.

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Ohio Department of Rehabilitation and
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OneVoice

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