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Taking Health Care Home
Impact of System Change Efforts at the
Two-Year Mark

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Corporation for Supportive Housing

Acknowledgements

We would like to thank all of the hardworking and responsive staff members from the THCH sites for their help assembling the information included in this report. They spent time talking with us at length, answering our many questions, gathering information on PSH funding sources and unit production, and providing thoughtful comments on this report. It was a pleasure to learn more about all the great work that is being conducted through the THCH Initiative.

We would also like to thank Christina Garcia and Carol Wilkins from the Corporation for Supportive Housing for their support and guidance in producing this report.

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CHAPTER ONE: INTRODUCTION

Background

In 2002, the Corporation for Supportive Housing (CSH) launched a national effort to prevent and end long-term homelessness for tens of thousands of people with chronic health problems. The effort is aimed at changing the way that health and social support services are financed, organized, and delivered, to make access to initial and ongoing capital, operating, and services funding for permanent supportive housing easier and more reliable to obtain.

The Taking Health Care Home Initiative (THCH) is one part of that campaign. The Robert Wood Johnson Foundation initially awarded CSH a two-year grant of $6 million in 2003. This grant was extended in 2005 for another two years. Through THCH, CSH has made grants to states and localities, which are using THCH resources to create new systems able to produce supportive housing that ends homelessness for people with chronic health conditions including mental illness, alcohol and chemical dependency, and HIV/AIDS.

A major motivation for this effort is gaining knowledge from THCH site experiences that can be generalized to help other communities replicate the necessary system changes on a national scale. An important aspect of THCH's overall design is the inclusion of some sites with CSH local offices (the "CSH sites") and some sites where no CSH office exists, to explore strategies for working in locations without any on-site CSH staff. The states and communities participating in THCH's system change and supportive housing creation efforts are:[1]

Two grantees with CSH local offices:
- California (CSH-CA)
    - Los Angeles County (CSH-CA/LA)
- Southern New England (CSH-SNE)
    - Connecticut (CSH-SNE/CT)
    - Rhode Island (CSH-SNE/RI)

Four grantees in communities without a CSH office:
- Commonwealth of Kentucky
- State of Maine
- Portland/Multnomah County, Oregon
- Washington State, with activities at the state level and focused locally in Seattle/King County and Spokane City/County[2]

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[1] During the first two years of THCH, New York City's CSH office also received a THCH grant, but not for the same purposes as the seven sites that are the subject of this report.
[2] Because of political change and staff turnover, Spokane's local efforts did not get off the ground as expected. Therefore, this report will focus only on the state-level activities in which staff from Spokane participated.

THCH Goals

THCH's primary focus is on systems change at the state and local levels. The goal is to create systems and infrastructure within state, county, and/or city governments to produce supportive housing in a more integrated and coordinated way. THCH is trying to help communities move away from financing projects deal-by-deal, project-by-project, and therefore does not fund individual development projects or direct services. While housing production is a THCH outcome, the expectation is that new unit development will become possible through new or expanded funding streams that result from changed funding and service systems.

Specifically, THCH sites are expected to use grant resources to help create collaborative partnerships among CSH, government, service providers, housing developers, and other funders. In turn, these partnerships will educate the public and policy-makers about the value, impact, and cost effectiveness of supportive housing; transform housing, service delivery, and financing systems; secure new funding; and strengthen the supportive housing industry. Each THCH site is working toward three overall project goals around which this report will be organized:

- Establishing integrated systems that finance and deliver housing and supportive services (system change),
- Increasing and better coordinating public and private investment in the creation of future supportive housing (increased financing), and
- Creating a supportive housing pipeline for homeless and disabled people (pipeline).

Target Populations

CSH set an expectation for appropriate target populations in its request for THCH proposals. The systems THCH sites promote, and the programs that ultimately result, should target men, women, youth, and families with children who meet all of five criteria:

- They are poor, defined generally as at or below 20 percent of area median income;
- They have chronic health conditions that are at least episodically disabling such as mental illness, HIV/AIDS, and substance abuse, or other substantial barriers to housing stability (e.g. domestic violence, trauma, history of out of home placements);
- They are not able to obtain or maintain housing, and do not live in appropriate and stable housing in the community;
- They have been homeless for long periods of time, defined as having experienced extended (one year or more) or repeated stays in the streets, emergency shelters, or other temporary settings, sometimes cycling between homelessness and hospitals, jails or prisons; and
- They would not be able to retain stable housing without tightly linked services.

In addition, THCH sites could propose to serve a broader population if THCH priority populations remain a primary focus of their strategy. This broader population could include people who might be at risk of homelessness and those who might be leaving other systems of care without a place to live. At least two THCH sites have larger initiatives related to housing for special needs populations, into which their THCH work fits well.

Evaluating THCH

Evaluation has been built into THCH from the start, as described in Burt (2004). This is the third report to emerge from the THCH evaluation, and the fourth will follow in mid-2006. Reports are of two types, each describing important aspects of THCH accomplishments. One type of report focuses on public and private systems in place or developing in THCH communities to produce and sustain permanent supportive housing (PSH). The first report (Burt 2004) described the circumstances in all THCH communities at baseline (early 2004) related to PSH development. It laid out existing public financial commitments; public agency involvement; and entities such as councils, commissions, or task forces with a primary focus on the hardest-to-serve homeless people and creating supportive housing to end their homelessness. It also documented accomplishments of these entities at baseline and their future plans. The present report is the second in this series—it shows what has been accomplished in THCH communities in the first two years of THCH activity. As will be seen, that is quite a lot.

Table 1.1. Indicators of Systems Change

Power	People with formal authority are invested in and responsible for developing supportive housing in the community.
Money	Funding is earmarked for supportive housing – either a special funding stream is created (preferably) or special funding is allocated on a regular basis such that most supportive housing developers and providers can rely on ongoing resources.
Habits	Interactions among the agencies and organizations involved in funding, developing, and operating supportive housing become part of a normal routine, rather than a part of a special initiative or because of a directive from top-level authorities.
Knowledge, Technology, Skills	A growing set of skilled practitioners at most or all levels in the delivery chain has developed. A set of mutually agreed upon "best practices" is being used. For purposes of this report, this building block also includes THCH staff bringing new knowledge and skills to bear on promoting system change.
Ideas or Values	A new definition of performance or success has been created, such that there is a greater focus on long-term homelessness and developing supportive housing to solve the problem.
Coordination	A designated position is created within government to promote system change. This person develops and follows a plan to bring relevant actors into the new system that makes PSH development easier and more certain.

Source: Laying a New Foundation (Greiff, Proscio, and Wilkins 2003).

To evaluate and describe the extent to which the sites have achieved system change, we use the framework described in *Laying a New Foundation: Changing the Systems that Create and Sustain Supportive Housing* (Greiff, Proscio, and Wilkins 2003) to describe site experiences. This report

describes five "indicators of systems change" that include power; money; habits; knowledge, technology, and skills; and ideas or values. Table 1.1 describes these five dimensions. It also includes "coordination," the major ingredient without which most of the other changes do not happen, or happen much more slowly and with less focus and completeness.

A second type of report focuses on actual and potential PSH projects and the agencies that produce and run them. These reports cover the seven THCH sites whose grants involve new PSH production. The first report of this type (Burt 2005) also reflects baseline (early 2004) conditions in THCH communities, this time with respect to PSH itself. The report summarizes data from surveys conducted in THCH communities of 63 agencies developing, operating, or providing services to PSH projects, and 149 specific PSH projects of these agencies. Because care was taken to obtain data from either a representative sample of PSH projects and agencies or from all of them in a community, findings presented in this report paint a reasonably reliable and representative picture of how many PSH units exist in THCH communities.

Burt (2005) presented estimates of how much PSH existed at baseline in each community, the characteristics of PSH occupants, pathways into PSH (e.g., from the streets, emergency shelter, transitional housing, or other venues), policies regarding who will be served and grounds for evictions, and sources and levels of financing for the various aspects of PSH (capital, operating, and services). It also described agency interest in and commitment to continuing to develop, operate, and run PSH projects.

Information on financing PSH was also collected as part of the project and agency surveys, but there was a significant level of missing data. We have attempted to work with the sites to complete this baseline information, and in mid-2006 we will be issuing an update of the PSH financing described in Burt (2005). This fourth report will still reflect baseline conditions, but will offer a more complete, and therefore more accurate, account of how PSH is financed and how much it costs to develop and sustain a unit of PSH. A second wave of project and agency surveys is scheduled for mid-2006, and will provide a detailed view of progress since baseline in PSH production and occupancy.

This Report

Purpose
This report provides information about accomplishments since baseline in developing organizing structures and funding streams for PSH in the communities served by THCH grantees. Its primary intended users are CSH, the THCH grantees and their partners, RWJ Foundation officials, and people in communities throughout the country who are working to bring about the types of system change that THCH is intended to produce. The report's purposes include:

- Giving CSH a picture of what THCH communities have accomplished with grant monies since baseline, and most especially how they have done it—to inform CSH's work on national policy and program development.

- Stimulating adoption of successful strategies across THCH grantees and beyond to other communities—ideally, inspiring new communities to expand their menu of approaches and providing insights and concrete THCH examples to help other communities move in the same direction.

How Information For This Report Was Gathered

This report is based on information gathered during site visits to the seven THCH sites during August and September 2005. Each visit lasted one or two days, and was attended by at least two evaluators. Site visits were designed to learn about the progress that THCH communities were making toward THCH goals, and to understand how this progress was being accomplished. We met with no fewer than 6 and in one site as many as 20 people during site visits, in 1 to 9 separate meetings.

Meetings ranged from interviews with one or a few representatives of a single agency up to attendance at a regular interagency council on homelessness meeting with many people. In every community we spent time discussing THCH activities with the people responsible for implementing the THCH grant. We also made it a point to meet with local elected officials and representatives of agencies that were the "targets" of THCH activity, to gather their perceptions of progress independent of those of THCH grantees. In most communities we were also able to interview PSH providers and advocates (who were sometimes the same people), to understand their perspective and experiences with THCH. During these interviews we asked general questions about progress toward THCH goals, what people perceived was working and why, where progress had been stalled and why, and the role of THCH funding in facilitating the process. We also followed up on specific activities and issues described by each site in their contributions to the June 2004 baseline policy report.

Additional information about 2005 financing for PSH and PSH units in the pipeline was gathered from THCH quarterly reports, telephone conversations, and data requests to THCH staff following the site visits.

How This Report Is Structured

This report is structured around the three goals articulated earlier, toward which each THCH site is working: (1) system change to create a more integrated system to support PSH development; (2) more, and more flexible, financial and other resources to support PSH; and (3) new PSH projects and units in the pipeline, and ultimately open and occupied by formerly homeless people. These are project-wide goals established by CSH in its own proposal to the Robert Wood Johnson Foundation.

We want this report to be maximally useful to readers interested in stimulating more PSH in their own community, as well as being a faithful rendition of our findings on THCH progress. Therefore, we have structured the following chapters around the THCH goals and what THCH communities have been doing that appears to be moving them closer to achieving the goals. For each goal and sub-goal, we will describe the goal or sub-goal in somewhat greater detail than has already been done and will present at least two detailed examples of how a THCH community has moved to accomplish the goal. As described in the previous section, we also try to tie all descriptions of THCH activities to building blocks and indicators of

system change. We will be trying to show how these elements work in the actual instances of system change observed in THCH communities.

Chapter 2 provides background information on each of the THCH sites. It briefly describes the baseline environment in each site, introduces the major institutional players, and highlights the major accomplishments of each site.

Chapter 3 describes progress on system change at four levels—elected officials, administrative staff, current and potential PSH providers, and getting potential tenants into units. It details what has happened since baseline and how it has happened.

Chapter 4 also focuses on system change but at a higher level of generality. This chapter addresses two issues of major importance: the centrality of someone to serve as the "glue" that guides the change process and how THCH funds have enabled this function, and the circumstances in which it is important to have an external third party such as CSH to serve as change agent, compared to people integral to the administrative structure of the community.

Chapter 5 describes new or redirected funding and other resources to support PSH, and grantee accomplishments in creating a pipeline for PSH production. Funding and resources include new state legislation, expanded budget authority, other new state resources (e.g., bonding authority), and changes in eligibility, access, and other administrative shifts that make it easier to develop and operate PSH, and to house the hardest-to-serve homeless people. The chapter also documents the new PSH units that have entered the pipeline since THCH began.

Chapter 6 summarizes our findings by looking at how systems changed in THCH communities. To some extent, when THCH began CSH had an implicit model of system change and its relationship to enhanced PSH production. The experiences of THCH communities will allow us to assess how well what has been happening "on the ground" fits this implicit model. We also examine change in each community in relation to changes in patterns of communication, coordination, and collaboration.

CHAPTER 2: THE THCH SITES

The THCH sites are very diverse geographically and in terms of the institutional and political environment in which the THCH grantees operate. This chapter introduces the major institutional players in each site, describes the environment in which they conduct their work, and highlights the major accomplishments of each site. Table 2.1 provides an overview of the sites and their accomplishments thus far.

THE THCH SITES WITH CSH OFFICES

As noted in Chapter 1, some THCH grants went to communities with CSH offices—Connecticut, Rhode Island, and Los Angeles. For the latter two, the THCH grant allowed CSH to open a local office where none had been before. CSH has had a Connecticut office since the early 1990s; THCH allowed for expansion to Rhode Island, and the two offices are strongly linked as CSH-Southern New England. Los Angeles is the newest CSH office in California, with responsibilities to develop PSH in Los Angeles County. THCH resources are also being used to generate support for PSH at the state level. As the THCH grant managers in these three sites, CSH offices operate as independent entities—that is, they are outside of state and local government and not subject to government directives or priorities. One question we will address in Chapter 4 is the circumstances under which being an "insider" works, and those in which the "outsider" position allows more leverage and generates more progress.

CSH-Southern New England
CSH's Connecticut office is located in New Haven, where it has been working effectively since the early 1990s to promote development of permanent supportive housing for homeless people with disabilities. It has worked with state agencies, politicians, and other stakeholders over the years to broker several waves of state commitment to expand PSH. One major accomplishment of THCH for CSH-SNE has been to formally extend its activities into Rhode Island by opening and staffing a local office in Providence. This step followed an exploratory study of opportunities and interest in Rhode Island in 2003. CSH-SNE has also used its THCH grant for four additional purposes:

- To pursue Connecticut state funding for a third wave of PSH development (Next Step). Connecticut's strategy for obtaining public commitment to developing PSH has been to use the governor's budget process. This included winning strong support from the Office of Policy and Management, which develops the budget to be submitted to the legislature, and the most involved public agencies. The first commitment came in 1993 as the Supportive Housing Demonstration Program; the second came in 2001 as the PILOTS Program; the third passed the Connecticut legislature in 2005 with help from THCH staff. All three waves of PSH funding became line items in state agency budgets upon legislative passage, thus assuring that projects funded under the initiatives will have ongoing financial support.

Table 2.1. Overview and Accomplishments of the THCH Sites

Site	Geographic Focus	Grantee Organization	Main Accomplishments
Sites with a CSH Office			
Connecticut	Entire state	CSH – Southern New England Program	• Secured funding for the Next Step Initiative • Created One-Step Beyond training for developers and service providers interes[t] in collaborating on PSH projects • Launched Reaching Home Campaign to generate support for the creation of 10,000 new units of PSH, get PSH on agenda of local communities through continuums of care
Rhode Island	Entire state	CSH – Southern New England Program	• Obtained first-ever state commitment to fund services for PSH • Helped reactivate Interagency Council and create new state agency with homelessness "portfolio" for first time in Rhode Island • Increased visibility of PSH as a strategy for solving long-term homelessness and collaboration and dialogue among funders
Los Angeles	City and County of Los Angeles with a focus on statewide policy changes	CSH – California Program	• Obtained first-ever major philanthropic and city government commitments to PSH • Supported Special Needs Housing Alliance in its mission to develop and better coordinate county funding opportunities • Provided technical assistance in the statewide and local implementation of the Mental Health Services Act
Sites without a CSH Office			
Kentucky	Balance-of-state outside of Louisville (mostly a rural focus)	Kentucky Housing Corporation (KHC)	• Ran conferences and matchmaking activity to stimulate new PSH projects • Governor raised CHP to be the Kentucky Interagency Council on Homelessness, appointed representatives from additional agencies, and gave support for expanded action • Identified new mainstream resources for services in PSH projects
Maine	Entire state	Maine State Housing Authority (MHSA)	• Created cabinet-level position to address homelessness across the state • "Unstuck" pipeline projects that were stalled when THCH first began
Portland, Oregon	City of Portland and Multnomah County	City of Portland Bureau of Housing and Community Development (BHCD)	• Obtained new city and county funding commitments • Created a better coordinated funding process for PSH • Integrated THCH with development of 10-year plan • Designated staff to coordinate new PSH projects in the pipeline
Washington	Seattle/King County and Spokane with a focus on state policy changes	Seattle Office of Housing	• Obtained major new state funding for housing and homeless services • Developed new procedures for matching service dollars to PSH projects

- To mount a statewide campaign in Connecticut to increase awareness and public support and for ending homelessness (Reaching Home Campaign). THCH resources support a campaign coordinator working with the Partnership for Strong Communities, a local non-profit organization. Regional and state leaders were identified and invited to become part of a statewide council to raise civic and political leadership and support for developing an additional 10,000 units of PSH in ten years.

- To develop and deliver a training institute for teams of providers intending to develop PSH (One Step Beyond Training Institute). This six-month course is attended by teams of housing developers and service providers committed to designing and developing PSH. Teams have to apply, and only the strongest applicants are taken. The Institute was held in 2004 for 11 teams (8 from Connecticut and 3 from Rhode Island), and again in 2005 for another set of teams from the two states. Several of the 2004 teams have already applied for and received funding for PSH.

- In Rhode Island, the presence of a new CSH office and independent staff has achieved considerable success in increasing the visibility of supportive housing as a solution to homelessness and getting public agencies and local foundations to coordinate to produce PSH. As a result of this success, Rhode Island has a reconstituted and reinvigorated Interagency Council, its first state agency with a homelessness "portfolio," the first involvement of nonprofit housing developers in PSH production, and the Rhode Island state legislature has – for the first time – committed $300,000 toward the first 50 units of a supportive housing pilot program also supported by the United Way.

CSH-Los Angeles
The THCH grant enabled CSH to open an office in Los Angeles—a long-held goal—and also pursue policy objectives at the state level. Los Angeles County covers a huge area that includes 88 independent municipalities and almost 10 million people. Even the City of Los Angeles is enormous, being home to almost 4 million people and spreading from the San Fernando Valley in the west to the port of San Pedro in the south. The county's homeless problem is equally enormous—the first-ever county-wide homeless count, conducted in early 2005, revealed about 91,000 homeless people of whom about one-third where determined to be chronically homeless and about the same proportion unsheltered. That count shows Los Angeles County to have the highest homeless population in the nation in absolute numbers, and high as a proportion of the total population.[3]

The government structure in Los Angeles at both city and county levels (City Council and County Board of Supervisors, respectively) is by district. Representatives are responsive to the needs of their own districts, with no at-large members who might be expected to take responsibility for the city or the county as a whole. Historically this has meant that unpopular issues such as homelessness get lost in local policy making because they do not affect a big enough part of any elected representative's constituency to carry much weight. In addition,

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[3] For instance, compare New York City's ~36,000 homeless people in a total 2004 population of ~ 8.1 million to Los Angeles' ~91,000 homeless people in a total 2004 population of ~ 9.9 million.

the city and county governments have a long history of not working together, and at the time THCH began, there were no major public commitments in Los Angeles to end homelessness. Given the scale of the homeless problem and the large bureaucracies in Los Angeles, CSH staff have used THCH resources very flexibly to make significant strides in helping the city and county to address homelessness and develop ways to reduce or end it. California began implementing the Mental Health Services Act in early 2005, pursuant to a successful November 2004 voter referendum (Proposition 63). The funding that will result for housing and supportive services for people with serious mental illness, including homeless people, has created a lot of momentum at the state and county levels. CSH has played an important role in each of these accomplishments. In Los Angeles in particular, it has helped promote the activities of the Special Needs Housing Alliance and has been a critical player in developing and sustaining the Skid Row Collaborative, Los Angeles' project funded by the HUD/HHS/VA Chronic Homelessness Initiative. It has also worked at both state and local levels to assure that the opportunities provided by the new Mental Health Services Act will be turned into significant resources for ending much long-term homelessness in Los Angeles.

- **Special Needs Housing Alliance (SNHA).** SNHA brings together Los Angeles County agencies responsible for people with special needs (including victims of domestic violence, people with mental illness and substance abuse issues, transitional foster youth, people with HIV/AIDS, the elderly, and people with developmental disabilities). THCH provided the resources to staff the SNHA, resulting in a completed inventory of current programs and funding streams for special needs populations, an Action plan with more than 80 recommendations, and a distillation of the plan to 8 or 9 "most critical" recommendations which have subsequently won County Board of Supervisors approval. SNHA is also working to put itself in the position of being a funnel mechanism for member agency funds, allowing providers to submit one-stop applications to cover the various costs of PSH and other services for vulnerable populations. Board endorsement is an essential step, but still just the first one, in what will probably be a long process of implementation before SNHA achieves a true funnel mechanism for PSH funding.

- **Skid Row Collaborative.** CSH/THCH was heavily involved in the matchmaking, relationship building, and proposal writing process that created this partnership, and still works to assure that collaborative partners work together to serve clients and resolve issues.

- **Mental Health Services Act.** Through THCH as well as in other ways, CSH has been very involved in the statewide implementation of MHSA. Staff have collaborated with the California Institute of Mental Health to develop and conduct training for county mental health department staff on housing strategies, and with the Los Angeles County Department of Mental Health on county-specific plans. CSH-CA is also working with the Mental Health Association and former state representative Daryl Steinberg on a strategy for using MHSA funding to create a pool of capital for building housing.

The THCH Sites without CSH Offices

CSH has had a good deal of success promoting PSH in communities where it maintains offices. But CSH cannot be everywhere it wants to be, nor can it open offices in each community that would like to develop more PSH. Through THCH, CSH wanted to learn more about how to help communities that share its goals for PSH development, but that do not have a local CSH office. To this end it requested proposals for THCH from all of the communities selected to participate in the first round of federal policy academies as well as few other communities with which it was fairly familiar, and which it believed had firm commitments to developing more PSH. The four sites funded to operate THCH from within government agencies have three different configurations. Maine and Kentucky are both largely rural states with very active state housing finance agencies (on behalf of the states' Policy Academy Teams) that had already taken responsibility for supportive housing to end homelessness. The THCH grants in these states went to these housing finance authorities with the expectation that they would concentrate primarily on PSH development throughout the state's less urbanized areas, which vary greatly in their history, population, and prior involvement with PSH. The THCH grant to Portland/Multnomah County has the smallest geographical reach of any THCH grant, focusing on a single county and its largest city. In Washington, the THCH grant funds Seattle/King County to promote local and statewide system change efforts. Spokane city and county also receive some THCH grant money to participate in local and statewide efforts.

Maine

Maine received its THCH grant in October 2003, and housed it in the state's housing finance agency, Maine State Housing Authority (MSHA), on behalf of the Statewide Homeless Council. At that time Maine had already done some significant planning with respect to ending both chronic homelessness and homelessness in general, through its Strategic Plan to End Homelessness (October 2001) and its Action Plan to End Homelessness (December 2004). MSHA had been in the forefront of each of these efforts. The first plan came in response to an initiative from the governor's office; the second was a response to Policy Academies in which state officials participated. These efforts put Maine in a good position to respond to CSH's request for THCH proposals. THCH work carries on some aspects of the already envisioned statewide plans—especially as these pertain to chronic homelessness and creation of PSH. Maine has concentrated it THCH efforts on increasing coordination of state agencies and regional councils in producing more PSH, and getting the existing pipeline of supportive housing projects "unfrozen" and moving toward completion and occupancy.

- **The Work Group and the Regional Councils.** After MSHA received its THCH grant, it established a Work Group of state agency managers representing the agencies most involved with people at risk of chronic homelessness—Human Services (including the Medicaid, mental health, and substance abuse sections), Corrections, MSHA, and service providers including community mental health centers and PSH developers. These are the same agencies represented on the Statewide Council, but at the level of managers who actually work with the relevant programs rather than agency heads. This group was charged with making the resources come together for PSH, and has done just that once members became familiar with what each other's agencies could and could not do and broke through many of the agency silos. While the Work Group has been operating, Regional Councils in Regions II and III have also been

working, with state resources, to plan for homeless services, allocate resources, and support plans for more PSH. Work Group members also work with these councils to promote more two-way knowledge. Region I's Council had just gotten organized at the time of our fall 2005 site visit.

- **Moving the pipeline.** In the past two years MSHA's pipeline of supportive housing projects has moved significantly toward completion as the result of two parallel efforts—capital refinancing, and finding a service match. MSHA was the prime mover in capital refinancing, realizing that an earlier strategy (of offering 50 percent of the needed capital and expecting providers to be able to find the rest) was not working. A "financial models working group" took the lead in figuring out how to get Medicaid to pay for supportive services to help people maintain housing once they have it. The result is that many more of the 200+ units that had been in the pipeline but without a service match at the beginning of THCH now have the needed match.

- **Cabinet-level Director of Homeless Initiatives.** One recent event that was not part of Maine's THCH proposal but grew out of the THCH initiative has materially increased the potential impact of THCH and related activities. The governor created a first-in-the-nation cabinet-level Director of Homeless Initiatives. The new director is housed at MSHA and in the governor's office, giving her tremendous access to policy makers.

Kentucky

Kentucky received its THCH grant in October 2003, with the Kentucky Housing Corporation (KHC), the state's housing finance agency, serving as administrator. KHC staffs the grant on behalf of the Council on Homeless Policy (CHP), which has recently become the Kentucky Interagency Council on Homelessness (KICH), with expanded membership. KICH includes representatives from over 20 public agencies, nonprofits, and advocacy organizations. Under CHP, representatives attended both family homelessness and chronic homelessness Policy Academies, and at the behest of the former governor worked to develop plans to end homelessness. A ten-year plan to end homelessness was ultimately developed and adopted by the present governor.

At the time it received its THCH grant, KHC had been working effectively for several years to develop both transitional and permanent supportive housing in Kentucky, creatively using a variety of resources available through the agency to stimulate capital development and access additional federal and other resources for operating and services costs. In this work it had the strong support of the governor. However, within a month of receiving a THCH grant the statewide general election returned a new governor to office, with different priorities and different initiatives for serving the housing needs of Kentucky's homeless population. The governorship changed parties for the first time in at least two decades, and the first 12 to 18 months of his term was spent "changing the guard," replacing political appointees and agency heads in all state agencies, changing agency structures, and similar activities. KHC's leadership changed, and the resulting staff turnover made it very difficult for the THCH initiative to maintain its momentum.

In the face of this rather daunting administrative situation, the main THCH activities occurred through CHP (now KICH). These included educating the larger provider community in Kentucky, "matchmaking" for potential PSH providers, which was coordinated and conducted by KHC staff, and increasing state funding for projects submitted for HUD funding.

- **Educate and match.** CHP assessments strongly suggested that if more PSH were to become a reality in Kentucky, local agencies throughout the state would need to understand the need and the development issues much better than they did when THCH began. To this end CHP and KHC, in partnership with the Housing and Homelessness Coalition of Kentucky, used THCH funds to hold two conferences (in 2004 and 2005). The conferences were designed specifically to educate providers and to bring together potential housing developer-service provider teams to begin the process of developing projects. By the time of the second conference, several teams had formed and had proceeded sufficiently far down the development path to submit acceptable proposals for the 2005 HUD CoC application process.

- **Change the housing-to-services funding ratio of HUD applications.** Two things happened in 2005 that dramatically changed the funding mix for balance-of-state TH and PSH funding. The first was an agreement among providers to change from multi-year to one-year funding for all projects, which freed up enough money to make new PSH projects possible when accompanied by new match funding from KHC. Also in 2005 for the first time, CHP state agency representatives served as the reviewers for proposals to HUD through the balance-of-state CoC application process. Reviewers were able to identify significant new (that is, new to homeless services) funding from their own state agencies for service activities that projects had intended to ask HUD to fund. As a consequence of both changes, Kentucky increased the housing proportion of the balance-of state HUD funding request from 40 to 58 percent, thus significantly increasing the competitiveness of the CoC application that was submitted to HUD.

Portland/Multnomah County

Portland/Multnomah County's THCH grant is administered by the City of Portland's Bureau of Housing and Community Development (BHCD), in partnership with Multnomah County/City of Portland Housing and Community Development Commission. At the time it was received, in fall 2003, Portland/Multnomah County had five or six committees, commissions, and task forces all focused at least in part on plans to expand housing and services for long-term homeless people with disabilities. Within a month of getting THCH, Portland also learned that it was the recipient of two large federal demonstration projects—the HUD/HHS/VA Chronic Homeless Initiative, and the HUD/DOL demonstration for employment and housing.

In part, Portland's success in winning these demonstration projects reflects its interest in PSH, its changed understanding of what the mission was (housing people, rather than creating units), and its ability to put together complex service and housing packages even before receiving its THCH grant. That is, the community was "ready" for THCH, poised to make commitments and develop new and expedited approaches to ending homelessness. Despite this good will and positive intentions however, nobody was quite sure they could pull it off.

Many in the community expressed amazement at how much the THCH staff has been able to accomplish in moving everyone forward to the point of concrete plans and commitments. Portland/Multnomah County is an example of putting external resources through THCH into a community when the time was right; under these circumstances staff of a public agency (as opposed to an external organization such as a CSH office) have been able to move mountains. Major developments include integrating THCH, work on a ten-year plan, corrections re-entry work, and behavioral health commitments; and service provider matchmaking to create a PSH pipeline and move it toward functioning projects.

- **Integrating everything under ten-year plan development.** THCH resources came at the right time to provide a staff person for the ten-year plan process. Work on the plan drew together all the pieces that had previously been developing separately, so the community ended up with one integrated plan. The county government has structured its budgeting into four primary areas of which ending homelessness is one, and the ten year plan has been adopted as its blueprint.

- **Pipeline creation.** As it became clear that the table around which the ten-year plan was developing was "the place to be," more and more agencies committed their resources to assuring that there would be adequate funding for the various aspects of PSH (capital, operating, and services). This takes the combined resources of three public agencies—one city agency, BHCD, for capital; one county agency – the Department of County Human Services (DCHS) – for services; and the Housing Authority of Portland for operating expenses (rent subsidies). With these and other players on board, this THCH site has exceeded its pipeline commitment for the two-year grant term.

Washington State
The THCH grant officially went to the Seattle Office of Housing, and most of the THCH activities are centered in Seattle/King County. The Office of Housing, however, proposed to involve Spokane city and county to mobilize some statewide efforts. The expectation was that support from both sides of the state would be important and necessary in moving the state legislature to action. The strategy appears to have worked, as Washington State has considerably increased statewide funding for homeless services. Seattle created a Funders Group with broad membership of local and state public agencies that made a big difference in Seattle/King County but also played a major role in obtaining new state funding for PSH.

- **Momentum in Seattle/King County.** As in Portland, the use of THCH resources to support coordination activity from within local government has generated and sustained momentum among city and county agencies to link permanent housing and services to address homelessness, particularly among those with co-occurring disorders. Seattle has a long-standing interest in alleviating homelessness, cordial relationships between city and county agencies (which have submitted joint CoC applications since HUD started asking for them in 1996), and a Housing Tax Levy that provides important capital and operating resources. Through THCH a Funders Group was established that brought in the county mental health department, an agency with access to the services funding that PSH projects need, but which previously had not been very involved with using that funding to end chronic

homelessness. This Funders Group has made significant progress in integrating funding streams and encouraging joint planning for this target population. It has also provided leverage for changes at the state level, since several members represent state agencies.

- **Pipeline development.** Seattle/King County THCH has already surpassed its project goal of 400 units, with 546 permanent units for chronically homeless adults currently in the pipeline.

- **Increased state funding from new sources.** Several factors worked together to obtain major state commitment of new funding for supportive housing. Chief among these accomplishments is legislative bill 2163, which increases real estate document filing fees to provide additional funding to implement 10-year plans in each county in Washington. The state legislature also increased the state housing trust fund from $78 million to $100 million and expanded funding for substance abuse treatment by $30 million. Local informants attribute these successes to (1) the experience of the Funders Group in working together and having a clear strategy for what they thought would work, and (2) support from both ends of the state, not just from the Seattle area.

CHAPTER 3: LEVELS OF SYSTEM CHANGE

This chapter and the next describe THCH community progress toward the goal of system change—creating a more integrated system to support PSH development. In this chapter we differentiate this goal into the several levels at which we found activity in the sites, each of which appears to be vital if a community is truly to create a system that produces PSH on a routine basis in direct response to the community's need.

Levels of System Change

"System change" has been a THCH goal from the outset, with each site describing in its proposal its plans to move local public agencies toward greater investment in PSH. In our baseline report (Burt, June 2004) we described coordinating structures (councils, committees, task forces) that might help bring that change about, and expected in later reports to provide updates about these structures. However, as the site visits progressed during summer and early fall of 2005, we realized our initial thinking about system change needed to be expanded considerably.

In the field we found "integration" or "system change" happening on several quite different but equally important levels, no one of which could be expected automatically to bring the others about. It seemed important to describe these levels in some detail, as well as bringing to a wider audience the ways in which THCH sites have been working to make changes happen at the different levels. These levels, which we use to organize and present our system change findings, are:

1. **Local Elected Officials**—city, county, and state politicians—mayors, city or county council representatives, state legislators, governors—who need to propose and then champion new money, joint contracting options, altered or extended eligibility, and other enabling legislation.

2. **Public agency administrators**—agency heads and the directors of key divisions within public agencies, who need to come together to fund and support PSH.

3. **PSH providers and potential providers**—the housing developers, housing managers, and services agencies, usually but not always nonprofit, who need to work together to produce and run PSH.

4. **People and units**—the disabled homeless people who need PSH and the projects that have units available.

As this chapter proceeds, we first introduce the issues of system change at each level. We follow this general discussion with concrete examples from the sites of how THCH staff have helped promote changes at the different system levels to make it more likely that long-term homeless people with disabilities will have housing and supportive services available to end their homelessness. We also identify the building blocks of system change operating in each example.

Changes at the Level of Local Elected Officials

It is probably possible for real system change to happen without having local politicians on board. But it is certainly easier when key local elected officials are prepared to champion legislation that directs public agencies to change and provide the resources for them to do so. With all the issues pressing for politicians' attention, it is extremely helpful to have access to politicians so you can make the case for why they should take up your cause.

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Indicators of Systems Change

THCH has been able to stimulate local elected officials in most grant communities to use their *power* to promote and support the system changes necessary to increase PSH production. In some cases, these politicians have been key players in increasing the *money and resources* available for creating PSH units.

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THCH sites have pursued the commitment of politicians in two ways—by providing politicians with information on useful ways to shape legislation to increase available resources for PSH, and by building public support for ending homelessness as a mechanism for garnering the political will to make change. THCH staff have used grant resources to pay for coordinating activities designed to win the support of local elected officials for PSH and have achieved important results. To summarize these achievements described in more detail below:

- Governors and their staff have played key roles in Maine and Connecticut, and the change of governors opened up opportunities in Washington. Conversely, a change of governors in Kentucky led to staff-level changes that stalled THCH activities for a period of time, until the new governor's recent endorsement of the Council on Homeless Policy as the state's Interagency Council on Homelessness and addition of new state agency members.

- State legislators became active supporters in Rhode Island and Washington.

- The City Commissioner in Portland responsible for housing gave permission for city agencies to try to pilot housing first programs, whose success stimulated significant program expansion for this approach. He and two Multnomah County Commissioners subsequently became strong supporters of THCH system change efforts. Even in Los Angeles, where city and county governments have not been active in countering homelessness, the County Board of Supervisors has now endorsed the Special Needs Housing Alliance's strategic plan and given it the authority to issue requests for special needs housing development.

- Portland's mayor has become a supporter, and Los Angeles' mayor has recently announced his intention to seek major bonding authority for PSH development from the City Council.

Connecticut

In 2005 the Connecticut legislature approved a new PSH initiative—the state's third. CSH's successful strategy in years past has been to do what it takes to have these initiatives included in the governor's budget; the same strategy was followed this year under THCH. Essential to this strategy has been collaborative work with several state agencies. The governor's Office of Policy and Management (OPM) has been a key partner in the increased focus on PSH in the state, and has continued its supportive role through changes in governors and agency heads. The OPM secretary co-chairs the state Interagency Council on Supportive Housing and Homelessness, which monitors the state's supportive housing efforts.

OPM's support has been vital in keeping the PSH development agenda on the table, particularly in times when new funding requests such as the Next Step Initiative are up for discussion. While the legislature may propose changes to the budget the governor proposes each year, having these PSH initiatives come through the budget process gives them the best possible chance for bipartisan support, as has already happened three times to support a total of 1,430 PSH units.

Building public support. Building public awareness and support is an important element in Connecticut's continuing success in obtaining public commitments to PSH. Without public support, legislators are much less willing to allocate new funding for PSH. Even better is public pressure to "do something" to solve homelessness at both state and local levels. Connecticut used part of its THCH grant to fund the Reaching Home Campaign, a strategy to develop public opinion to support ending homelessness and using PSH to do so.

> **Knowledge and Skills Promoting PSH:**
>
> Public Education and Training Instruments Available for Use or Adaptation
>
> - Southern New England-PR campaign promoting PSH to general public, including video, slide presentation, brochures, news releases
> - Southern New England-One Step Beyond training materials
> - Kentucky-training module on homelessness for Department of Human Services intake workers

The Reaching Home Campaign is housed in the Partnership for Strong Communities, a nonprofit organization with which CSH-SNE has worked closely over many years. As part of the Reaching Home Campaign, the Partnership set goal for 10,000 new units of PSH. A campaign coordinator was hired in late 2003, and immediately began to create a statewide leadership council consisting of corporate, banking, philanthropy, religion, and higher education. This council, with representatives from every part of the state, played a strong advisory role in the campaign. The business connection brought into play the Connecticut Business and Industry Association, a large lobbying group. With its own funding, this association helped with campaign events starting with the campaign kickoff in December 2004. The Reaching Home Campaign is geared toward seriously "kicking up" the production of PSH by generating political and civic support at state and local levels concurrently. It has stimulated many cities and towns to create their own leadership councils, to bring the "end homelessness" message right down to the grassroots and strengthen statewide resolve to end homelessness. The campaign has made supportive housing a commonly recognized term in the state and assisted five major Connecticut cities (Hartford, Bridgeport, New Haven, Danbury, and Stamford) to make PSH an integral part of their ten-year plans.

Rhode Island

The major change in Rhode Island at the level of local elected officials was legislative support for services funding for PSH—for the first time in the state's history. As this change relates primarily to funding, we describe it in Chapter 5. Changes made by the governor (restoring life to the state's Interagency Council on Homelessness and creating the Office of Housing and Community Development) are described below as changes at the level of public agencies. Rhode Island also participated in its own, smaller, version of the Reaching Home Campaign to increase public awareness of and commitment to ending chronic homelessness and developing PSH. THCH resources supported a consultant to the Rhode Island Coalition for the Homeless to develop state-specific community education tools (slide show, brochures, public presentations) and formats ("power breakfasts").

Los Angeles

The focus of THCH in Los Angeles, so far, has been at the public agency level, although one City Council member and one County Supervisor can be counted on for support on issues dealing with long-term homeless adults, and the Special Needs Housing Alliance recently gained a key endorsement of its strategic plan from the County Board of Supervisors. At the very end of this reporting period, the Mayor of Los Angeles also became an active supporter, with pledges of significantly more capital funding for PSH.

Maine

Two Maine governors have supported efforts to end homelessness. Before THCH and even before the federal Policy Academies, then-governor Angus King established a Senior Staff Group and supported development of a state Action Plan. Senior Staff members were cabinet-level agency heads. Maine teams attended policy academies under King, and began writing a state ten-year plan.

The Action Plan really crystallized the ideas of what should be done, but the governor never officially endorsed it and many state agencies did not strongly buy into the plan. Nevertheless, it did get homelessness on the Maine political map. When the new governor, John Baldacci, came into office, he was also officially committed to ending homelessness. But it still took almost a year and a half for him to give the Action Plan his official endorsement. Baldacci received much pressure from homeless people and advocates, who last year went as a group to speak with the governor and get his commitment.

When Baldacci finally did act, it was in a big way. The governor made Maine the first (and still the only) state in the nation to raise homelessness to cabinet level by appointing the first Director of Homeless Initiatives. This new position reports directly to the governor, but is housed at MSHA. The director's job is "to make it all come together" through the Work Group and other mechanisms. Having someone in this role is already having important consequences for Maine, as the director travels around the state developing an understanding of the regional planning processes and sharing information about the resources available through MSHA and other state agencies for various homeless-related developments. Also, the fact that the director is in the Governor's office as well as at MSHA means she, and the homelessness issue, has access to decision makers that never existed before.

Baldacci supported the role of Regional Councils to nominate representatives to the Statewide Homeless Council to develop policy. MSHA championed the idea of devolving more planning responsibilities and resources to the regions, and committed seed money to the Regional Councils. These Regional Councils were gathering speed during the period of dormancy for the Action Plan.

The Statewide Homeless Council has now become "the voice of the regions," with new players nominated and serving to guide state policy. The Regional Councils also have some money at their disposal, to develop their own priorities and provide incentives to stimulate local providers to offer relevant projects. The governor has also thrown his support behind continuing the Work Group. Because Work Group members (who are mostly state agency managers) also work with the Regional Councils and are often on them in their home regions, the process brings more two-way knowledge. State agency staff learn what the local providers need, and the providers learn what state agencies can offer, and in what formats.

Kentucky
Just after THCH began in fall 2003, the Kentucky governorship changed parties for the first time in several decades. The change of governors was followed by changes in the staffing and direction of state agencies, reorganization of all departments and cabinets, and changes in some priorities that affected Kentucky Housing Corporation. During the next year and a half all of the original THCH project staff left, including people who had long been instrumental in making the Kentucky Housing Corporation a model for addressing homeless issues in a largely rural state, including a good deal of PSH development. Under these circumstances of political and bureaucratic transition, which every public jurisdiction experiences from time to time, the ability to keep an issue such as PSH on the political agenda is particularly difficult to accomplish from the middle-management level within government—an issue we discuss at greater length in Chapter 4. Despite these circumstances, Kentucky has made some important steps toward system change.

Portland
At the time of our August 2005 site visit to Portland/Multnomah County, almost two years into its THCH grant, key city and county politicians were very supportive of a carefully articulated ten-year plan to end homelessness that includes extensive PSH development. These supporters include one city commissioner, two county commissioners, and Portland's mayor.

Many Portland elected officials have been sympathetic to homeless issues for a long time, and have understood that housing is part of the solution. One city commissioner whose portfolio includes housing was the first to take on affordable housing as an issue, which ultimately led him to the issue of homelessness. This commissioner's chief of staff once worked at BHCD, the agency from which THCH operates, and also understands the issues. Having access to this city commissioner at critical times through his chief of staff has meant that the right information gets to the commissioner when it is needed. Two county commissioners, including the board chairperson, also have a longstanding interest in alleviating homelessness, and the new mayor has turned out to be very sympathetic.

Turning these sympathies into action has been the work of THCH staff, beginning even before receipt of THCH resources. Politicians do not like to commit themselves and make

promises that are too far ahead of possibilities or constituent attitudes, even when they think an issue is important. To build support, BHCD staff who later would work on THCH urged pilot programs coupled with evaluation, which the city council was willing to support. The most successful of these, Transitions to Housing,[4] showed what a reasonable level of resources could do in moving difficult-to-serve homeless people into housing and helping them retain it. The evaluation evidence convinced the city commissioner that supporting more PSH would be a defensible position.

Shortly after receiving its THCH grant, Portland/Multnomah County committed itself to developing a ten-year plan to end homelessness. Several coordinating and planning groups with related missions were already operating in the county, as detailed in our THCH baseline report (Burt, 2004). They came together to work on the ten-year plan, being greatly aided to do so through the coordinating role that THCH staff at BHCD were able to play thanks to THCH support.

A Citizen's Commission made up of elected officials and business leaders was established to oversee plan development; other existing councils and task forces were incorporated into the plan development as committees focused on particular issues. THCH system change work and the ten-year plan grew to become a single process. As one person described this process—"once a core set of agencies were at the ten-year plan table, it because clear to others that this was place to be, and more and more agencies got on board." As work on the ten-year plan evolved and solutions were worked out down to practical levels, people began to believe that "we really can do this!" and their commitment grew accordingly. Several elected officials dramatically expressed their perceptions of the success of this process: "THCH has taken us to a whole new level. We're really cooking now—people at the policy level at the same pace as the bureaucrats." And "we never believed we could pull this off, but [the THCH grant manager] has done it." The county has a detailed, feasible ten-year plan that identifies steps, resources, and implementation actions, and has widespread support.

The new mayor sent a representative to the 2004 Supportive Housing Leadership Forum along with the BHCD director, and devoted one of his first briefings after taking office to their report on PSH and ending chronic homelessness. A strong push from the business community also contributed to the mayor's interest. Another sign of political commitment to the issues of housing and ending homelessness came when the Chair of the County Commissioners created a new position of housing coordinator in her office—something that had not existed before the ten-year plan work. This change brings housing issues directly into the chair's office and stimulates new kinds of conversations. The financial benefits of preventing housing crises rather than dealing with them afterward are becoming more obvious and politically acceptable.

Washington
The 2004 gubernatorial election changed the picture at the state level considerably in Washington, making it more possible to think that pushing for significant legislative commitments to PSH might meet with success. As the changes concern significant increases in state-level funding, they are described in Chapter 5.

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[4] For details, see "Using Data to Support Change" text box, below.

USING DATA TO SUPPORT CHANGE

Portland – Having laid some of the groundwork and developed some convincing evidence of success in previous years (e.g., Transitions to Housing; outcome tracking for PSH and TH), BHCD staff could justify the stress on permanent housing plus services for a wide variety of vulnerable populations—institutional releasees, shelter residents, street people. Various interesting strategies:

- **Transitions to Housing.** Prior to the THCH Initiative, BHCD staff developed the idea to offer selected providers "whatever it takes" money to house and support the hardest-to-serve singles, including people formerly living on the streets. Politicians were skeptical but willing to back a pilot, which BHCD evaluated to be sure it had evidence of success if success occurred. When the evaluation data showed clear success, it was the starting point for expanding the program and moving forward with THCH.

- **PSH vs. transitional housing (TH) outcomes.** Also prior to THCH, BHCD worked with single adult providers to develop a commitment to performance standards and measuring these with agreed-upon outcome measures. The single adult providers group wanted to figure out how all their different activities related to each other. The homeless services coordinator at BHCD facilitated this process, which resulted in a document of goals, outcomes, and measures that all agreed to use. At that moment, THCH came on the scene, and a year later, the ten-year planning process. Data on outcomes collected for TH and PSH programs were used for deciding how to proceed with the ten-year plan. They showed that PSH was more successful in housing placement and retention. TH outcomes were not awful, but just not as good at housing placement and retention as PSH and the housing first approach. The TH programs were creaming by not taking anyone with drug and alcohol problems. They were run by anti-poverty agencies, served mostly families, and were not set up to deal with households with intense problems. The transitional period was also usually very short—6-12 months. TH programs are now trying to do better, but in the meantime the balance of preference has shifted toward PSH except for specialized populations (e.g., youth), for whom TH proved very effective.

Seattle – A recent study by the county health department noted many deaths among single adult homeless people in King County. This study had a very powerful effect in generating political will because it got a lot of press in local newspapers. The public responded because these deaths were a problem with a logical solution. The public really drives the agenda at the state capital, and the study created this public interest to which PSH was a clear solution. The THCH coordinator was asked to make a presentation to the state legislature using data and the results of the Funders Group deliberations. This testimony helped provide valuable information to state legislators who were attempting to address homelessness across the state.

Changes at the Level of Public Agencies

Public agencies are the obvious target of system change efforts because they usually operate in their own silos. Bridging the silos to bring diverse but necessary resources together to serve populations with complex needs is always a challenge. Whether it is pregnant teenagers who need health, education, and child care services; low-income elderly people who need health, nutrition, home care services, and income supports; or people with serious mental illness who need mental health, health, housing, and employment services, the reality is that unless they have a very knowledgeable case manager who can help them connect with the relevant systems, they will not get what they need.

Too much of the time, the same is true for PSH. An agency wanting to develop a PSH project must put together a package of capital resources, operating resources, and services that can offer the supports needed by PSH tenants to help them retain their housing. As it is relatively unusual for a developer to be able to obtain all needed funding from a single source, it is common for a single PSH project to have 10 to 15 funding sources. In THCH sites, PSH providers reported an average of seven different funding sources for each project, including four capital sources and one or two sources each for operations and services. To make matters worse, except for capital, which once spent to develop a project does not have to be renewed, operating and service resources have to be found every year. As available sources often change from year to year as well, providers frequently find themselves scrambling to cover their expenses as once-reliable sources shrink or disappear entirely.

A major THCH goal is to reduce the complexity of this PSH funding process. Since most PSH funding comes from public agencies, getting these funding agencies to streamline their funding mechanisms is an objective in every THCH site.

Ideally, communities would create a "funnel mechanism" that would channel public agency resources (and sometimes philanthropic resources as well) through a single funding process. Providers would apply for what they need to cover all types of costs, and the authority running the "funnel" would pick and choose from among available resources to accommodate the provider's needs. Such funnel mechanisms operate in a number of communities as standard procedure. Among THCH sites, Connecticut has this approach. Beyond THCH, Columbus/Franklin County, Ohio has long practiced this strategy through its Community Shelter Board, which also manages philanthropic contributions. Washington, DC's Community Partnership for the Prevention of Homelessness also serves as a funnel, managing the process of matching public capital, operating, and services resources for supportive housing applicants through the CoC process. In addition, some communities have created one-time funnel arrangements made through interagency memoranda of understanding (e.g., San Diego's 2002 PSH initiative—see Burt et al., 2004, Appendix F).

Also functional is a system of agency commitments linked by a coordinating mechanism that helps providers through the process of acquiring all needed funding. Among THCH sites, Portland/Multnomah County and Seattle/King County have evolved this type of coordinating mechanism, as described below. Providers still have to complete several applications, but at least they know that the agencies to which they are applying intend to spend their resources to support PSH.

In the following pages we describe how "the light bulb went on" for several public agency heads when THCH staff helped them to see how PSH could work as a solution to their own agency's problems. Mental health directors realized that PSH could reduce their outlays for emergency treatment and hospitalization. Sheriffs and police chiefs realized that PSH could reduce, sometimes drastically, the stress on their jails created by a few long-term homeless people who used most of their resources.

Equally important was the idea of working collaboratively to reach the goal of housing long-term homeless people, as this is not a goal that can be achieved by one public agency alone. Each agency came to see the role it could play and the benefits it could receive, but also the ways in which it needed to cooperate with other public agencies if its own interests were to be served.

Once they accepted the idea of PSH and the need to work together, public agency administrators in THCH communities gave their support and cooperation to THCH staff efforts to develop concrete plans, coordinate resources, and get the relevant agencies working in tandem. THCH staff did the coordination work, creating new channels of interaction to promote PSH development and operations. These channels included committees and councils but also funding mechanisms and partnering arrangements. THCH staff also brought specialized knowledge and skills to the table, in the form of technical assistance to resolve specific bottlenecks. They also brought knowledge from beyond the community to bear on changing the local situation. In this section we describe these processes; Chapter 5 presents the results in terms of new PSH units.

Connecticut
CSH in Connecticut has long worked with a group of committed public agency staff. THCH funds helped promote the third wave of joint funding for PSH, as described above. Major change at the level of public agencies was not the primary focus of THCH in Connecticut, but continued incremental change was a goal as part of the ongoing quest for ever-better systems that characterizes communities with mature coordinated responses to a public issue. As Connecticut informants expressed it, "real systems change does not have a discrete end goal that, once you're there, you keep doing the same thing over and over. It should be a continuous process of growth and expansion." With THCH, Connecticut was starting with a base of previous collaborations among a core group of agencies. THCH resources let staff expand this core group to include, in new ways, the agencies focused on families and on youth. Their involvement is resulting in new sources of money for PSH, but equally

important, is developing an ability to serve people who need PSH but who had not been part of the target population until these recent developments. As all THCH sites, even the most developed or those that have made the most progress under THCH, still have much work to do, Connecticut's more "mature" stage of systems change work has many lessons to offer.

Rhode Island

In Rhode Island the role of THCH in stimulating actions of public agencies, and ultimately of first-ever public funding for PSH, is very easy to see. In anticipation of THCH funding, CSH's Connecticut office visited Rhode Island to determine whether agencies and programs there might be ready to think about developing PSH. Of the public agencies that comprise "the usual suspects"—housing, community development, human services, mental health, Medicaid, and corrections—only Rhode Island Housing (RIH) and the Housing Resource Commission had an historic interest in homelessness. The homelessness component of HRC had been in abeyance for a number of years, and the Commission itself had no staff but served only as a high level forum for policy discussions.

At our meetings in Rhode Island, several people asserted "Four years ago, people didn't know what PSH was." The Rhode Island THCH coordinator had worked on homeless issues at Rhode Island Housing and coordinated the Continuum of Care application for several years before becoming "the CSH office in Rhode Island." In her new role she would attend ICH meetings, at which her continuing question became "what about supportive housing"? ICH members always gave her time to speak although she was not officially a member. Gradually the message was received, and now ICH members initiate discussions about PSH a lot more than when she started.

As a result of THCH stimulus, including establishing a CSH office in the state and the coordinator's continuing work to build alliances and commitments, joint work around PSH is starting to happen in Rhode Island. Key state agency staff (especially those from RIH and DHS) have opened doors and offered ongoing support. Thanks to work by THCH staff in partnership with several allies, there is now an active Interagency Council on Homelessness in Rhode Island. But even more important, advocacy through the Interagency Council has resulted in creation of a new state agency, the Office of Housing and Community Development (HCD), the first Rhode Island state agency that has homelessness as a specific and important part of its portfolio, plus the staff to make change happen. The former director of the Rhode Island Coalition for the Homeless helped shape the new department, has become its first director, and is a strong ally to CSH in developing approaches to ending homelessness, including PSH. All homeless-related funding except HOME now goes through HCD, giving it considerable leverage to shape solutions to homelessness.

State agency staff have attended two Policy Academies, one just before THCH began and one after. CSH staff were part of the teams that went to these Academies, and have been part of the work that has happened since returning. A key accomplishment is the state's new ten-year plan, written by Policy Academy participants with key support from THCH staff.
In addition, one of the most interesting aspects of this development is that it involves private philanthropy as a full partner, contributing to planning, advocacy, and funding. The Rhode Island Foundation is the state's largest private philanthropy. The United Way is the chief organizer of community giving. Early in the THCH period the United Way went through a goals and priorities setting process that identified housing and homelessness as an

overwhelming problem in the state. As a result the United Way now has ending homelessness as one of its program areas. The Rhode Island Foundation and the United Way come together in meetings over many months to support PSH, and used their influence with state agencies and elected officials to stimulate state investment in PSH. The commitment of private philanthropic dollars has really helped the campaign to get public funding for PSH in the three-way funding arrangement being used for the PSH pilot project.

Los Angeles
The primary vehicle of change in Los Angeles at the level of public agencies is the Special Needs Housing Alliance (SNHA). SNHA members are county-level agencies plus the Los Angeles Homeless Services Authority (LAHSA), a hybrid operating under a joint powers agreement between the county and most of its independent municipalities. Agencies include the Community Development Commission (CDC), the Chief Administrative Officer (CAO) of the county, LAHSA, the county Housing Authority (HACoLA), and the departments of Mental Health, Public Social Services, Probation, Child and Family Services, Health Services, and Community Senior Services. The CAO and CDC co-chair the committee.

SNHA began meeting in the mid-1990s when the county recognized the need to coordinate housing and services for people with special needs including victims of domestic violence, people with mental illness and substance abuse issues, transitional foster youth, people with HIV/AIDS, the elderly, and people with developmental disabilities. When SNHA first started, it was a fairly ad hoc group that grew out of the New Directions task force, a group of county agency heads created by the Service Integration Branch to facilitate all the changes required by welfare reform.

The issue of special needs housing became more prominent when "City of Industry funds" became available. The City of Industry is a municipality comprised largely of industrial parks and has very little residential housing. It was built on land designated for redevelopment, and California law stipulates that 20% of the funds generated as a result of the City's redevelopment area designation must be used to develop affordable housing. Because the City of Industry was not using these funds, the decisions was made to use these "tax increment" dollars – a total of about $10-12 million a year – to fund affordable and special needs housing within a 15 mile radius of the City of Industry. These dollars were turned over to the county Housing Authority (HACoLA), which manages this money and distributes it to relevant projects around the county in a competitive process. Up to half of this funding supports the development of special needs housing. The availability of this money got the attention of the Board of Supervisors as a way to serve the housing needs of special populations, and the SNHA evolved as the entity to address this issue.

At first, the CDC chaired the SNHA. The initial task the SNHA set itself was to identify the then-existing inventory of programs that serve the special needs populations. CDC tried to survey county agencies to obtain this information, without much success. At about this time Los Angeles received its THCH grant. CSH-CA/LA saw that the SNHA offered a unique opportunity to foster interagency cooperation focused on special needs housing—something that otherwise did not exist in Los Angeles. THCH-supported staff attended SNHA meetings, and very quickly saw that an infusion of THCH resources for technical assistance (essentially, providing the SHNA with staff) could have high payoffs. One of the first

investments of THCH funds was to offer SNHA some staffing support and technical assistance.

This assistance was provided by Shelter Partnership, a nonprofit technical assistance and advocacy group focusing on homeless issues that is a partner in Los Angeles' THCH grant. This assistance really helped the SNHA move forward on its agenda, which is also THCH's agenda. Shelter Partnership redesigned the inventory survey and reorganized the data collection, resulting in a report that was published in September 2003. For each program in the county serving those with special needs, this report shows its total budget and funding sources. It also describes how much flexibility the county has in using these dollars.

After issuing the services inventory report, SNHA moved forward on developing a strategic plan (starting in early 2004). The CAO became a co-chair to the Alliance after the report was produced. Shelter Partnership again helped with this process, again with support from THCH, by collecting demographic data and doing a needs assessment, identifying barriers to housing, reviewing funding resources, and creating a list of around 80 recommendations. The CAO was very interested in getting the strategic plan completed as soon as possible, so SNHA decided to narrow the focus to three target populations: homeless mentally ill, HIV/AIDS, and emancipated foster youth. SNHA prioritized eight of the plan's recommendations to move forward on immediately.

Next SNHA began the process of implementing its recommendations. Its first step was to draft a letter for the Board of Supervisors to endorse, and to brief the deputy board members. The letter included the eight top-priority recommendations, plus a request to allow SNHA to serve as a "funnel mechanism" for partner agencies' resources and issue requests for proposals. One of SNHA's biggest challenges is that it has no RFP issuing power and doesn't have control over any funding sources as a group. Part of the purpose of going to the Board of Supervisors was to ask that all RFPs for housing for the three target groups go through the SNHA. The Board of Supervisors recently endorsed the SNHA's letter and gave it some authority to act. Although the county is a long way from creating a "funnel mechanism" for PSH, the Board's approval is an important first step. Major implementation activities still lie ahead.

In comparison to the level of interagency coordination to fund PSH that has come to exist in some THCH communities, SNHA's achievements and current status may not seem like much. But in Los Angeles, which has never had any entity devoted to coordinating the activities of public agencies toward the goal of promoting PSH and special needs housing, SNHA's current status is a giant step forward. THCH has helped with the initial steps and will continue to support forward progress as SNHA and its component agencies begin to implement strategic plan recommendations and also work with new Mental Health Services Act resources.

Maine

When THCH began, Maine was already on a path of system change around homelessness. It had developed an Action Plan even before the federal Policy Academies began, with the intent to "change how we do business together." But the process had stalled; the relevant body held no meetings in 2004, and only three in 2003. When THCH started, MSHA had more than

200 projects in its pipeline (including transitional as well as permanent supportive housing), most of which had made no significant progress toward completion in over a year.

THCH established a Work Group that took as its goal moving the pipeline of projects along into reality. Unlike the Interagency Council (whose members were department heads and which did not take the Action Plan to the practical level of implementation steps), Work Group participants are at the working-manager level of the same agencies represented on the Council—particularly housing, health (Medicaid), mental/behavioral health (once separate but now a part of DHHS), and corrections—and some key providers.

THCH consultants staffed this group, getting meetings on everyone's calendar and doing what needed to be done between meetings. Representatives from several key public agencies agreed that MSHA has been nurturing and supportive. They noted that when they started participating in the Work Group they knew little about homelessness or supportive housing, and needed support and guidance to better understand the existing systems that serve homeless people, PSH, the Action Plan, and other key concepts.

The first goal of the Work Group was to "unstick" the MSHA pipeline of supportive housing projects. Projects in the pipeline had insufficient capital resources to begin developing a project, and often had little or no operations or services funding committed to make the project go once construction or rehabilitation was complete. Within the Work Group, THCH consultants helped key agency staff and providers learn how to put services packages together with housing to get the pipeline moving, develop interagency systems, get to know "both" sides of the problem (i.e., housing and services), have a place to bring problems that need resolution, and have the whole table focus on how to break the bottlenecks. The Work Group activities made people think about how to streamline the process of putting a project together. Also, Work Group participants said that MSHA has been incredibly willing to entertain new ideas as the group tries to solve problems to serve clients, including the refinancing schemes that have helped to get the pipeline moving. Everyone involved in the Work Group can see the value of these changed ways of operating, and wants to continue to function this way.

The Work Group brings a lot more than dollars to the table—the members' other main contribution is diverse expertise. Since the group started clicking, members have been able to play off each other's knowledge, do not need to reinvent the wheel, and can mix and match with each other's resources. One example given was the Department of Corrections' decision not to try to run its own transitional housing or case management for people leaving prison. Instead, it will work with other state agencies to assure that people leaving its facilities have access to these resources from non-corrections agencies that have the appropriate expertise based on long practice.

The Work Group's focused approach has had two dramatic consequences, both of which have helped the pipeline of projects on the drawing boards when THCH began to move toward becoming a reality of housing for homeless people. First, MSHA recognized that its capital funding strategy for supportive housing had not worked. Several years ago the agency had funded its current pipeline projects with 50 percent of the capital resources needed to do a project, and expected providers to be able to use this commitment to raise the remaining capital. It didn't work, and two years later most of the projects were still on the drawing

boards. Under THCH, MSHA began to refinance these projects to provide all or almost all of the capital resources—agency staff realized it was not useful to "let pots of money sit out there for years" because providers did not know how to access additional resources to complete the capital financing. Once the capital resources were in place, the Working Group was able to step in to implement the second major change—attaching operating and service dollars. By the end of 2005 only about 30 projects remained in the pipeline without full financing—the rest were progressing toward becoming supportive housing.

At the end of THCH's first two years in Maine, the state made some very important changes that institutionalize the process begun by consultants. The first has already been mentioned— the governor created the first-in-the-nation cabinet-level position of Director of Homeless Initiatives. The second is also important—the coordinating functions served by the consultants have now been moved "in-house" to one MSHA staff person who has an exclusively "homeless" job description. Informants believed that these changes indicate MSHA's commitment to pursue the THCH functions for the long haul. People felt this is likely to work for two reasons—first, the new cabinet-level director and the MSHA homeless coordinator are now in clear leadership positions and have a mandate, and second, homelessness is their whole focus—they have no other responsibilities within the agency to take their attention away from homelessness.

Kentucky
Kentucky's Council on Homeless Policy (CHP) includes representatives from over 20 public agencies, nonprofits, and advocacy organizations. It predates THCH, and was the official entity on whose behalf Kentucky Housing Corporation applied for and received the THCH grant. CHP representatives attended Policy Academies on both family homelessness and chronic homelessness, and at the behest of the former governor worked to develop plans to end homelessness.

Although Kentucky has not developed any joint funding mechanisms for PSH and only recently completed public agency commitments in the form of memoranda of agreement to work with THCH, CHP members have been active in a number of ways during the 18 months of political transition. Efforts to educate providers and bring them together are described in the next section of this chapter, and new public agency funding commitments for supportive housing are described in Chapter 5. Given the political situation in Kentucky during the THCH grant period and its effects on THCH staff, the willingness and ability of CHP members to work together to carry on the THCH mission as they saw it shows the strength of member commitments and usefulness of the Council as a coordinating body.

From the perspective of providers and advocates on CHP, the council has given them access to people at top levels of agencies, who now listen to the nitty-gritty issues of trying to get services for homeless people from their departments and have been able to take some steps to mitigate barriers and improve access. Providers interviewed felt that groups like CHP, with the people who make up its membership, inherently go to the system level. They contrasted this to what happens when providers get together on their own—they articulate the same problems, but these come out in the form of complaints, as the providers alone cannot make things happen. Providers and advocates also said they are able to work through CHP to help public agencies make good policy decisions.

Changes in Kentucky have also happened at the level of changed behavior within the work of one agency. For example, as a result of participation on the Council for Homeless Policy, the representative from the Department of Human and Family Services realized that his agency could be doing more to help homeless households. Realizing, based on feedback from other CHP members, that DHFS family services staff knew nothing about homelessness and housing resources, and learning to appreciate what a barrier this was to getting help for clients of his agency who had a housing crisis and that literal homelessness could be the result, he instigated training for intake/eligibility workers. With THCH support, a subcommittee of CHP worked with DHFS training staff to develop a training module on housing and homelessness resources for all frontline staff, which is now part of training for all new hires. The result aids mostly families, and mostly in relation to emergency housing and homelessness prevention issues, but CHP members feel that every little bit helps. Training has been in place for almost two years now; Louisville homeless assistance providers testify that the difference in Louisville is palpable, with families in crisis much more likely to receive appropriate assistance.

Portland
Compared to some of the other sites, Portland and Multnomah County were in a better position to start tackling some major system change efforts from the beginning of the THCH initiative. As we describe later in this section the lead THCH agency, Portland's Bureau of Housing and Community Development, had already made some major changes designed to produce more special needs housing, and was in an excellent position to bring other city and county agencies together.

Even with this initial progress, the systems for serving homeless people and developing PSH in Portland are as complicated as they are in other places. Responsibility for homeless people and programs was, and still is, split among three different departments, and operates within significant population-specific silos/systems. The homeless adult population has been BHCD's responsibility; the county welfare agency covers homeless families and homeless youth (in two different divisions); and yet another department handles domestic violence-related issues. Crossing these responsibilities is the county Department of Community Health Services (DCHS), which covers mental health, substance abuse, and some other special needs populations. Because resources and responsibilities are divided in this way, tensions have traditionally existed around the relative importance of singles versus families and which is "more deserving" of resources.

Further, even for PSH, needed resources are in three different places. BHCD (a city agency) controls the capital resources, the Housing Authority of Portland (an independent authority) controls the operating resources (in the form of rent subsidies), and DCHS (a county agency) controls the service dollars. In addition, the people needing PSH are in the hands of still other agencies, the nonprofit service providers. It was obvious that for PSH to develop, all of these agencies plus others needed to work together. However, when THCH began there was still a real question of whether the different parts of the service system could or would work together. Figuring out what "working together" means and gaining agreement from all parties have been the goals of THCH and the ten-year planning process, and the focus of the past two years of organizing.

Many things have changed in Portland since THCH began. As one person described it, "we have been trying to turn the ocean liner; it's been hard, but now we definitely have it in motion." Several informants used the phrase "sea change" to describe the progress that their community has made in the past couple of years.

Housing development and special needs housing. Two years ago when THCH began, the current director of BCHD was a former provider, running a nonprofit housing development agency. The culture of Portland has always been supportive of affordable housing, a little bit of everything for everybody. In the early 1990s, BHCD had a major opportunity to rehabilitate some run-down areas. Times were flush, and the city had a Housing Investment Fund that enabled BHCD to put $30 million into the hands of community development corporations to rehabilitate and operate about 8,000 units. Now, some of these projects are not able to sustain themselves with operating income, and are coming back to BHCD for refinancing. This is giving BHCD the opportunity to retarget units as they come in, more toward lower income and harder-to-serve populations who will need supportive services to sustain housing.

Part of what has happened is that BHCD staff, who mostly come from a housing background, have always thought of themselves as producing housing units. The change that has happened as the agency has confronted the challenges of special needs populations is from thinking about "producing units" to thinking about "housing people." This shift involves asking what people want and what they need to sustain housing—a very different orientation than one focused on bricks and mortar. It is obvious that people have to be able to afford the rent, but in quickly becomes equally obvious that adequate types and levels of service are other important elements.

According to local informants, the THCH grant came at a perfect time for BHCD, which was narrowing down its own focus to concentrate its resources on housing for the most vulnerable people. In the early 1990s BHCD was investing in housing for people at 50 percent of area median income (AMI), even though the agency knew that the need was really at 30 percent of AMI or below. Pragmatically, the agency could not target to 30 percent AMI and still produce 2000 units a year, which had been its goal. Even before THCH, as they thought about restructuring along with refinancing some of the older projects, BHCD staff were discussing whether to change the agency's targeting to a lower percentage of AMI and spend more per unit.

> ### Habit Changes Promoting PSH:
> #### Writing RFPs or Establishing Funding Priorities to Get What You Want
>
> - Portland-BHCD—RFP for PSH development by CDCs
> - Portland-BCHS—contract language assuring supportive services for PSH tenants
> - Rhode Island-RIH—priorities for PSH development with HOME funds
> - Connecticut-Next Step and previous initiatives—PSH complete packages

As part of its rethinking, BHCD realized that its standard RFP process was not producing the types of applications it wanted to fund. It therefore changed its habits—in this case the bidding process—to make it more likely that more applications would address the market segment that BHCD wanted to fund. The agency used to announce funds availability, see what came in, then give priority to PSH.

But it did not get enough applications to produce PSH. So for the last three bidding cycles BHCD specifically geared its RFPs to below 30 percent of AMI and PSH—the agency began asking for what it wanted. Now all housing developers funded through BHCD have committed to provide some PSH units.

Finding the service match. DCHS, the county agency responsible for services to people with severe mental illness (among other populations), has also experienced a major shift in its understanding of what it needs to do to serve its population best. Through participation in the 2004 Supportive Housing Leadership Conference and ongoing discussions with the THCH staff, top-level DCHS staff have come to recognize that housing is an important part of the answer—and also to realize that supportive housing can help keep people from being hospitalized, thus saving the agency money. The agency has become a major partner in PSH production, supplying a significant share of the resources for supportive services to many existing units and units in the pipeline. As did BHCD, DCHS has now changed some of its contracting procedures, realizing that it could exercise a good deal more control over how its money was being used than it had done in the past. It now writes contracts for some of its 300+ vendors that direct them to provide services to PSH tenants. The agency's new commitment to the combination of housing and supportive services is reflected in a newly created position with the responsibility of facilitating the linkage of DCHS clients to available PSH units. This position, funded partly by THCH resources and partly by DCHS, is described in more detail below, when we talk about changing systems to assure that the neediest clients get the available units.

Bringing in the criminal justice system. As the ten-year plan developed and more departments came to the table, Community Justice (probation and parole) and the sheriff's office also came to appreciate their own stake in ending chronic homelessness. Data analysis showed that of 480 people who accounted for 19,000 bookings in previous eight years, just 15 people, all homeless, accounted for 80 percent of the bookings. The sheriff realized that housing was the key to saving his department a lot of money when all 15 were housed and, a year later, had almost no jail bookings (7 of the 15 had no jail bookings and the other 8 only had one booking each). Community Justice representatives are now also tied into the ten-year plan process and no longer isolated.

Seattle/King County
The City of Seattle and King County have long been committed to solving the issue of homelessness, although as a community the focus for most of the 1990s and into the present decade was on family homelessness. County voters have approved a housing tax levy four times, most recently approving it for 2003-2008. This tax levy supports development of affordable housing and supportive housing, and can be used for both capital and operating expenses. Several Seattle providers (Downtown Emergency Services Center, Archdiocesan Housing Authority, AIDS Housing of Washington, Community Psychiatric Clinic, and Plymouth Housing Group) have developed extensive permanent supportive housing resources even during the period when the community was not trying to solve the problem of long-term homelessness.

The community began THCH in a good position, but with the need to bring public agency resources to bear in a systematic way to solve long-term homelessness. To this end THCH helped establish two groups:

- **The Seattle/King County funders group** focuses on integrating funding streams to better serve chronically homeless people and other vulnerable groups. Participants include program administrators from the King County Housing Authority, King County Mental Health, various City of Seattle agencies, the Departments of Social and Health Services and Corrections (state agencies), and the federal Department of Veterans Affairs.

- **The THCH Steering Committee** focuses on state-level legislation and systems change. This group includes high-level administrators from state and local agencies. Participants include the state Department of Community, Trade, and Economic Development (CTED), DSHS, Seattle Office of Housing, the Seattle Human Service Department (HSD), and the King County Housing Authority.

Seattle/King County city and county agencies have always communicated well, with representatives serving on numerous committees and task forces pertinent to homeless issues. The city and county have always participated in a combined Continuum of Care planning and application process. However, funding was not coordinated, and services funding was scarce. The King County Mental Health Department, which controls services funding for help with mental illness and substance abuse issues, was not at the table.

The biggest challenge THCH staff faced was getting the funders housing and services to talk to each other at a level beyond saying hello at meetings, and thereafter, to work with each other toward a common goal. They worked toward getting all of the stakeholders to see their common interests in developing PSH, and thereafter to bring top-level agency officials together regularly to identify solutions and work toward their implementation.

> ### Policy Development Promoting PSH:
>
> #### Ten-Year Plan Development
>
> - Kentucky-THCH staff heavily involved
> - Maine-Pre-existing Action Plan morphed into Ten-Year Plan under THCH
> - Portland-merged with THCH process
> - Seattle-THCH funders group work had great influence
> - Rhode Island-participation in two Policy Academies led to plan, which THCH staff helped write
> - Connecticut-THCH staff heavily involved

Through this process, city and county services and housing agencies and providers have started to develop the institutional habits that will form the basis of a changed system. Some accomplishments of the funders group include:

- Participation in the funders group affected the focus of county mental health services considerably. The department's director now has a much better understanding of PSH, is more conscious of chronically homeless people as a priority population, and is more cognizant of different service models for mental health clients. The director has greatly shifted his commitments, from group home approaches to permanent supportive housing. The director now believes that Seattle/King County is getting the most "bang for the buck" on its projects because of funders group work; he sees a lot of economic savings.

- Funders group members learned a lot about coordinating services and funding and underwriting a project with services and operating needs. They also learned more about what kind of housing model is appropriate for this population (durable, energy efficient, low maintenance). They are now pushing toward a more sustainable design.

- Agency heads are on board with the ten-year plan and its emphasis on solving long-term homelessness, which is a major shift for some.

- Hospital and jail discharge issues are coming together in a way that had not happened before. For example, based on information about people with many jail episodes, housing was offered to the 15 individuals who accounted for the most episodes, after which their jail time decreased dramatically. Also, mechanisms are being established to identify the frequent users of hospital and detoxification facilities so they can be offered new PSH units as they open up.

- Funders group members felt that the most recent McKinney planning and application process was much better informed than ever before because participants have a broader vision thanks in part to the THCH initiative and the ten-year planning efforts.

Informants credited ties with CSH and THCH with helping to build the public agency commitments that have developed in Seattle/King County. Many key potential players attended the 2004 Supportive Housing Leadership Conference in Washington, DC, which really helped to get them on board. Also, the THCH grant made staff available who could support cooperative efforts, bring best practices front and center in funders group discussions, and facilitate the process of developing solutions.

Changes at the Level of PSH Providers

One of the biggest challenges in creating the many new PSH units that will be needed to end long-term homelessness is the relative scarcity of providers willing and able to take on the task. PSH providers must meet daily expenses through operating revenues, manage tenants and units, and see that needed support services are available and appropriate. If the program is to be facility-based (as opposed to scattered site), there are also capital costs and construction or rehabilitation goals to meet. Most communities do not have agencies that are skilled in doing all of these things. Indeed, in most communities the agencies that do housing development do not know the agencies that serve severely mentally ill people or those that work with substance abusers. Even when they do know each other, they still have trouble understanding each other's needs and values because they do not speak the same language.

Indicators of Systems Change

In working closely with developers and service providers to create PSH, the THCH sites are improving the level of **coordination and collaboration** among these organizations. Just as important, they are creating shared **values** about the importance of supportive housing and increasing **capacity and knowledge** about how to serve long-term homeless people in supportive housing.

Many THCH communities have used their grant money to bring together the array of providers needed to make THCH work. They have started "where the providers are" in their community; helped providers of different services understand each other's languages, abilities, and constraints; and smoothed the way toward full funding of all PSH components.

Southern New England

CSH-SNE's biggest effort to bring providers together is the One Step Beyond (OSB) Training Institute, now completing its second year with support through THCH. This Institute provides extensive training by CSH staff and others very experienced in developing PSH. Two CSH-SNE staff developed the OSB curriculum, which gets to the nitty-gritty of what it takes to develop PSH by training the agencies and people who will actually have to produce and operate it. Inspiration is also a part of this mix, as new players must be convinced to participate in PSH production if the goal of expanded PSH capacity is to be reached.

OSB is a first-ever supportive housing development institute designed to build provider capacity to serve chronically homeless adults and families through permanent supportive housing. Participants applied and were selected based on their seriousness and interest in creating PSH. The first session occurred in March 2004, with sessions every other month through November 2004. Fifteen nonprofits participated in this first round as part of 11 teams, 8 from Connecticut and 3 from Rhode Island. The goal was for teams to have project plans and sites identified by the end of the training. Participants learn from other providers during the sessions, so everyone feels they are both learning and contributing to others' learning, and sometimes developing new ideas together. Sessions are in-depth topic-focused seminars on issues such as team development, creating community support, and dealing with special populations. The entire effort is designed to foster partnerships among housing developers and service providers, so that more organizations will get into the PSH business and those already in it will expand their capacity to develop and operate PSH. Each plan being developed involves collaborations among several agencies.

A second round with new participant teams occurred in 2005. In Rhode Island particularly, the teams for the second year of OSB differed in one very important aspect from the 2004 teams – they involved nonprofit housing developers for the first time. Getting these new players involved in PSH was a major goal of THCH in Rhode Island; it was aided considerably when Rhode Island Housing, the agency that controls HOME dollars, established new priorities that for the first time gave precedence to PSH development. Many of the teams that participated in OSB have since submitted funding proposals to state agencies, with considerable success.

The OSB curriculum encourages partners to work together and challenges them to think through problems in advance – brainstorming and looking for different issues that might come up in the process of building and operating housing for difficult populations. According to the providers, One Step Beyond has been extremely helpful. For instance, one participant said that her agency had always required 14 days of sobriety for all admissions. She realized in OSB that this policy made it difficult to help people leave homelessness. When her agency submitted the project it had developed during OSB to its local zoning board, the board approved quickly. It also took the unusual step of asking her agency to consider a second project.

OSB training also helped the project teams anticipate potential problems as they develop and fill PSH units. The providers talked about a number of different things they learned from the training that have become habits in their new projects:

- Practical things that help keep property management costs under control: design standards need to be from a program management standpoint (textured paper/paint up to four feet to discourage foot and fingerprints, using carpet tiles rather than solid carpet so replacement is easy following major spills or other damage); common areas where property management staff can hang out and get to know tenants; ways to meet Americans with Disabilities Act requirements; the need for 24/7 staffing and security practices such as cameras and front-desk in-and-out logs accessible to both services and property management staff, to monitor comings and goings; and good relations with the local police.

- The *types* of services might change over time, but the intensity will not. For instance, people may initially need assistance in stabilizing mental illness and substance abuse conditions, while later they may need help with employment or reuniting with family.

- Recognizing the need for regular, structured communication among property managers and psychosocial people about what they observe about resident behavior.

Los Angeles
The Skid Row Collaborative is a project funded by the federal Chronic Homelessness Initiative (CHI). CSH was heavily involved in the matchmaking, relationship building, and proposal writing process that brought this partnership together. Partners include the Skid Row Housing Trust (a housing developer), LAMP (a homeless services provider), the city Housing Authority (HACLA), the county Department of Mental Health, and the VA. 162 chronically homeless people are being served through the program, 62 of whom are housed at the newly rehabilitated St. George Hotel. One important change in organizational practice is the availability of a DMH psychiatrist to help Collaborative tenants where they live or at LAMP, so people do not have to use the relatively uninviting local mental health clinic setting.

Maine
In Maine the Work Group and the two THCH consultants worked together to move the pipeline of supportive housing projects toward becoming reality, establishing service matches for many of the units, as described above.

Kentucky
Kentucky felt it had to start with very basic ideas and values, because most providers in the state were not used to serving the long-term homeless disabled people for whom PSH is intended. So before they could help provider teams build skills and get funding, THCH staff in Kentucky believed they had to increase knowledge and change local attitudes and culture. Thus CHP and its member agencies could build momentum throughout the state for PSH as one solution to long-term homelessness. The focus was on providers and communities, not on government. Feeling they had a lot of educating to do, staff applied THCH money to holding two conferences (2004 and 2005) and supplying technical assistance between conferences to any teams of providers that formed and expressed interest in developing PSH.

CHP encouraged communities to send teams to these conferences. The first conference was largely educational. One hundred people attended, and matchmaking was the activity of the hour. By the second conference 150 people came, including some solid partnerships. Two of these new teams have already applied to and received funding from HUD for new PSH, and another three or four projects are in development.

In addition to the statewide supportive housing conferences, THCH staff organized and facilitated four regional Partners in Housing meetings in eastern, western, and southern Kentucky as well as in Louisville. These meetings were designed to bring together nonprofit and for-profit housing developers and service agencies to learn about the philosophy of supportive housing and funding mechanisms and to encourage partnerships. The meetings were especially well received in western Kentucky, where several service agencies are now actively working with the Federation of Appalachian Housing Enterprises (FAHE) to develop supportive housing projects.

Portland/Multnomah County and Seattle/King County
In both Portland/Multnomah County and Seattle/King County, the THCH grant provided resources for a person to help create housing and service provider partnerships and assure that PSH applications received the funding they needed. The value of this matchmaking and fundraising facilitation are obvious in the degree to which both communities have already greatly exceeded their THCH pipeline production goals at this midpoint of the THCH grant period (see Chapter 5).

Changes at the Level of Getting People into Units

Two THCH sites are sufficiently far along in creating PSH that they have come up against the fourth level of system change we observed during site visits—a level that does not become obvious until PSH units become available. They have the housing units, they have the operating and service supports in place, and they have people who need this housing.[5] But the agencies with the people are not the agencies with the housing, so there is still the issue of getting the neediest people into the available units. Both Portland and Seattle have faced this problem and developed solutions. To deal with these challenges, these sites have changed recruitment and referral patterns, found new sources of support for landlords, and generated the trust of landlords by delivering on promised tenant supports. These strategies all work to make sure that the hardest-to-serve people get the housing they need.

> ### Indicators of Systems Change
> The primary indicator of systems change evident in the following descriptions is changed **habits** around how housing and services are delivered to those most in need. Important habit changes include changed recruitment and referral patterns, new sources of support for landlords, and landlord trust that the supports will actually work as advertised.

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[5] Rhode Island's 50-unit pilot project is also being set up to take people directly from streets and shelters into housing – Rhode Island's first foray into "housing first" to reach the neediest long-term homeless adults.

Portland

At the time of our site visit in August 2005, not much had changed yet in Portland with respect to getting the hardest-to-serve homeless people into housing. But the issue has been recognized and well defined, which is perceived to be a good part of the battle. A position has been created within the Department of Community Health Services to coordinate this client-level matchmaking and smooth the way with providers. The position would never have been thought of pre-THCH. All the THCH work toward creating a pipeline made it clear that this step was also needed. Initially some THCH money supported this position, but finally DCHS saw the value and has funded it itself.

- The time was right for this development. THCH staff had done the matchmaking at the provider level, in terms of getting developer, operator, and services providers together to create PSH units. But the last steps had yet to be taken. The new DCHS coordinator (who has been working all along with THCH from a different position within the same department) defines the steps as:

    - First all of us working on the ten-year plan had to decide what was the right thing to do (develop PSH that prioritizes the hardest-to-serve people).

    - Then we had to convince providers that they should adopt these priorities as their own.

    - Even once they were convinced in theory, it soon became clear that providers still did not know what the change would really mean in practice. That is, their habits had not changed. They were violating the principles they had agreed to without even knowing it. We still had to help providers move forward toward implementation in the form of getting a proposal together, finding the various pots of money, developing a project plan, etc. It has required constant working on it, explaining it, training for it, even with "convinced" providers.

- Now that there are projects in the pipeline, staff realize that they still have the task of getting the neediest clients into the newly available units. The agencies that know the neediest clients often are not on "pick up the phone when you need to and just call" terms with the agencies that have the housing. That's where the new DCHS position comes in.

It has been extremely important for people in Portland to know that the THCH money is there if needed, and that the project can afford to help fund the new position. For the future, respondents believed that the reduced risk of hospitalization and incarceration due to PSH, and the money these systems will save, will keep THCH effort going after THCH funding disappears. People in Portland will be able to show that if this position is cut, jail costs will go up, and rise even more than the salary for the coordinator position.

Seattle

Seattle PSH providers and allies are starting to develop habits among providers and public agencies to increase the odds that new units go to chronically homeless people. For example,

to fill the 60 units in its new 1811 Eastlake project, the Downtown Emergency Service Center (DESC) will exclusively target people who have been on the street, mostly chronic inebriates. DESC is creating a list of people who are the highest users of the jails, hospitals, and sobering stations (overnight shelters for people who are intoxicated).[6]   DESC staff will be enlisting staff from the sobering station and the police to identify and refer appropriate people to DESC.

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[6] According to DESC's assessment, the 20 highest users of sobering services spent an average of 300-350 nights at the shelter, and also were high users of hospitals, jails, police, ambulances, and court services. The public cost for these people is around $500,000 annually ($25,000 each). Housing them in 1811 with intensive case management costs only $10,000 a year.

CHAPTER 4: SYSTEM CHANGE—CROSSCUTTING THEMES

This chapter looks at two themes related to *how* system change is occurring—the importance of the coordinator position, and the circumstances under which an external, neutral third party such as CSH is or is not needed. These themes emerged during site visits; they cross-cut and underlie all progress toward system change at every level, so we treat them in their own chapter to emphasize their importance. After presenting this material and the information in Chapter 5 about progress on new funding and projects in the pipeline, we return to cross-cutting themes in Chapter 6, where we discuss pathways to system change and summarize what appear to be the major accomplishments of THCH communities.

Having Someone Whose <u>Job</u> Is System Change

Throughout our site visits, people emphasized the critical importance of having one or more people "minding the store," facilitating, coordinating, stimulating, reminding, organizing, assessing progress, bringing in new players, and keeping the many actors moving in the right general direction. THCH funds have supported these essential functions in every THCH site. Respondents consistently stressed how vitally these functions have contributed to the progress they were pleased to report, and the role and effects of coordination were obvious everywhere we went and at every level of system change we observed. The basic phrase we heard repeatedly was, "it wouldn't have happened without [insert name of key THCH coordinator]."

In all likelihood providing someone to "mind the store" is the key way that THCH has been able to have such a strong influence in many of its communities in such a short period of time—**it pays for someone who pays attention**. It is especially telling to look at the one or two THCH communities where for one reason or another this central role was not as strongly realized, or not realized as quickly or at the highest levels. Their comparative lack of progress in system change really highlights the importance of the coordinator role. Even when a community has a dedicated council, committee, task force, or other mechanism that in theory could take leadership, the trouble is that committee members have other jobs to do. With the best will in the world, they cannot take on the coordinating function.

In Chapter 3 we saw how the coordinating function worked to accomplish change at different system levels in many THCH communities. In this chapter we summarize our findings on the coordinator role. This discussion will lead into the second topic of this chapter – whether an independent, nongovernmental entity is essential to effect system change or whether it can be promoted "from within" government.

When THCH communities received their grants they were at very different stages of development. Connecticut already had a long history of political and public agency support for PSH. Portland/Multnomah County and Seattle/King County had already begun taking the first steps toward developing smoother mechanisms for creating PSH. Kentucky and Maine had state housing finance agencies that understood the need for PSH and had committed their own resources for capital over a number of years, but had not yet brought other public agencies or providers along. PSH development in Los Angeles had proceeded despite little interest or support from public agencies, and Rhode Island had no history of public investment in PSH. Given these very different starting places, the coordinating

function that THCH resources enabled necessarily identified different targets and took different forms.

THCH in Communities Just Starting to Mobilize
In Los Angeles and Rhode Island, the initial goals were to educate relevant stakeholders about PSH and demonstrate to public agencies that PSH could help them fulfill their own agency objectives. Without an internal government platform from which to operate, THCH was used to support new CSH offices, both of which had strong connections to long-standing CSH offices in their state or region. Working from these nongovernmental platforms, THCH staff in both states sought a foothold in the most relevant existing committees, councils, or task forces and proceeded from there. They were also able to capitalize on activities of their affiliated CSH offices to help mobilize these new communities.

In Los Angeles THCH resources ultimately provided coordination and technical assistance to the Special Needs Housing Alliance that helped it articulate its agenda and move that agenda significantly forward. In Rhode Island THCH intervention helped make "PSH" a recognizable concept to key stakeholders, leading to a new government agency, a re-established interagency council, a partnership of philanthropy and government, and a first-ever public-private funding commitment for new units of PSH.

Adequate staffing for Los Angeles' SNHA is going to be a big issue as it moves forward, as past experience makes evident that strong and knowledgeable staffing is needed. The county's Chief Administrative Officer officially has this responsibility, but his office lacks both the time and the expertise to move the SNHA agenda forward effectively and efficiently. Most likely the staff position will need to become institutionalized, part of normal agency budget and operations, if the Alliance is to fulfill its promise. A promising development is the CAO's submission (in April 2006) of specifics to implement the SNHA strategic plan recommendations. The $80 million requested, along with authority for SNHA to act as promoter and conduit for special needs housing, will probably contain some staffing resources. In Rhode Island, one of the most important accomplishments is a new state agency with a "housing and homelessness portfolio," staff to make it happen, and most of the housing and homelessness-related funding streams in the state. In both locations, THCH staff will continue their mission to promote PSH, building on current successes to create new opportunities to influence public decision makers.

THCH in Communities with Initial Commitments to PSH Development
Maine and Kentucky began their THCH grant period with their state housing finance agencies well positioned to involve other state agencies in expanded commitments to PSH development. In Kentucky the change of governors greatly reduced the potential coordinating function that THCH was able to play during the grant's first two years. The Council on Homeless Policy, with its complement of state agency, provider, and advocate representatives, continued to meet, and was eventually raised in status to the state's Interagency Council on Homelessness and acquired several new member agencies and a renewed charge to pursue the agenda of the state's new ten-year plan. Through a contract with the Housing and Homelessness Council of Kentucky it filled its commitment under THCH to educate providers and create PSH development teams through two statewide conferences. Each representative of a government agency operated in the context of his or her agency practices to facilitate PSH development. But no one fulfilled a strong coordinator

position urging new mechanisms, streamlined mechanisms, joint funding options, or changed policies and practices to stimulate even more PSH. Perhaps the time was not right for even the strongest coordinator or facilitator to pursue a PSH agenda with state agencies, and perhaps the results would have been the same whether or not someone was trying to fulfill this role from either inside or outside of government. But the fact remains that without a strong coordinating influence the *need* for system change, a major goal of THCH, was not as fully recognized as it might have been.

Maine is another interesting example of a state housing finance agency with a commitment to PSH, in a state that had already made significant commitments on paper to ending homelessness in the form of a statewide Action Plan. For various reasons unrelated to THCH, steps to endorse and then implement the Action Plan stalled. THCH stepped into these difficult circumstances; staff still proceeded to create an important multi-agency mechanism focused on PSH production (the Work Group). This Work Group made significant headway in moving pipeline projects toward realization through the commitment of new public resources (capital from MSHA and Medicaid from the Department of Human Services to pay for services). When the state-level process began moving again and the new governor endorsed the Action Plan as a ten-year plan and appointed a cabinet-level homeless Director of Homeless Initiatives, THCH staff were in position to continue and expand their coordination activities.

THCH in Communities Poised to Make a Significant Commitment to PSH
Portland/Multnomah County and Seattle/King County are prime examples of how far a person whose *job* is system change can move a system from a platform *inside* of government. Even when the system is ready to be moved, far less would have happened, in everyone's opinion, without the facilitation offered by the THCH coordinator.

Having THCH money and someone in the coordinator position has facilitated bringing everyone together, including politicians, agency heads, middle management, providers, and the clients in need of PSH units. Multi-agency groups in both communities have made great progress in identifying and committing public resources. They have also reduced bureaucratic entanglements that may slow the process of PSH development. In Portland, THCH staff took over managing the ten-year plan process, to the extent that THCH and the Plan have now basically merged in everyone's minds, and THCH staff now have the task of coordinating actual ten-year plan implementation. In Seattle, informants felt that the local ten-year planning process is more developed than others in the state thanks to THCH activities, and has created an additional focus on homelessness in the community.

Portland/Multnomah County also used THCH resources to provide coordination at the level of provider matchmaking and getting the right clients into units. Having someone to facilitate the pipeline process meant more successful matchmaking of developers and service providers, helped link potential projects to funding sources, helped with applications, and got many projects into the pipeline.

Public agency commitments to expand staff and create new positions is further evidence that system change is reaching the level of institutionalization. In Portland, DCHS is matching their THCH grant to fund a new position that will work to assure that the right people, meaning the DCHS clients who need housing the most but are the most difficult to serve, get

into the units that are coming on line. And at BHCD, agency managers realized once they began to issue joint RFPs for PSH development with the Housing Authority of Portland that they need someone to play the matchmaking and brokering role initially performed by THCH staff. BHCD is now expecting to hire someone as a permanent position to take on this role.

THCH in a Community with Longstanding Commitment to PSH
One might think that Connecticut could rest on its laurels, having stimulated two waves of PSH funding before THCH began and having a good start on a third, a ten-year plan with a specific target number of PSH units, and good relations with many state agencies that work together to promote PSH. A good argument could be made that Connecticut had already "achieved" system change. But THCH staff in Connecticut see system change differently, and rightly, as an ongoing process and one that will always need some level of "tending." Systems can always be improved, new agencies and populations brought in, service approaches expanded and made more effective, new provider teams created, prevention tackled, real public understanding and commitment to ending homelessness secured, and so on. Connecticut used its THCH resources to many of these and other ends, as detailed in previous chapters. It is the best example within THCH, so far, of what might be called a "self-renewing" system – one that regularly reflects on where it is and where it wants to be going and keeps moving forward. As the nongovernmental entity whose eyes are always on the PSH prize, THCH and CSH in Connecticut still find significant roles to play in promoting the means to end homelessness for people with disabilities who are unlikely to be able to manage on their own.

Need for a Neutral External Facilitator

An issue related to the importance of having someone in the coordinator role is whether that role needs to be a neutral external presence—such as having a CSH office in the community—or whether giving a local public agency sufficient resources will produce the same results. "Neutral" in this context means only that CSH's interests, or the interests of any external facilitator, are not tethered to any of the parties who must negotiate and implement a changed system. The external facilitator may have a point of view, and may push it strongly, as CSH does with respect to promoting more permanent supportive housing for homeless or potentially homeless people with disabilities. But it is not tied to a particular political party, elected official, government agency, or nonprofit or for-profit agency or firm, and seeks to work with all stakeholders in a community to advance its goals.

The THCH project is set up to address this question by comparing outcomes in the "external" sites, which operate without a formal CSH presence, to those in the "CSH sites," in two of which CSH opened offices for the first time with THCH resources. Not surprisingly, findings in relation to this issue are not simple, but they are very interesting.

When they were selected to receive THCH grants, the "external" sites all appeared to have significant public agency interest in developing PSH, and to be poised to take off in productive ways. Because government commitment appeared to be high, it was thought that giving a THCH grant to a government agency would be effective—that the grantee agency would be able to advocate from within because the commitment to proceed would already exist.

Communities in Which an "Internal" THCH Approach Worked Well

In two THCH sites, Portland/Multnomah County and Seattle/King County, this optimistic scenario is largely what happened. Both communities have taken major strides toward institutionalizing new procedures for PSH development. Informants in both communities express amazement at how much they have accomplished, and attribute much of their progress to the availability of a skilled and knowledgeable person devoting her energies exclusively to "making it happen." Both of these communities had already taken some important steps toward organizing themselves for more PSH production. In neither were all the essential agencies on board, but enough were ready to make changes that the coordinator and the committed agencies were able to convince the others to come to the table, after which the coordinator was able to help everyone make progress. Under these circumstances it appears that the answer to whether system change can occur from within is clearly "yes."

A Community in Which an "Internal" THCH Approach Took More Time to Work

Maine presents an interesting story in that not much appeared to be changing at first, but toward the end of the second THCH grant year things really took off. Early in the THCH grant, the Maine State Housing Authority (the grant manager) chose to use consultants rather than permanent agency staff to implement THCH, and to have the consultants answer to the agency head rather than to a middle manager who might have had more time to help direct the effort.

The consultants, with responsibility but no real authority, faced a steep learning curve themselves – to understand the issues involved in developing PSH for both developers/providers and potential state agency funders. Nevertheless, they had a clear goal (get the 200 or so transitional and permanent supportive housing projects in the MSHA pipeline moving) and a mechanism identified in Maine's THCH grant proposal to bring the goal closer to reality. They were to assemble a working group of program managers from the key state agencies (i.e., MSHA, Department of Human Services – including its Medicaid branch, behavioral health, corrections) plus provider representatives, and help it "do what it takes" to create more PSH.

Note that this group did not exist before THCH, and the specific members who joined it had by their own admission lots to learn about homelessness in general and PSH in particular. They were, however, the right people for the job, being less at the policy level in their agencies and more at the "make it happen" level. As already noted in Chapter 3, Work Group members credit the two THCH consultants with giving the group the support it needed to get moving and keep moving. The group confronted numerous problems head on, including changes in Medicaid funding levels and eligibility criteria that made their job of finding a PSH service match more difficult than it would have been under the rules prevailing at the start of THCH. But they kept at it, with the results cited earlier in this chapter of successfully moving most of the pipeline toward becoming reality.

While THCH consultants and public agency program managers worked diligently through the Work Group, state politics were evolving independent of THCH efforts. As noted in Chapter 3, a new governor had an official commitment to ending homelessness. But he took more than a year after assuming office to act, and he only did so after strong urging from consumers and advocates. Now that he has acted, endorsing the state's Action Plan and also appointing a

cabinet-level Director of Homeless Initiatives, THCH has taken on renewed life. Permanent agency staff at the manager level have assumed responsibility for THCH, and the new statewide Director of Homeless Initiatives is very involved in the THCH process as well as in the larger scope of addressing all homelessness in Maine.

At this point, midway in the THCH grant, grantee staff in Maine have helped promote some system change through the Work Group, and have helped some PSH become reality. The heightened importance to the governor of solving homelessness is reflected in his cabinet-level appointment, which gives the issue much more leverage on state agencies and regional actors than it has had in the past. We expect that by the end of THCH we will be able to report substantially more progress toward system change in Maine, and that actors from within government will have been among the primary stimuli for that change.

We will never know whether an external body such as a local CSH office could have moved this system to action more quickly. Perhaps staff from an external body could have worked with state agency heads in ways not available to MSHA consultants, to gain their more active participation in implementing the Action Plan. Chances are that local CSH staff would have attempted to cultivate these relationships in addition to providing staff support to a working group of program managers seeking to facilitate the PSH production process under the radar screen of overall state policy. Whether or not an external body could have achieved faster movement, there is little doubt that Maine is moving now toward more system change geared to PSH development, as well as to finding other solutions to homelessness. It has moved at the levels of local elected officials and public agencies, and is starting to move at the levels of developer/provider partnerships and tenant placement.

A Community in Which Circumstances Might Have Favored an "External" THCH Approach
Kentucky is an example of such dramatic government change (the first change in party control of the goverorship in several decades) that it is questionable whether an external body (i.e., a CSH local office) would have had any greater success in promoting system change and a PSH agenda than did the people internal to Kentucky Housing Corporation. However, if one were to speculate about how an external body might have fared differently, it would be along two lines – expertise and political neutrality.

One advantage an external body such as CSH would have had is a commitment to promote PSH as its primary goal, along with the thorough knowledge of what it takes to develop permanent supportive housing that KHC had also demonstrated in the past. The complete staff turnover on the THCH grant at Kentucky Housing Corporation meant that the THCH initiative lost considerable momentum. Finally, an external body such as CSH takes pains to work effectively with members of all political parties and interests. It might, therefore, have been able to reach a new state administration with a changed party affiliation more effectively during this transition.

Communities Without an Obvious "Internal" Place from which THCH Could Operate
CSH decided that Rhode Island and Los Angeles were appropriate places to open a CSH office, rather than using the "external" approach of the four sites just discussed. The two communities could not be more different, especially in size and complexity. But most importantly, neither had a history of developing its own *public* interest in PSH or working

toward more PSH as a solution to long-term homelessness. And partly for that reason, neither had an obvious venue within government that looked likely to be accepted as a leader in developing a strong commitment to PSH. In the absence of either a promising history or an obvious venue, the approach of opening an independent "external" office seemed the right one to choose.[7]

Historically in Rhode Island all homeless providers are nonprofits. Responsibility for homeless policy has shifted among different state agencies and entities several times over the past decade. At various times the Interagency Council, Housing Resources Commission, the Office of Homelessness Services and Emergency Assistance (an office under the Housing Resources Commission), Rhode Island Housing (the state's housing finance agency), and the non-governmental Rhode Island Coalition for the Homeless have assumed lead responsibility. However, state and local governments have played relatively minor supporting, funding, and technical assistance roles regardless of which agency was in the lead at the time (Burt et al., 2002, p. 166). Even more important, however great or small the role of government in supporting homeless services might have been just before THCH began, we learned during our September site visit that permanent supportive housing was not on many people's radar screen.

Therefore when CSH's Connecticut office did an "environmental scan" in 2003 just before THCH began, it decided to open a one-person office in Rhode Island rather than try to find an "inside" location for the THCH grant. The new THCH staff person was a "local," having worked a number of years in the state's housing finance agency. The past two years were spent working to establish a CSH presence in the state and give a voice to the cause of supportive housing. From its external position, CSH has achieved considerable success in these years increasing the visibility of supportive housing as a solution to homelessness and getting public agencies and local foundations to coordinate and produce PSH. She also helped achieve some significant legislative victories through expert testimony to the legislature and behind-the-scenes work, and administrative progress in the form of a new state agency and revitalized interagency council. Most people we interviewed felt that someone trying to work from within a government agency would not have had the leverage to achieve these gains. Informants also felt that CSH was a great organization to work with because it is about "getting things accomplished without bureaucracy and red tape." CSH is also seen as valuable because of its national network of experts and its political neutrality.

Los Angeles city and county present much more complex political environments than Rhode Island in which to work, but the similarity is that government entities in Los Angeles had been no more involved in homelessness issues prior to THCH than had those in Rhode Island. City and county elected officials and government agencies were well known for holding each other responsible for failures to resolve problems while not taking action themselves. Homelessness was not part of anyone's "portfolio," in part due to the district system of elections for both City Council and County Board of Supervisors that left no one with a

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[7] Connecticut has long had a CSH office, which has a long history of working with government agencies, the governor's office, and the legislature to promote PSH. We do not discuss Connecticut in this section because the decision to open this office happened long before the THCH initiative. However, people interviewed during site visits recalled that when CSH-Connecticut started, the "external" position was essential, as the state had no more history of or commitment to PSH at that time than Rhode Island and Los Angeles had at the start of THCH.

citywide or countywide constituency. Numerous informants told us that "homeless people and homelessness were not big enough in anyone's electoral district to 'matter'." Further, the Special Needs Housing Alliance's slow initial progress in moving its agenda forward suggested that county agencies lacked the experience to take the necessary steps despite the serious intention to do so, while City of Los Angeles agencies and representatives from the many independent civil jurisdictions in the county were not even at the table. An independent CSH office seemed the wisest approach to take under these circumstances, as it could supply the expertise and act from a politically neutral position.

All informants spoke of how important it has been to have the CSH presence in Los Angeles, through THCH and other funding. CSH is seen as playing a crucial "catalytic" and matchmaking role as it serves on, provides staff for, or offers technical assistance to various committees, taskforces, and efforts in the community. This is particularly visible with respect to the Special Needs Housing Alliance, the Skid Row Collaborative, and implementation of the Mental Health Services Act at the state and county levels. Several people praised CSH staff abilities as facilitators and relationship builders, exhibiting talents in keeping people focused and working together despite some fundamental differences among the partners. More than one person spoke of CSH's ability to be a strong partner because it does not come with a lot of political baggage, can carry off the neutral role, has a lot of relevant expertise which it shares liberally, and is a national organization that carries some clout.

CHAPTER 5: INCREASING FUNDING AND EXPANDING THE PIPELINE FOR PSH

In addition to improving collaboration among the agencies and organizations that are involved in supportive housing, THCH goals include increasing and better integrating public and private investment in permanent supportive housing, and creating a pipeline of new PSH projects. This chapter documents the progress that sites have made in expanding the resources available to fund PSH, and describes the strategies they have used to achieve this success. It also details the number of new PSH units that each site has in its pipeline, and compares these gains to target numbers established as part of each site's grant.

New and Increased Funding Sources for PSH

The THCH sites have made impressive strides in expanding the capital, operating, and service funding commitments necessary for the development of additional PSH units. Sites have increased their investment in PSH by using existing sources, tapping into new funding streams not originally used for PSH, and creating entirely new resources through state-level legislative commitments and philanthropic contributions. This section gives an overview of some of the sites' major accomplishments. For more detail, the appendix provides dollar amounts for each funding source that the sites reported for capital, operations, and services funding.

Capital Funding Sources

Unless sites are increasing their pipeline exclusively through master leasing and scattered site strategies, generating capital funding for property acquisition, construction, and rehabilitation is a necessary first step toward achieving pipeline goals. As shown in Table 5.1, sites have generated additional capital resources toward PSH primarily by expanding the use of many of the same sources that they were using at baseline. HUD funding streams - including HOME, HOPWA, and McKinney SHP – continue to be important capital development mechanisms. In Los Angeles, Mayor Villaraigosa pledged $50 million toward addressing chronic homelessness, primarily in the Skid Row area. This $50 million will come from several sources: $20 million from reallocated HOME and CDBG funding; $10 million from the city's Community Redevelopment Authority; $10 million from the Metropolitan Water and Power District; and, $10 million from the city's housing authority (HACLA) for rent subsidies. For sites that use it, the Low Income Housing Tax Credit (LIHTC) is extremely important in terms of its sheer size. In Seattle, for example, LIHTC has added $23 million of capital toward PSH, in part because the state Qualified Application Plan (QAP) gives a 20-point bonus to projects serving chronically homeless people. Los Angeles developers have also made extensive use of LIHTC.

State and local sources are also important for capital funding. The most common sources are state and local housing trust funds, general obligation bonds, and a local housing tax levy. For example, the 2003-2004 Portland city budget included $10 million of new bonding funding as capital to increase the number of PSH units. In Kentucky, the Kentucky Housing Corporation established a bonus for PSH in its rural housing development program. One

unique funding opportunity in California is the Governor's Initiative to End Chronic Homelessness, which provides deferred payment loans for property acquisition, development, and rehabilitation for new PSH units. It is estimated that statewide it will provide around $45-50 million in capital funding, along with direct links to service funding from the new Mental Health Services Act. The efforts cited above by Los Angeles' mayor to redirect funds to PSH include several local funding sources. The mayor has also made a commitment to seek voter approval for a $1 billion housing fund that will include funds for additional supportive housing. No specific plans for a ballot initiative have been announced. However, the mayor has instructed city staff to identify an additional $50 million for a second round of funding for the city's Permanent Supportive Housing Program.

Funding for Operations

Available funding for PSH operations – the costs associated with managing, operating, and maintaining PSH buildings – has increased in most of the THCH sites. The biggest federal sources continue to be from HUD, mainly through McKinney SHP and Shelter Plus Care (S+C). Section 8 and HOPWA are also important funding sources for operations. State and local funding sources are also used to fund operations. For example, Maine has a state-funded rental assistance program, Portland, Oregon has around $2 million of city general funds dedicated annually to rental subsidies, and Seattle/King County uses some Housing Tax Levy funds to support operations.

Funding for Services

What makes PSH "supportive" housing rather than simply subsidized housing for households with very low incomes is the wide variety of services available to help tenants maintain their housing. Relevant services include tenant stabilization, case management to help people take advantage of needed services that are provided off-site, and mental health, substance abuse treatment, employment-related, and general health services. Services funding comes from many different federal, state and local government agencies – common sources include state and local mental health and/or substance abuse funding, Ryan White (CARE), PATH, and Medicaid. As mentioned earlier in the report the state legislature in Rhode Island committed $300,000 in general funds to pay for services in the state's new supportive housing pilot. Some of the biggest increases in service funding in the THCH sites came from the local mental health agencies that redirected resources toward services for PSH because of their participation in THCH funder groups. The commitment of mental health dollars for PSH increased in Connecticut, Los Angeles, Portland, and Seattle. As report earlier, Maine was able to use Medicaid dollars to create a service match to fully fund units of PSH "stuck" in the pipeline.

Table 5.1. Funding Sources for Capital Development

	Connecticut			Rhode Island			Los Angeles			Kentucky			Maine			Portland, OR			Seattle		
	Base-line (6/04)	Follow-up (12/05)	Chg¹	Base-line (6/04)	Follow-up (12/05)	Chg¹	Base-line (6/04)	Follow-up (12/05)	Chg¹	Base-line (6/04)	Follow-up (12/05)	Chg¹	Base-line (6/04)	Follow-up (12/05)	Chg¹	Base-line (6/04)	Follow-up (12/05)	Chg¹	Base-line (6/04)	Follow-up (12/05)	Chg¹
Federal Sources																					
McKinney SHP	X	X	NC	X	X	D	X	X	I	X	X	N/A	X	X	I					X	I
Section 202																					
Section 811				X	X	I				X	X	N/A									
HOME	X	X	NC	X	X	NC	X	X	I	X	X	N/A	X	X	NC	X	X	I	X	X	N/A
HOPWA							X	X	NC							X	X	I	X	X	I
CDBG								X	I							X	X	I	X	X	I
Federal Home Loan Bank							X	X	I	X	X	N/A				X		D	X		
Dept of Veterans Affairs																					
Low Income Housing Tax Credit (LIHTC)	X	X	I	X	X	NC	X	X	I	X	X	N/A	X	X	I	X	X	I	X	X	I
Historic Tax Credit																					
Other				X	X	NC				X	X	N/A									
State and Local Sources																					
General Obligation Bonds	X	X	NC	X	X	I	X	X	N/A				X		D						
Housing Finance Agency Resources	X	X	I				X	X	I	X	X	N/A	X	X	NC	X	X	I			
Housing/Investment Trust Fund							X	X	I	X	X	N/A				X	X	I	X	X	I
Housing Tax Levy													X	X	NC				X	X	I
State Equivalent Low Income Housing Tax Credits	X	X	I				X	X	I												
Redevleopment/Tax Increment Financing							X	X	I							X	X	I			
Other								X	I	X	X	N/A	X			X	X	I			
Private Sources																					
Foundation	X	X	I														X	I			
Business/Corporate																					
Business Association																					
Commercial Bank																	X	I	X		
Other										X	X	N/A							X	X	I

¹I=increase investment, D=decreased investment, NC=no change

Table 5.2. Funding Sources for Operating Expenses

	Connecticut			Rhode Island			Los Angeles			Kentucky			Maine			Portland, OR			Seattle		
	Base-line (6/04)	Follow-up (12/05)	Chg[1]	Base-line (6/04)	Follow-up (12/05)	Chg[1]	Base-line (6/04)	Follow-up (12/05)	Chg[1]	Base-line (6/04)	Follow-up (12/05)	Chg[1]	Base-line (6/04)	Follow-up (12/05)	Chg[1]	Base-line (6/04)	Follow-up (12/05)	Chg[1]	Base-line (6/04)	Follow-up (12/05)	Chg[1]
Federal Sources																					
McKinney SHP	X	X	NC	X	X	D	X	X	I	X	X	N/A	X	X	NC		X	I	X	X	I
Shelter + Care (S+C)	X	X	I	X	X	NC	X	X	I	X	X	N/A	X	X	NC	X	X	I	X	X	I
Section 8	X	X	I				X	X	NC	X	X	N/A	X	X	D	X	X	I	X	X	D
Section 811				X	X	NC				X	X	N/A									
SRO Mod Rehab								X	I												
HOME							X	X	N/A	X	X	N/A									
HOPWA	X	X	NC				X	X	I	X	X	N/A	X	X	NC		X	I			
CDBG							X	X	N/A												
Ryan White (CARE)																					
PATH											X	I				X					
Dept of Veterans Affairs																					
Federal Demonstation Grants								X	I												
Other																					
State and Local Sources																					
Housing Tax Levy																			X	X	NC
Rental subsidies													X	X	NC	X	X	I			
Supplements for housing attached to SSI																					
Mental Health Funding							X	X	N/A												
HIV/AIDS funding																					
Redevleopment/Tax Increment Financing																					
State Demonstration Project							X	X	I												
Other				X	X	I	X	X	I								X	I		X	I
Private Sources																					
Foundation																			X	X	NC
Business/Corporate																					
Business Association																					
Commercial Bank																					
Other																X					

[1] I=increase investment, D=decreased investment, NC=no change

Table 5.3. Funding Sources for Supportive Services

	Connecticut			Rhode Island			Los Angeles			Kentucky			Maine			Portland, OR			Seattle		
	Base-line (6/04)	Follow-up (12/05)	Chg[1]	Base-line (6/04)	Follow-up (12/05)	Chg[1]	Base-line (6/04)	Follow-up (12/05)	Chg[1]	Base-line (6/04)	Follow-up (12/05)	Chg[1]	Base-line (6/04)	Follow-up (12/05)	Chg[1]	Base-line (6/04)	Follow-up (12/05)	Chg[1]	Base-line (6/04)	Follow-up (12/05)	Chg[1]
Federal Sources																					
McKinney SHP				X	X	NC	X	X	I	X	X	N/A	X	X	I		X	I	X		
Section 8							X	X	I										X		
HOPWA								X	I				X	X	D		X	I	X		
CDBG							X	X	N/A							X		D	X		
Ryan White (CARE)							X	X	NC								X	I			
Medicaid				X	X	NC					X	I	X	X	NC	X	X	I	X	X	I
Medicare																					
CSBG																					
MHBG										X	X	N/A									
SABG													X	X	D						
PATH					X	I		X	I		X	I	X	X	NC						
SAMHSA																X	X	I		X	I
Preventative Health Block Grant																					
Health Care for the Homeless																	X	I			
SSBG																					
Dept of Veterans Affairs											X	I					X	I			
Workforce Investment Act (WIA)																X	X	I			
Federal Demonstration Projects								X	I												
Other																					
State and Local Sources																					
Rental subsidies																			X	X	NC
Supplements for housing attached to SSI																					
Mental Health Funding	X	X	I	X	X	NC	X	X	I	X	X	N/A	X	X	NC	X	X	I	X	X	I
Substance Abuse Funding													X	X	NC	X	X	I		X	I
Criminal Justice Funding													X	X	NC		X	I			
HIV/AIDS funding																					
Health insurance, including state-only health insurance programs or Medicaid supplements																X	X	I			
Other				X	X	I	X	X	I								X	I			
Private Sources																X	X	I			
Foundation					X	I															
Business/Corporate																					
Business Association																					
Commercial Bank																					
Tenant Self-Pay																			X		
Other																			X	X	NC

[1] I=increase investment, D=decreased investment, NC=no change

Strategies for Expanding PSH Resources

The sites used a variety of different strategies to increase existing resources to support the development of new PSH units. Strategies include working to create additional resources for PSH; creating funding priorities and incentives for providers to develop PSH projects; and accessing federal and state dollars through pilot programs.

Expanded State and Local Budget Authority

Many THCH sites have seen expansions in state and local budget authority to support additional PSH development. In Washington and California, state legislation has dramatically increased the amount of funding available to address homelessness and mental health more broadly, giving local areas increased flexibility to fund PSH. Connecticut also enacted its third wave of PSH funding; we described its strategy in Chapter 3. Other THCH grantees were instrumental in obtaining smaller but still significant state funding increases—we give Rhode Island as an example.

Rhode Island

In part because of the visibility that CSH's new presence provided in the state and in part because of the influential partners and allies CSH developed, the Rhode Island state legislature made its first-ever dedicated funding commitment to permanent supportive housing. In 2005, the state allocated $300,000 each year for two years to finance the services – primarily for case management – necessary to underwrite new PSH projects. At first, the legislature was concerned that the services funding would be duplicative of federal and state funding that already exists, but was ultimately convinced by two things. First, the United Way, added visibility to PSH as a solution to chronic homelessness by contributing $225,000 per year for two years to support a pilot project to develop 50 units. These private contributions plus numerous meetings put pressure on the state legislature to provide a match. Second, the idea of services linked to housing was supported by cost study data showing that supportive housing saves money in the long run.

California

In November 2004, the voters of California approved Proposition 63 – the Mental Health Services Act (MHSA) – thus adding hundreds of millions of dollars to the community mental health system each year. Funding is targeted to vulnerable groups who have been inadequately served by existing systems – including people with serious mental illness who are homeless, insufficiently housed, or returning to communities from the jail system. The state legislature started laying the foundation for MHSA back in 1999 when it passed Assembly Bill (AB) 34, which provided $10 million for pilot programs through the mental health departments in Los Angeles, Sacramento, and Stanislaus counties. Based on the success of that effort,[8] funding increased dramatically in FY 2000-2001 under AB2034. AB2034 provided the resources necessary to expand existing pilots and create additional programs statewide. Currently, there

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[8] The California Department of Mental Health (2000) reported pilot program results that in their first year of participation, AB34 enrollees decreased their number of psychiatric hospitalization days by 66 percent, their incarcerated days by 82 percent, and their days homeless by 80 percent, compared to the year before they enrolled in an AB34 program.

are 53 programs operating in 34 counties (19 in Los Angeles County, 2 in Sacramento County, and 1 in each of the remaining 32 counties).

CSH had a major role in supporting the implementation of programs funded by AB34, then AB2034, and now the Mental Health Services Act. Under THCH, CSH's Los Angeles office has been facilitating MHSA implementation throughout the state and specifically in Los Angeles County, as described in Chapter 3. CSH staff are also working with former state representative Darrell Steinberg (the sponsor of AB34/2034 and a principal author of the Mental Health Services Act) and Fannie Mae on ways to use MHSA resources for capital funding as well as for services and operating needs.

Washington
Two state representatives championed new homelessness funding in Washington in 2005. The chair of the state housing subcommittee led the Washington campaign for new funding to end homelessness. In addition, the speaker of the house was very supportive; his background in housing gave him a good perspective on what new funding for supportive housing could accomplish. The biggest legislative accomplishment related to long-term homelessness was "bill 2163," which adds $10 to the fee charged to record real estate transactions. Estimates are that the fee increase will generate $14 million statewide per year. Most of this amount will stay in the counties where it was raised, once a county files an acceptable ten-year plan to end homelessness with the state. Washington also passed the Washington Families Fund, which will support programs to prevent and end homelessness among families throughout the state.

Many things led to the passage of bill 2163, but most informants gave a good deal of credit to the coalition of government agencies at all levels that had been created, in part, by THCH. Part of that effort included involvement of key people from Spokane as well as "the usual suspects" from the Seattle area. Several people thought it was really important to have the eastern part of the state involved in THCH – this created momentum for the statewide efforts. Sometimes initiatives that are tagged as coming from Seattle are dismissed as not being applicable or transferable to the rest of the state – involvement of the eastern part of the state helped alleviate this tension.

Staff on the THCH Steering Committee felt that because of the THCH collaboration, key stakeholders were able to create a shared vision for policy and systems change. This vision not only influenced passage of bill 2163, but also helped shape the way the legislation was written, particularly in terms of best practices. The new program has very flexible requirements for local approaches to ten-year plans, and does not impose a lot of strict rules and regulations. To access the new dollars, all local areas must do is create a ten-year plan and have a taskforce. A local match is required, but local governing boards establish priorities for what gets funded.

In addition to bill 2163, the Washington state legislature also passed a bill that expands dollars for substance abuse treatment by $30 million statewide. Some of this funding has been invested in PSH.

Creating Priorities and Incentives to Develop PSH

Given how complicated PSH projects are to fund and operate, developers and providers often need an extra "push," or incentive, to become involved in a new project. Chapter 3 already described the strategies in several states to bring new actors into PSH production, operations, or services, and to encourage existing providers to establish new partnerships and develop additional expertise to make PSH easier to do. We have also described some shifts in public agency grant-making approaches, toward writing RFPs that explicitly request PSH and require applicants to target their projects toward the hardest-to-serve long-term homeless population.

THCH grantees have also attempted a variety of different funding incentives to encourage PSH development, including allotting extra points for PSH projects within LIHTC applications; creating set-asides; and expanding access to Section 8, Shelter + Care, and other operating subsidies. We describe several of these approaches here.

Portland

As noted in previous sections, BHCD changed its RFP process to specifically target people at 30% rather than 50% of AMI in order to generate more proposals for PSH projects. Similarly, DCHS changed their contracting process to direct mental health providers *specifically* to serve PSH tenants to assure that they will get the services they need.

In addition to changing these processes, Portland also decided to provide an incentive for landlords to be more involved with PSH. Private landlords are often hesitant to house people whom they know have been homeless, actively use substances, and suffer from mental illness. To encourage landlords to get involved in permanent supportive housing, the City of Portland created the Fresh Start program. To lower the (perceived or real) risk that landlords take on when they rent to formerly homeless individuals, Fresh Start provides resources that include a risk mitigation fund to compensate landlords should they lose rent or suffer property damage attributable to formerly homeless tenants. In reality, the risk has proved virtually nonexistent. Fresh Start funds are rarely needed for this purpose, going instead toward case management and supportive services that help alleviate many of the personal crises that might cause housing loss. At least 12 Portland agencies have already been certified as Fresh Start providers.

Rhode Island

As part of the larger strategy to promote PSH stimulated by THCH in Rhode Island, the state's housing finance agency, Rhode Island Housing, established PSH as a priority for housing development using HOME. The goal was to bring the state's nonprofit affordable housing developers, which receive much of the HOME dollars, into the PSH production pipeline. The strategy succeeded, and several housing developers are now involved in partnerships with service agencies in PSH development.

Washington

Washington has seen some big changes in priorities for existing funding that promote PSH and better serve homeless people. The City of Seattle has adopted homeless housing as a priority for its NOFA for the city's housing tax levy. In addition, as part of the state Qualified Application Plan for the Low Income Housing Tax Credit, the State of Washington is giving projects an extra 20 points if they exclusively serve chronically homeless people.

Accessing Funding through Federal and State Pilot Programs

Pilot projects, while not a permanent source of funding for PSH, can be used as a mechanism to increase the number of units in the pipeline while also increasing the collaboration and capacity of local nonprofit developers and services providers. Pilot projects are also a way of leveraging state and local dollars and demonstrating the effectiveness of PSH, particularly in communities that have not been heavily involved in PSH development. In Chapter 2 we described at some length Connecticut's strategy for developing PSH, which began in the mid-1990s with a pilot demonstration project and has since seen two much larger waves of funding add permanent state financing to expanding the pipeline of PSH. THCH has also stimulated Rhode Island to develop a pilot PSH project of 50 units, as described above and in Chapter 3.

Two of the THCH sites – Portland and Los Angeles – have leveraged additional federal money for homeless services and permanent supportive housing through two federal initiatives: (1) the Collaborative Initiative to End Chronic Homelessness, a collaborative among HUD, the U.S. Department of Health and Human Services (HHS), and the Department of Veterans Affairs (VA), and (2) the collaborative initiative between HUD and the U.S. Department of Labor (DOL) to provide permanent housing and employment services to persons experiencing long-term homeless. While these initiatives are not a long-term source of funding, they provide a mechanism to improve collaboration among key partners and increase interest in supportive housing.

Los Angeles
As described in Chapter 3, the Skid Row Collaborative is the HUD/HHS/VA grantee in Los Angeles, involving LAMP, a homeless services provider; the Los Angeles County Department of Mental Health (DMH); and the local VA office. In addition, the county Department of Mental Health and city Community Development Department teamed up to apply for the HUD/DOL housing and employment demonstration funding. They received this funding in 2003, which runs for five years and provides 76 new S+C vouchers that are being used for scattered-site housing.

Portland
In Portland, Central City Concern – a local provider of housing and supportive services– is the grantee for the CHI grant and a subgrantee to Workforce System, Inc. for the HUD/DOL grant. Central City Concern is working with numerous partners including the local workforce agency, the county health department, the Housing Authority of Portland, and other service providers.

Expanding the Pipeline for PSH

The THCH sites have been very successful at increasing their pipeline for PSH, with all of the sites exceeding their pipeline goals. As shown in Table 5.4, the THCH sites in total have increased the PSH pipeline by 4,325 units since the beginning of the THCH initiative (April 2003 for the CSH sites and September 2003 for the external sites). Of those units, 1,035 are open and serving consumers, 968 are fully financed and under construction, and another 2,322 have partial funding commitments.

Los Angeles has added the most units (1,135). Although Los Angeles is larger in size relative to other THCH sites and one might expect more units to be in the pipeline, at THCH baseline the county lagged far behind some other THCH sites in the ratio of its PSH to its chronically homeless population. So adding more than 1,000 units in two years is still a major achievement given where the community started in terms of its experience and awareness of supportive housing. While much smaller than Los Angeles in terms of the size of its homeless population, Rhode Island also expanded units in its PSH pipeline due in part to the increased visibility of PSH brought about by CSH's new presence in the community. Connecticut, with a well-established CSH presence and public commitment to supportive housing, has continued to add a large number of units to its pipeline through the Next Step Initiative, its third major round of state funding for PSH. It is important to note also that each of Connecticut's new units is *permanently* funded – the legislation that created them adds line items to public agency budgets or expands line items already there, so continued operating and services funding is assured from year to year.

The external THCH sites have also made considerable progress toward increasing the number of units in their PSH pipeline. Seattle more than doubled its initial goal of 300, and Portland exceeded its goal by over 250 units. Kentucky was able to add 679 units, also exceeding its goal of 532. Maine had no pipeline goals for new projects because it was focused primarily on finding additional capital and service funding for existing pipeline projects, which it has largely achieved.

Table 5.4. PSH Units Initiated Since the Beginning of the THCH Initiative (January 2004)

	Unit Goal	Total number of units	Partial funding commitment (# of units)	Fully financed/under construction (# of units)	Open and serving consumers (# of units)	Total Number of Projects
CSH Sites						
Southern New England[a]						
Connecticut	0	770	654	63	53	35
Rhode Island	0	139	139	0	0	8
Los Angeles	400	1135	997	0	138	18
External Sites						
Maine[b]	0	166	27	34	105	24
Kentucky	532	679	200	212	267	40
Portland, OR	400	651	130	174	347	25
Seattle, WA	300	785	175	485	125	13
Total	1632	4325	2322	968	1035	163

[a] The pipeline goal for CSH-SNE is 1000 units over four years for both states.
[b] Rather than having a pipeline goal for new units, Maine focused on moving partially funded units through the pipeline.

CHAPTER 6: PATHWAYS TO SYSTEM CHANGE

Previous chapters in this report have provided basic descriptions of THCH site accomplishments with respect to THCH goals, plus some narrative describing how sites worked to bring about these results. We have examined changes at four different levels of system operations – from local elected officials to the ability of long-term homeless adults to access appropriate supportive housing. We have also detailed increases in funding for PSH, changes in funding mechanisms to make projects easier to develop, and increased numbers of PSH units in the pipeline in THCH communities.

This chapter summarizes our overall findings by stepping back to a higher level of generality. We examine pathways to system change, in the sense of "what came first" and what followed, looking for patterns across THCH sites. Second, we characterize the changes we observed in terms of three activities that represent increasing degrees of system change – communication, coordination, and collaboration.

Pathways to System Change

To the extent that CSH had a model in mind for the external sites going into the THCH grant of how grantee communities would move toward system change, the diagram in Exhibit 6.1 expresses these expectations. The external communities were invited to participate in THCH based on indicators of readiness to change, of which the commitment of at least some agency heads or local elected officials was paramount. THCH resources would help local elected officials, heads of public agencies, or both, to work toward system integration and make more funds available for PSH either directly or through integrated systems. The resources would lead to more PSH in the pipeline, and the cycle would repeat itself but at ever-higher levels.

Figure 6.1
Initial Conceptualization of Change
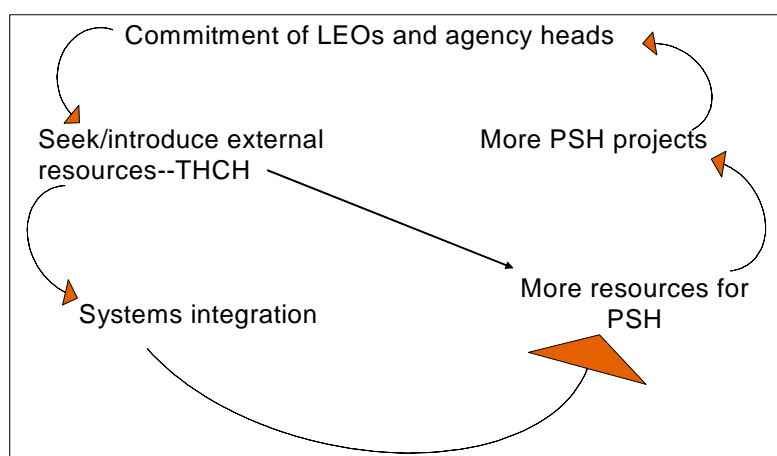
It became obvious during site visits that THCH communities followed several different pathways as they worked to reach THCH goals, none of which are as clear cut as the expectations depicted in Figure 6.1. We found different patterns among the seven grantee communities, including several communities with more than one pathway running simultaneously.

The "Ready to Go" THCH Communities

The pattern that we saw in the most sites is depicted in Figure 6.2. Portland/Multnomah County, Seattle/King County, and Maine exhibited this pattern. In these communities, all of which are "external" in that they do not have local CSH offices, the pattern begins with at least one public agency that had already realized the importance of PSH and had taken its own steps to move more of its resources toward PSH development. The steps already taken and readiness for change of these three communities were apparent to CSH staff during the process of eliciting THCH proposals, and were a primary reason why these communities were asked to apply. The most involved agency in each community took the lead in applying for THCH funds, usually on behalf of a large collaborative body that was already in existence or with the explicit commitment of at least one other agency to work toward system change.

With the THCH money in hand, these communities moved to establish coordinator positions, and the coordinators moved to establish one or more working groups. The groups had various charges, including bringing more agencies to the table, guiding the development of a ten-year plan (in Portland), finding more money for PSH, and smoothing the process of putting together PSH funding packages. In all three communities, the agency responsible for mental health and substance abuse services was a primary target for inclusion, and all three communities succeeded in bringing these very important agencies and their service-oriented resources on board. Law enforcement (Portland) and corrections (Maine) agencies are also important new partners.

These working groups have achieved a number of important outcomes so far, as we described in previous chapters. These include completely new funding sources (e.g., Washington's bill 2163), more funding and redirected funding from existing sources (e.g., use of state and local mental health dollars as service match for PSH in all three communities), and more streamlined funding mechanisms. Finally, two of these communities established new procedures for assuring that the hardest-to-serve long-term homeless adults were most likely to become tenants of new units.

Recognizing that without major commitments of existing and especially new providers it would be impossible to meet their goal of PSH expansion, the coordinators also launched a variety of steps to bring housing developers and service providers together to create new teams interested in developing PSH or to expand the options for existing partners. As THCH-supported coordinators worked with these developer partners, with the passage of time they were able to help the new teams take advantage of the funding opportunities that the working groups were developing.

Figure 6.2
Multi-tasking – Portland/Multnomah County, Seattle/King County, Maine

One or more public agencies already moving toward change

Seek and receive change-oriented resources -- THCH

Coordinator establishes one or more working groups – members bring new but important agencies to the table

Streamlined process of matching clients with units

New and more funding

Streamlined funding mechanisms

Provider matchmaking and assistance to assemble funding packages

More units in pipeline

The "Just Starting" Communities

In one important way, Rhode Island and Kentucky were in similar situations when THCH began – they needed to educate local service providers and developers about permanent supportive housing, and interest them in working together to create more PSH. They also needed to gain the support of public agencies and other partners (e.g., philanthropic organizations), either by creating a working group or by stimulating renewed activity on the part of an existing group. Unlike Rhode Island, Kentucky's housing finance agency, the Kentucky Housing Corporation, had a long history of investing in special needs housing, some of which was oriented toward serving homeless people. But both states needed to stimulate interest in PSH among new groups of developers and service providers if they were going to meet PSH development goals.

In another way these two THCH communities are quite different – one (Rhode Island) is "internal," having a new local CSH office supported by THCH funds, while the other (Kentucky) is "external" to CSH, with the THCH grant housed in the state's housing finance agency. The initial impetus to be part of THCH came from within Kentucky government, while the impetus in Rhode Island came from inquiries on the part of Connecticut's CSH office as to the readiness of Rhode Island to pursue the issue of developing PSH.

These two communities followed parallel tracks to realize their goals of involving more providers in PSH, as depicted in Figure 6.3. First, they invested THCH resources in educating and training potential provider partnerships, with a special focus on bringing new players into PSH-related activities. In Kentucky this happened through two statewide conferences. In Rhode Island it happened in the lead-up to and participation in the PSH development training offered through CSH-Southern New England's One Step Beyond Training Institute. In the first year the Rhode Island teams represented single agencies already involved in homeless programming that had a history of doing all the PSH components of development, operations, and services "in-house." By the second year, priorities established by the state housing authority to use HOME dollars to develop PSH had pulled in community development corporations. So for the first time in Rhode Island the larger development community began pairing with mainstream as well as homeless service providers to produce PSH. Both approaches produced new development teams, and in both communities at least some of the teams have already been successful in obtaining funding for new projects. Some of that new funding was available because of THCH efforts.

While pursuing provider matchmaking, interagency planning activities were also being pursued. In Kentucky the Council on Homeless Policy already existed, and became more active, as well as being officially renamed the Interagency Council on Homelessness in summer 2005. The efforts to educate potential providers came through this body early in the THCH grant period, and new funding, renewed interest, and participation of new agencies began to happen in mid- to late-2005. As a nongovernmental organization in Rhode Island, CSH staff sought to participate in all councils, task forces, and organizations that potentially could promote PSH development. Along with many partners, CSH staff helped to revive the long-dormant Interagency Council on Homelessness, which then included permanent supportive housing on this body's agenda. The same players also succeeded in getting the state to establish an Office of Housing and Community Development, with "end homelessness" as part of its agenda and staff to support its work. As already noted, some new funding has also resulted for a new PSH pilot project.

Figure 6.3
Parallel Tracks – Rhode Island, Kentucky

External stimulus of CSH for Rhode Island, and also, much earlier, for Connecticut

RI →

Stimulate provider interest, through
•Education
•Matchmaking
•Skill-building

RI →

PR campaign for public support

RI ↓

Create interagency planning group(s) and/or government agencies, or stimulate existing ones to new efforts

RI, KY ↓

New provider teams formed

RI, KY

RI, KY

Develop new projects, apply for and receive support to fund them

RI, KY ↓

Generate some new resources and new procedures to support new projects

Figure 6.4
Parallel Tracks – Los Angeles

Availability of New Money (City of Industry)

Committee of county agencies (SNHA) forms to determine uses for special needs housing

Receive technical assistance

Develop strategic plan that includes funding funnel mechanism for PSH

Get plan approved

Open CSH office, with THCH and other resources

Obtain federal demonstration funds
• Skid Row Housing Collaborative – HUD/HHS/VA (THCH stimulated)
• LA's HOPE – HUD/DOL (Shelter Partnership stimulated)

Draw in public agencies as partners
• County Department of Mental Health (both)
• Housing agencies (both)
• City Community Development Department (LA's HOPE)
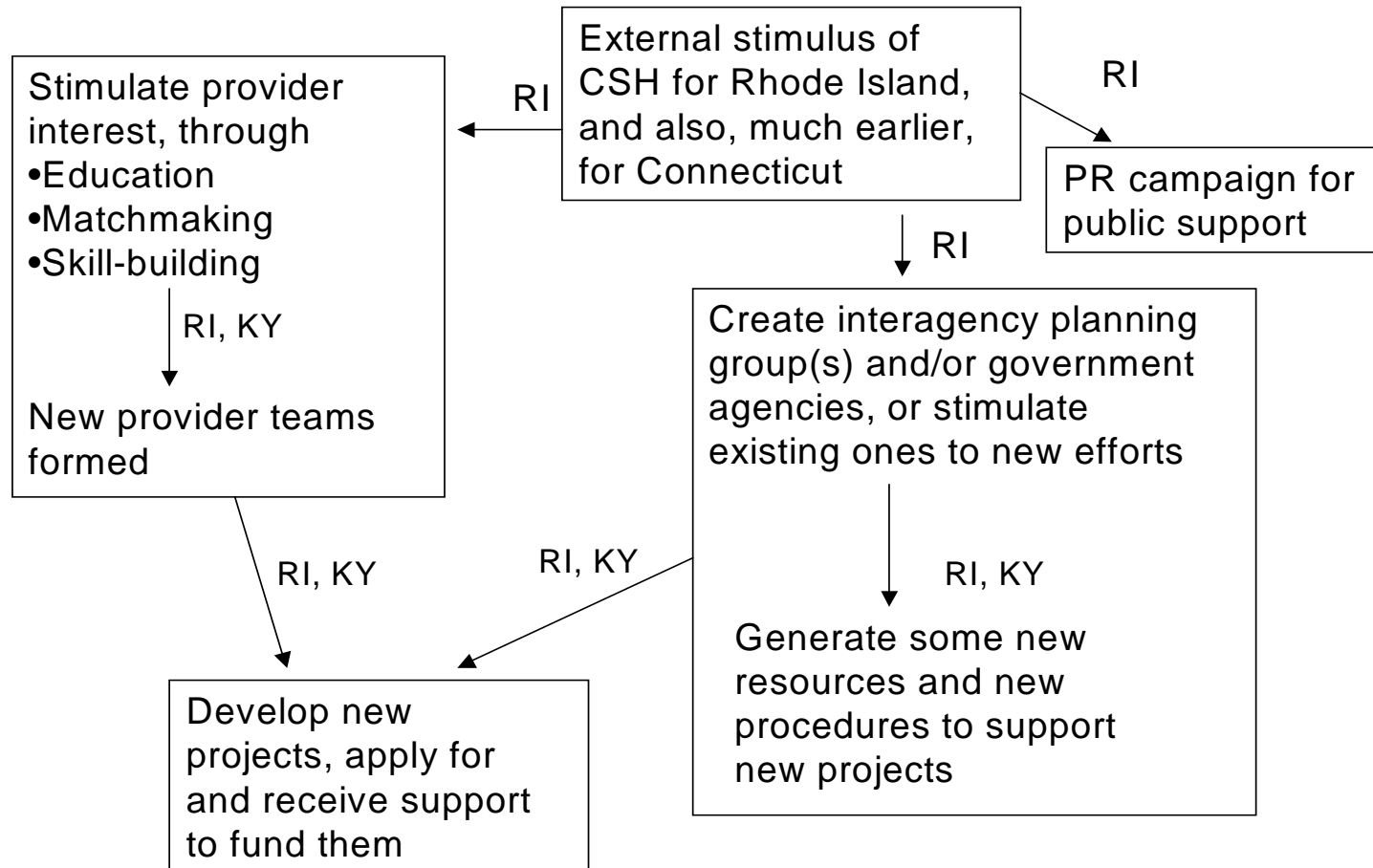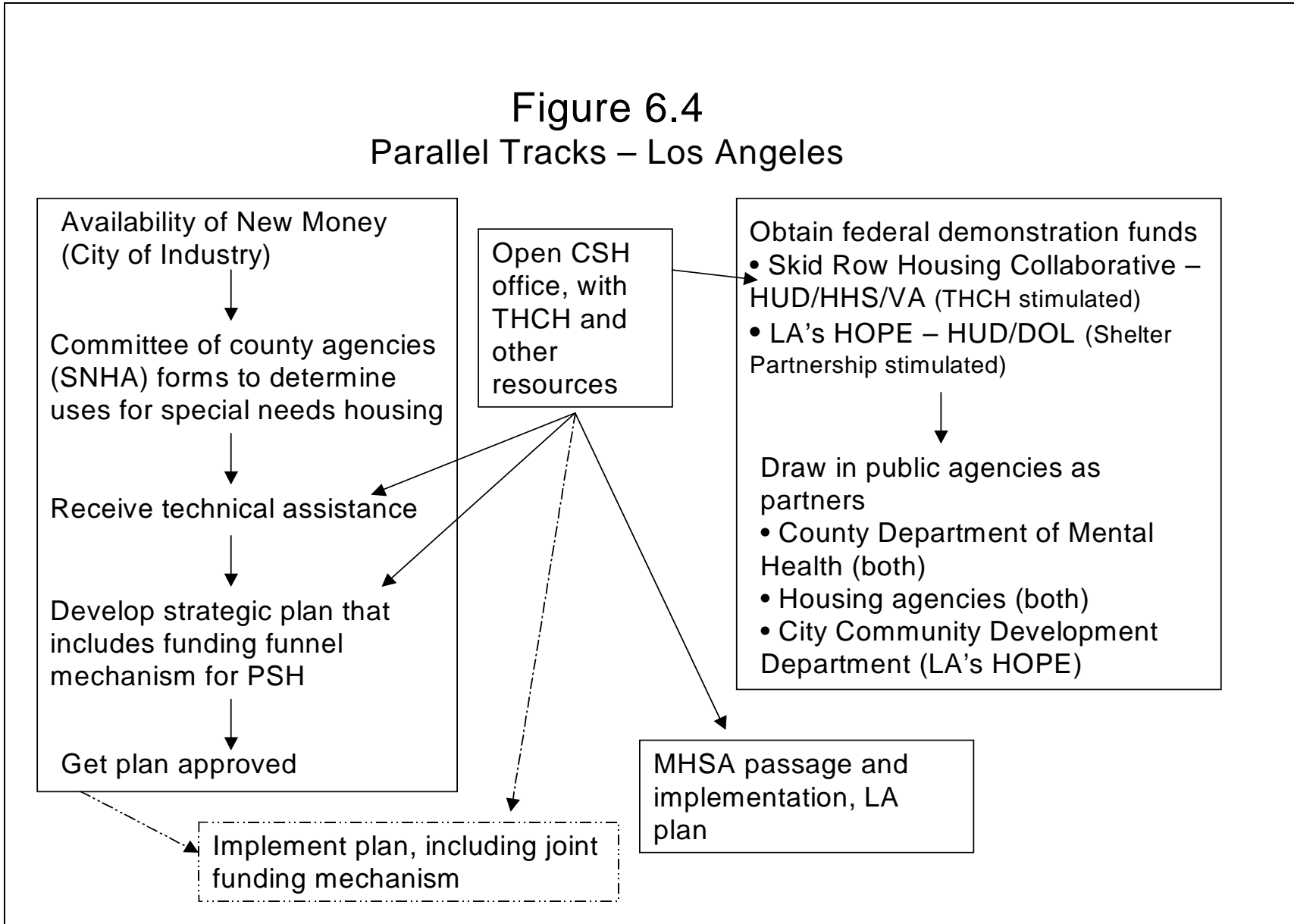
MHSA passage and implementation, LA plan

Implement plan, including joint funding mechanism

Los Angeles presents a very different picture of a community just getting started in developing substantial public commitments to PSH. Although developers in Los Angeles have created thousands of PSH units, government commitment to PSH had never been strong at the time that CSH decided to use THCH funds to open a local office in Los Angeles.

As Figure 6.4 shows, Los Angeles has also followed parallel tracks, both of which were initially stimulated by the availability of money. The first track began, before THCH and before establishment of the CSH-LA office, with the availability of $10-12 million a year in redevelopment money that had to be spent to develop affordable housing, and that the City of Industry was not using. A working group of county agencies – the Special Needs Housing Alliance – was formed in part in response to this funding opportunity, to figure out how the money might be used to expand special needs housing. One type of special needs housing is PSH.

As told elsewhere in this report, the technical assistance resources that THCH was able to supply to SNHA helped it develop a special needs housing inventory, a strategic plan, and a set of relevant recommendations for action. Recently SNHA received County Board of Supervisors approval to proceed with its plan, which among other things includes the power to merge funding streams and issue joint requests for proposals for supportive housing. The broken arrows in Figure 6.4 indicate future action, and point to the next step—implementing the plan, including creation of a joint funding mechanism. As all who work with public agencies and government bureaucracies know, many challenges lie ahead in making the plan a reality to facilitate funding for special needs housing, including PSH.

Another pathway that started with the availability of money resulted in Los Angeles teams winning federal demonstration funds for two projects designed to end chronic homelessness. THCH stimulated and orchestrated the application and implementation process for one, the Skid Row Housing Collaborative. Shelter Partnership did the same for the second, LA's HOPE, whose main focus after housing is employment. These two demonstration projects have drawn several local government and quasi-government agencies into more intensive participation in the issues of chronic homelessness than had been true before. As one (Department of Mental Health) is a county agency, one (Housing Authority of the City of Los Angeles) is an independent housing authority, and one is a city agency (Community Development Department, the local Workforce Investment Board), their partnership opens up new channels of communication and the possibility of future joint projects.

Finally, CSH has worked with both the Los Angeles County and the California Mental Health Departments to implement the Mental Health Services Act, which will bring significant new resources into play for supportive services for people with serious mental illness. The Los Angeles County plan was approved in March 2006; the next year should see some important developments in the arena of housing and community stabilization services for people with severe and persistent mental illness.

Conclusions

When we designed the THCH evaluation, we said we would use a framework common to research on integrated services systems as a way to characterize the changes that were happening in THCH communities (see, e.g., Burt et al., 2000). The framework involves

activities at the levels of communication, coordination, and collaboration that represent different levels of services or systems integration. As we look at THCH communities over the past two years, we can see movement from one to another of these levels in the different THCH sites. There is a fourth level, coordinated community response, which we also describe because it is the ultimate goal toward which THCH is pointing.

- Communication: Talking to each other and sharing information is the first, most necessary, step. This means friendly, helpful communication, not hostile or negative communication.

  Communication may happen between front-line workers (e.g., a mental health worker and a housing developer), middle-level workers, and/or chiefs/directors/heads of agencies. It may occur among these personnel in two systems, three systems, and so on up to all the systems in a community. In many communities the parties who need to work together to create a coordinated system to promote PSH have not reached even this first level. Everyone operates in isolation, or worse, in hostile interactions that do not advance understanding or assistance for long-term homeless people with disabilities. Even when they know each other and sit on the same committees and task forces, when they really start working on integrating services people realize that they never had a good idea of what their counterparts in other agencies do, the resources they have available to them, or the types of services they can offer.

- Coordination or Cooperation: At this level, agency staff work together on a case-by-case basis and may even do cross-training to appreciate each other's roles and responsibilities.

  Again, coordination or cooperation may happen between front-line workers, middle-level workers, and/or involve policy commitments for whole agencies by chiefs/directors/ agency heads. It may occur among these personnel in two systems, three systems, and so on up to all the systems in a jurisdiction.

  Coordination does not involve major changes in eligibility, procedures, or priorities of any cooperating agency. It merely means they agree not to get in each other's way, and to offer the services they have available when it is appropriate to do so. It does not entail any significant rethinking of agency goals or approaches.

- Collaboration: Collaboration adds the element of joint analysis, planning, and accommodation to the base of communication and coordination. Collaborative arrangements include joint work on developing shared goals, followed by protocols for each agency that let each agency do its work in a way that complements and supports the work done by another agency.

  Collaboration cannot happen without the commitment of the powers-that-be. In this respect it differs from communication and coordination. If chiefs/directors/agency heads are not on board, supporting and enforcing adherence to new policies and protocols, then collaboration is not taking place (although coordination may still occur at lower levels of organizations). Collaboration may occur between two or more agencies or systems.

Because collaboration entails organizational commitments, not just personal ones, when the people who have developed personal connections across agencies leave their position, others will be assigned to take their place. They will be charged with a similar expectation to pursue a coordinated response, and will receive whatever training and orientation is needed to make this happen.

To these three activities that promote better services and supports for long-term homeless adults with disabilities, we add a fourth level, which is collaboration involving all of the critical and most of the desirable systems and actors in a community. This type of response has sometimes been called a **coordinated community response (CCR)**, and we adapt that terminology here to distinguish this type of community-wide collaboration from collaboration among two or three agencies.

- *Coordinated community response* goes beyond collaboration in several directions.

  o First, all of the systems in a community essential to developing and maintaining PSH must be involved. This includes the homeless assistance system agencies, agencies providing housing subsidies and also those promoting the development of affordable and special needs housing. It includes agencies that fund supportive services, most frequently mental health and substance abuse agencies, but also employment services agencies, and others offering services that may be needed by PSH residents. It includes agencies such as law enforcement and corrections, mental hospitals and private psychiatric units, and other institutions discharging vulnerable people with disabilities who are at risk of homelessness and need appropriate housing. It is also great if others are involved, including representatives of local elected bodies, provider representatives, and consumer representatives.

  o Second, as with collaboration, CCR entails *organizational commitments*, not just personal ones.

  o Third, CCR entails a functioning feedback mechanism. In many communities this is a monthly (or more frequent) meeting of those most actively involved in helping to create PSH, and perhaps a different regular meeting to facilitate matching of clients and units. Some communities have also found that forcing themselves to collect data on their progress and then to review the data at the monthly meetings shows them their progress, helps them identify and resolve bottlenecks, and provides a powerful positive incentive.

  o Fourth, CCR includes an ongoing mechanism for thinking about what comes next, asking what needs to be done, how best to accomplish it, and, finally, what needs to change for the goals to be accomplished. This mechanism can take one or more of a number of forms, such as a task force or council, regular meetings of partner agencies, and quarterly retreats. Whatever the mechanism, it must translate into shared decision-making and planning at multiple levels, as well as the expectation that each part of the system must modify its own

activities to support and complement the work of the other parts.

     o   Fifth, it is a great deal easier to maintain the first four elements of a CCR if someone is being paid to serve as coordinator to organize and staff the interagency working groups and committees necessary to accomplish community-wide goals.

Finally, a coordinated community response is never a "done deal." If it is really doing everything expected, including identifying remaining gaps and continuing to seek ways to improve the system, it continues to evolve.

Based on this framework, we would characterize the movement of THCH communities toward collaboration and coordinated community response as follows:

From little or no communication to much more communication and significant coordination

> **Rhode Island.** THCH work in Rhode Island brought housing developers and operators and service providers together for the first time to develop potential teams to create more PSH. A number of teams formed and attended the One Step Beyond Training. In addition, perseverance by THCH and its allies in raising the issue of PSH led to increased discussion of PSH among potential funding partners as a solution to homelessness for people with disabilities; reinstatement of an Interagency Council on Homelessness at the state level; creation, for the first time, of a state government office charged with developing solutions to homelessness as well as a larger housing agenda; philanthropic commitments to PSH funding; and adoption by other organizations (e.g., HousingWorks) of PSH and ending chronic homelessness as organizational goals.

From communication to coordination

> **Los Angeles.** Some, but not much, communication was present among relevant agencies and actors when THCH began. Now there is definitely coordination at least among county agencies through SNHA. In the case of the two demonstration projects (Skid Row Collaborative and LA's HOPE), there is movement from coordination to collaboration, with the expectation that things will become more collaborative over time especially as these demonstrations face the end of federal funding and the need to find local sources. In addition, SNHA knows it needs to get to the level of collaboration and is actively working toward it. However, with respect to city-county relations simple communication is just at the beginning stages (with the exception of LA's HOPE).

> **Kentucky.** THCH stimulated the beginnings of communication to and among potential PSH providers through two conferences. CHP members were already talking, but as is usual on task forces such as CHP was at the beginning, really did not know much about each other's agencies and offerings. Initially there was hardly any interagency coordination. Now that CHP has become the Kentucky Interagency Council on Homelessness, more agencies are represented and are taking a more active part. Members worked together to find state funding for the HUD balance-of-state

CoC application, some of which went to fund PSH. However, as yet there is no obvious stable collaboration among KICH agencies, nor is PSH at the top of the list for cross-agency coordination, which is more likely to support development of transitional housing projects.

Reaching collaboration

Maine. Stakeholders were in communication when THCH began, but the communication was not always positive, or productive. The Work Group has definitely moved this community into coordination and in some instances into extensive collaboration. In addition, more agencies are actively participating (e.g., corrections), and Regional Councils are bringing in more players.

Portland/Multnomah County. Most of the agencies involved in the ten-year plan were in communication before THCH, although some were missing, and some were on the periphery. Through the ten-year planning process, which blended with THCH, more agencies came on board and more took an active role, including the mental health/substance abuse agency and the sheriff. There is now clear collaboration in producing PSH units and seeing that they are appropriately occupied as they come on line. Participants are also working on next steps for the community.

Seattle/King County. Most Seattle/King County agencies were at the communication stage when THCH began, but that did not include mental health, which was a significant omission and hampered finding service matches for PSH units whose capital and operating expenses could be funded using the Housing Tax Levy. People knew each other from participation on many meetings and task forces, but had not pushed their agencies to the point of coordinating or collaborating on PSH development and support. The funders group was the real beginning of cooperation and collaboration, including involvement of the mental health and substance abuse agency.

Steps Toward a Coordinated Community Response

Several THCH communities have already taken some steps toward institutionalizing a coordinated community response, turning their collaborations into permanent system change. New locally funded coordinator positions within single agencies have been established in Portland/Multnomah County and Maine, and Maine has placed someone responsible for coordination in the governor's cabinet. Ten-year or other plans to end chronic or all homelessness have been developed, have gained strong endorsement from important stakeholders, and are proceeding with implementation. Some important next steps would be to make the working groups and new funding mechanisms permanent "business as usual," and for support for the interagency coordinating position to become a local budget line item.

The remaining THCH site, Connecticut, had already largely operated at the level of coordinated community response among several key state agencies for a number of years. Although some agencies such as the state housing finance agency and corrections could be more involved and their procedures could be made more conducive to supporting PSH, the alliance of state agencies and CSH/THCH that has evolved through three waves of PSH funding always has its eye on the future. THCH funding made possible a statewide campaign

to develop public support for developing PSH and ending chronic homelessness. The campaign's state-level advisory committee of community leaders is being replicated in many cities and town around the state, and local ten-year plans and continuums of care are making or extending their commitments to developing PSH. These are all signs of a CCR that is alive to future needs and committed to seeing that they are met.

A FINAL NOTE

Over the next two years of THCH, we will be watching for additional movement toward true collaboration in producing and operating PSH. We will also be looking for additional signs of a coordinated community response to chronic homelessness that includes institutionalization of the coordinator role, habitual streamlining of the PSH development process, and the use of housing with supportive services as a way to prevent people being discharged from institutions with a high risk of chronic homelessness from being homeless at all.

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Connecticut: Funding Sources for PSH

Funding Agency	PSH Development	PSH Operating Costs	PSH Services	Comments
Federal Housing Resources not controlled by a single state agency				
SHP	$5.3 million in new HUD awards			
Section 8 Mod Rehab	Funds 250 units of PSH run by YMCA			
Dept of Economic and Community Development				
State general obligation bonds	$20 million authorized - $16.5 million committed			no additional money authorized since baseline
HOME	$3 million authorized - $3 million committed			no additional money authorized since baseline
CDBG				
Dept of Mental Health and Addiction Services				
MHBG				
state MH$			An additional $375,000 was appropriated for 150 units of existing housing for the Next Step Initiative in FY06, for a total of $5.8 million	
S+C		$2.2 million in new HUD awards		
Connecticut Housing Finance Authority				
CHFA Trust Funds	$11 million			an additional $2 million since baseline
State tax credits	$1.94 million			$940,000 additional since baseline
LIHTC	an additional $2 million since baseline			
Department of Social Services				
Section 8 - tba				
Section 8 - pba		200 additional vouchers for Next Step		
HOPWA				
Other			$344,250	
Department of Children and Families			$140,000	
Private Sources				
Foundations	Predevelopment money through CSH - $828,795 in grants, $168,500 in PILs since baseline, and $289,000 in acquisition loans			
Corporations/Business Associations	$18 million additional since baseline			leveraged through the LIHTC

Rhode Island: Funding Sources for PSH

Funding Agency	PSH Development	PSH Operating Costs	PSH Services	Comments
Federal Housing Resources Not Controlled by a Single State Agency				
HUD 811	X	X		
SHP	X	X	X	decreased slightly since baseline ($4.6 million to $4 million total)
state SHP services match			$256,000	
S+C		81 units total		
Rhode Island Housing Mortgage and Finance Corp				
First Mortgage Financing (bonds)				
Targeted loan funds (RIH Trust Funds)				
HOME	$939,500			
LIHTC	X			not a major source
Lead Hazard Reduction Program	X			not a major source
Section 8 - tba				
Housing Resources Commission				
State funds - neighborhood opportunities program		X		$2 million total
RI PSH pilot phase one			$300,000	
Dept of Municipal Affairs				
CDBG				
Dept of Mental Health, Retardation, and Hospitals				
State general obligation bonds	$1.3 million			
MHBG				
State MH$			X	
Medicaid			X	
PATH			$240,000	
Department of Human Services				
HOPWA				
Private Sources				
Foundations			$450,000	United Way match with state service money
Corporations/ Business Associations				

Los Angeles: Funding Sources for PSH

Funding Agency	PSH Development	PSH Operating Costs	PSH Services	Comments
Redevelopment Authority				
City of Industry funding	$5-6 million available in Round 9 (Aug. 05)			824 units developed cumulatively: 444 units for mentally ill, 278 for HIV/AIDS, 102 for dev. disabled
Department of Mental Health				
Aftercare				
HACoLA Homeless Section 8s				
HACoLA S+C		$14.08 million		
HACLA S+C		$8.86 million		
Mental Health Services Act		$11.6 million		
PATH			$46,667	
AB2034	$200,000		$174,000	
MHBG				
CDC/HACoLA (Housing Authority for LA County)				
CDBG				being used in PSH - unable to quantify dollar amoun
HOME				being used in PSH - unable to quantify dollar amoun
CDC funds for special needs housing				being used in PSH - unable to quantify dollar amoun
S+C (non-DMH)		$4.06 million		
Section 8 Homeless Program				no new vouchers for PSH since baseline
HACLA (Housing Authority for City of LA)				
Public housing				no change from baseline
S+C (non-DMH)		$12.6 million		
Section 8 Homeless Program				no new vouchers for PSH since baseline
SRO Mod Rehab		$5.8 million		
LAHSA				
SHP				unable to get information on dollar amoun
Los Angeles Housing Department				
HOPWA	$1.2 million	$2.95 million	$807,000	
CDBG				cannot quanity but certainly being used for PSH, including as a source for AHTF
City Affordable Housing Trust Fund	$37.68 million			not quantified in baseline; includes FY 02/03-04/05
HOME				cannot quanity but certainly being used for PSH, including as a source for AHTF

Los Angeles: Funding Sources for PSH, cont.

Funding Agency	PSH Development	PSH Operating Costs	PSH Services	Comments
Department of Health Services				
Ryan White CARE Act				being used in PSH - unable to quantify dollar amoun
public health clinics/services				being used in PSH - unable to quantify dollar amoun
Department of Children and Family Services				
Independent Living Program (ILP)		X		being used in PSH - unable to quantify dollar amoun
Department of Public Social Services				
General Relief				participants likely using their benefit in PSH, but could no quantify
Medi-Cal				
CalWORKs			X	being used for eviction prevention and move-in assistance - unable to quantify dollar amount
City of Santa Monica				
S+C		$1.75 million		
Federal Demonstration Grants				
LA's HOPE		$997,480	$208,333	Only DOL service funding is listed here (there is also $51k annually from DMH which includes PATH and AB 2034 funding)
Connections		$400,000		
Skid Row Collaborative				unable to get information on dollar amoun
Los Angeles City PSH Initiative	$20 million			Mayor announced $50 million in October 2005, but only $20.26 million has been identified from CDBG and HOME funding
State of California				
Multifamily Housing Program (MHP) Supportive Housing				being used in PSH - unable to quantify dollar amoun
Governor's Chronic Homeless Initiative	$40 million	$ 2 million		

Maine: Funding Sources for PSH

Funding Agency	PSH Development	PSH Operating Costs	PSH Services	Comments
Maine State Housing Authority				
Geeral Obligation Bonds				
Section 8 - tba				
Section 8 - pba				
PH Units				
Real Estate Transfer Tax	$3,732,000			
Bond Refunding Arbitrage				
LIHTC				
HOME	$716,000			20% Homeless Preference for Tax Credits
DHHS				
Medicaid				
General Assistance				
S+C		$2,500,000		
Bridging Rental Assistance Program		$1,200,000		
PATH			$300,000	
Office of Substance Abuse				
SABG				
State Entitlement Agencies				
CDBG				
HOPWA		$750,000		

Portland/Multnomah County: Funding Sources for PSH

Funding Agency	PSH Development	PSH Operating Costs	PSH Services	Comments
Redevelopment Authority				
development bonds	$3,959,961			
deferred developer Fee	$392,742			
permanent debt	$741,363			
tax increment financing (TIF)				
weatherization	$21,622			
other	$3,201,066			Most of this is probably TIF
Bureau of Primary Health Care				
local health (County)			$7,000	
SAMHSA			$928,249	
Health Resources Services Administration				
Health Care for the Homeless			$1,104,122	
Ryan White: Title 1			$39,000	
Mental Health Agency				
MHBG				
state MH $				
local MH $			$35,000	
Medicaid			$384,193	
Criminal Justice				
local (County)			$340,355	
Workforce				
WIA			$875,513	
Veteran's Association (VA)			$374,310	
Substance Abuse Agency				
Center for Substance Abuse Treatment			$100,296	
SABG				
state SA $				
local SA $			$699,156	
Medicaid				
PHA				
Section 8 -- tba				
Section 8 -- pba		$3,321,214		
PH units				
S+C		$1,908,900		
Housing and Community Development Agency				
CDBG	$894,937			
HOPWA	$26,250	$121,410	$92,997	
state resources	$144,669			
local resources (County)	$788,243	$688,088		
local resources (City)	$160,714			
HOME	$612,386			
LIHTC	$4,636,344			
McKinney SHP		$315,291	$38,000	
Private Sources				
Foundations	$142,500		$147,870	
Private donations		$395	$195,731	
Banks	$3,463,676			
Corporations/ Business Associations				
Private loan	$194,699			
Owner Equity cash	$160,714			

Seattle/King County: Funding Sources for PSH

Funding Agency	PSH Development	PSH Operating Costs	PSH Services	Comments
HCD City of Seattle				
HOPWA	$550,000			
S+C		513 vouchers		49 more vouchers than at baseline
CDBG	$821,369			
HUD/McKinney	$1,900,000	$1,674,800		
HOME	$1,644,000			
State Housing Trust Fund	$7,800,324	$110,000		
City of Seattle, Office of Housing				
Housing Tax Levy	$11,095,582			
HCD, King County	$3,731,200			
HOPWA				
S+C				
CDBG				
HOME				
County Public Housing Authority				
Section 8-tba				
Section 8-pba		$3,191,076		
PH Units				
Mental Health, Chemical Abuse and Dependency Services (County)				
Medicaid			$301,625	
County funding				
Other Sources				
LIHTC	$23,737,220			
Bank Loans				
Tenant Rents				
Treatment Expansion Dollars			$239,800	
Access to Recovery			$42,000	
United Way			$177,000	
Fundraising	$4,399,328			