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Taking Health Care Home

Baseline Report on PSH Tenants, Programs,
Policies, and Funding

By **Martha R. Burt**

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Martha R. Burt, Ph.D.
MRB Consulting

Readers may direct any questions or comments about this publication to info@csh.org.

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CHAPTER 1

INTRODUCTION AND METHODS

Background

In 2002, the Corporation for Supportive Housing (CSH) launched a national effort to prevent and end 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), on which this report is focused, is one part of that campaign.

In 2003 the Robert Wood Johnson Foundation awarded CSH \$6 million over two years for a Taking Health Care Home Initiative (THCH). CSH is working with states and localities through THCH to demonstrate how they can create supportive housing that ends homelessness for people with chronic health conditions including mental illness, alcohol and chemical dependency, and HIV/AIDS, and how that experience can be replicated on a national scale. THCH's primary focus is on systems change at the state and local levels. The goal is to create systems and government infrastructure within state, county, and/or city governments to produce supportive housing in a more integrated and coordinated way.

Evaluating THCH

An evaluation was built into THCH from the start. This, the second report,¹ analyzes and presents findings from surveys of 63 agencies that develop and operate permanent supportive housing (PSH), and from 149 PSH projects offered by these and other agencies in THCH communities. These surveys are intended to supply information to assess baseline conditions and subsequent successes of THCH in reaching some of its most central goals:

- New, expanded, or newly focused relationships among housing developers and service providers that:
 - o Create more housing with linked services;
 - o Increase integration of health, social, employment, and other services with housing.
- A supportive housing pipeline – defined as projects that have received initial public approvals and/or committed funding, and concrete plans for regular increases in PSH units over the next decade that would address the entire need for PSH.

¹ The first report was “Taking Health Care Home: Baseline Report, June 2004.”

METHODS

The evaluator worked with THCH sites to develop agency and project surveys that would collect detailed information to reflect progress toward THCH goals. Details of this development work were described in “Taking Health Care Home: Baseline Report, June 2004.”

THCH site staff selected appropriate agencies offering PSH and requested that they complete surveys on their agency activities, and also complete a survey for one or more of their PSH projects.² For this initial effort we decided on some limiting conditions, but some sites went beyond these. The most basic of limiting conditions were:

- Focus on PSH projects that target chronically homeless people, including homeless people living on the streets and in emergency shelters.
- When the community includes many PSH projects and agencies, sampling is encouraged. If sampling is used, it should be done on some rational basis by creating meaningful strata and seeking completed surveys from agencies and projects representing each stratum.
- For agencies with many projects, work with the agency to develop strata within the agency, and then complete surveys for at least one project per stratum.

THCH sites completed 70 agency and 169 project surveys for the baseline period of early to mid-2004. Some THCH communities chose to collect surveys from all agencies and projects offering PSH, even when this number was substantial; others sampled.³ Some stayed with projects that served primarily homeless people who are disabled and/or chronically homeless and others broadened the net to include projects serving other homeless people and special needs housing (for people with disabilities but not necessarily formerly homeless). Some limited their reporting to open projects and others included some projects that were at the design or construction phase. For this report, we focus only on projects that are 1) open and 2) offer PSH to formerly homeless people (that is, PSH as the Corporation for Supportive Housing uses the term). For this report we dropped surveys of projects serving special needs populations and projects “in development” because some THCH sites included such projects and some did not, and we wanted as much as possible to be comparing similar projects and agencies across sites. Thus we analyze data from 63 agencies with at least one open PSH project, and from 149 open projects offering PSH to formerly homeless people.

² For the surveys we provided the following definition: For THCH purposes, PSH is (a) permanent affordable housing, in any housing configuration (scattered, clustered, dedicated or mixed use single site, etc.), (b) with supportive services attached that are designed to help people maintain the housing, (c) that are designed and intended for, and for the most part actually occupied by, people who have been or are at risk of homelessness and who have special needs including disabilities or other substantial barriers to housing stability. Permanent housing means housing with no limit on length of stay and no requirement that tenants move out if their service needs change. PSH must be affordable to tenants whose income is at or below the level of SSI benefits. CSH is particularly interested in identifying those PSH units that are targeted to people who are chronically homeless.

³ Appendix A provides detailed information on sampling strategies, and on how the resulting surveys were weighted to reflect all PSH in THCH communities.

This Report and What Its Data Can Tell Us

This report provides information about the status at baseline (early to mid-2004) of PSH projects and the agencies that offer them in THCH communities, against which progress in coming years can be compared. The report's primary intended users are CSH and the THCH grantees and their partners, along with people at the RWJ Foundation. But a broader audience will also be intensely interested in some of its findings, as the data summarized in this report reveal important aspects of PSH that have not been known before with this level of detail, for any community in the United States. As such they represent new knowledge that policy makers and advocates can use immediately to help shape the future of PSH.

Chapters are arranged to answer specific key questions:

- Chapter 2: How Much PSH? Chapter 2 addresses the questions of how many PSH units are currently “out there,” what they look like (housing configurations), and who lives in them.
 - o Debate rages around the “real” number of PSH units currently available, and CSH is right in the middle of it. Given the goal of creating 150,000 to 200,000 *more* PSH units by 2012, it is essential to know the starting point.
 - o It is also essential to know what should “count” as a PSH unit. Decisions about what “counts” as PSH depend on a number of things, including who occupies the unit, who is eligible and likely to occupy the unit, how units relate to projects, and policies of occupancy and acceptance of services.
 - o The information reported in subsequent chapters can:
 - Greatly forward the discussion of what should “count” as PSH,
 - Provide actual counts for variations on the definition of PSH in THCH communities as baseline against which to measure additional units that THCH sites have committed themselves to develop;
 - Provide grounds for national estimates of PSH based on different definitions of what is included.
- Chapter 3: How Is PSH Paid For?
 - o What sources pay for capital, operating, and services expenses for PSH?
 - o The bottom line for THCH is expanding the funding streams for PSH to create a reliable and adequate flow of money to meet development goals. This report shows where the THCH started, thus providing a baseline for comparison with future expansions.
 - o As relatively little is known nationally about PSH funding, this report also offers the first systematic overview of funding sources by type of expense (capital, operating,

and services) and reveals the different commitments that different communities and public agencies have made to developing and sustaining PSH.

- Chapter 4: Who Will “Do” PSH, and What Type of PSH Will They Do?
 - o What agencies offer PSH? How interested are they in keeping on developing more PSH? Which are the most interested and which might need help to do more?
 - The more we know about the agencies currently involved in PSH and their interest in continuing, the more we can assess what supports they may need to keep developing and running more PSH.
 - o What types of collaborations with other agencies already exist to create and sustain PSH; what might be needed or desirable for the future?
 - Some agencies may do best if they can find a good fit with another agency or firm that would be a productive collaborator. This report describes current collaborations and agency perceptions of what they need for the future by way of collaboration.
 - o What are PSH policies about tenancy and service acceptance?
 - CSH’s definition of PSH involves secure tenancy whether or not the tenant participates in services. This report shows how many PSH units and projects meet that definition, including issues such as grounds for eviction, leasing arrangements, and requirements that tenants have a representative payee. Future PSH development should be geared toward creating more units that meet this CSH definition.
- Chapter 5: Conclusions and Implications

CHAPTER 2

COUNTING AND DESCRIBING PSH PROJECTS, UNITS, AND OCCUPANTS

Introduction

Thanks to the agency and project surveys completed by THCH sites, we can come a lot closer than we could a year ago to answering a number of important questions about PSH. The questions are:

- How many units of PSH exist in THCH communities?
- How are they configured—in scattered-site arrangements, single all-PSH buildings, or mixed use buildings?
 - If mixed use, what proportion of units are PSH, and what are the other units in the building?
- Who occupies units in PSH projects?
 - Were they chronically or otherwise homeless?
 - What disabilities do they have?

We have data to answer these questions from both agency and project surveys.⁴ Data from both agency and project surveys are available to answer the most important question—how many units—but often the answers do not agree. This chapter offers several different ways to answer these questions, concluding with a “most reasonable range” when the surveys provide more than one answer.⁵ All findings are presented as weighted data.⁶

How Much PSH?

We look first at the total number of PSH units reported, comparing the results from the agency surveys to the results from the project surveys (Table 2.1). Agency and project responses are in

⁴ Most of the data come from either the project survey or the agency survey, but not both. The surveys asked slightly different questions, and were often completed by different people within the same organization or by staff from different organizations that were involved with the same project(s).

⁵ In the interest of getting as close to “apples to apples” comparisons as possible across sites, we eliminated from the analyses in this report all surveys that did not pertain to projects that were *open and occupied* in early 2004, and that met the definition of PSH we included in survey instructions. Thus project surveys were dropped from this analysis if the projects were in the design or construction stages, were clearly group homes or other residential treatment settings for special needs populations who had never been homeless, or were designated as “repair,” “rehab,” or “closed.” Surveys from agencies that reported *only* such projects were also dropped, but agencies that had at least one open project that met our PSH definition were retained.

⁶ Appendix A gives the rationale for and explanation of weighting.

the same ballpark, around 10,500-12,500 units, with the project surveys providing the higher estimate by about 2,000 units.⁷ The project survey responses are more accurate as several Maine and Kentucky agencies significantly underreported or failed to report all their projects or the number of units in their projects (compared to units reported in 2004 CoC Housing Activity Charts). Project survey responses are also closest to the guesses we made for the May 2004 THCH report, with some estimates exceeding those guesses and some falling short.

The biggest differences occur for Kentucky and Los Angeles. The Spring 2004 guess for Kentucky exceeded the estimates based on both the agency and project surveys by quite a bit. Kentucky THCH staff now believe their original guess was too high, and that the estimates from project surveys are closer to the mark. The guess for Los Angeles was about 16 percent lower than the estimate based on the project surveys. Maine and Portland/Multnomah County also show somewhat fewer PSH units than we guessed last spring.

Community	Based on 63 Agency Survey responses	Based on 149 Project Survey Responses	Guesses from Spring 2004 Report
TOTAL	10,547	12,533	12,492
Connecticut	2,296	2,312	2,400
Kentucky	786 ¹	1,280	1,910
Los Angeles	4,032	4,619	3,985
Maine	273 ²	1,259	1,125
Portland/Multnomah County	884	830	1,016
Rhode Island	549	616	508
Seattle/King County ³	1,537	1,449	1,359
Spokane	190	168	189

¹ Kentucky agencies underreported both projects and units
² Maine agencies underreported both projects and units, and the S+C agency reported only projects, without number of units.
³ Seattle chose to survey only projects focused on serving chronically homeless people, which comprise about 3/5 of all PSH units (2,329) listed on its 2004 CoC Husing Activity Chart.

How Is PSH Configured?

We asked agencies to report the number of projects and units they offered in two categories—single-site (requiring capital investment) and scattered-site (no capital investment required). We also asked projects to describe their housing configuration. For this we provided four categories:

- **Scattered-site**—no more than one or at most a few project units in a building; includes one-unit buildings;

⁷ Some of this discrepancy may be accounted for by receipt of project surveys for which we had no corresponding agency survey.

- **Clustered-scattered**—project operates two or more small buildings of no more than 6 or 8 units, all units occupied by project participants, with project buildings usually on different blocks;
- **Single site-all-PSH building**—project operates in only one building, usually of many more than 8 units; all units occupied by project participants;
- **Single site-mixed use building**—project operates in only one building, usually large, in which project participants occupy only a minority of units; can be accomplished through set-asides, master leasing, or other arrangements.

Table 2.2 reports the results from agency and project surveys, which do not always agree. A good deal of this disagreement may stem from the fact that we have a fair number of projects for which we have no corresponding agency survey, so the project surveys probably represent a more complete and therefore more accurate picture than the agency surveys.⁸

Community	Based on 63 Agency Survey Responses		Based on 119 Project Survey Responses ⁸			
	Project-based	Scattered -site	Single site, all PSH	Single site, mixed use	Scattered -site	Clustered-scattered
TOTAL	77%	23%	69%	7%	16%	8%
Connecticut	54%	46%	NA	NA	NA	NA
Kentucky	49%	51%	11%	0%	42%	47%
Los Angeles	92%	8%	53%	30%	15%	2%
Maine	91%	9%	25%	0%	68%	7%
Portland/Multnomah	86%	14%	63%	27%	8%	2%
Rhode Island	78%	22%	NA	NA	NA	NA
Seattle/King	61%	39%	62%	0%	0%	38%
Spokane	82%	18%	13%	62%	25%	0%

For all of THCH, agency and projects surveys are in general agreement about the proportion of PSH units in single versus scattered site configurations. About 76-77 percent are in single site projects, whether all-PSH or mixed use, and 23-24 percent are in scattered site configurations of one type or another. These averages hide a substantial amount of between-community variation, however. Looking only at the results from the project surveys, as much as 90 percent (in Portland/Multnomah) and as little as 11 percent (in Kentucky) of PSH-units are in single sites. Further, even within the single-site general category, some communities are much more likely than others to employ the mixed use model. As these communities are Los Angeles, Portland/Multnomah County, and Spokane, two of which have significant capital investment from redevelopment authorities (see Chapter 3), the mixed use configuration may be associated

⁸ It should be noted, however, that survey responses sometimes convey a good deal of confusion about categories and what should be reported. For instance, some projects described themselves as “mixed use” but did not report units in any categories other than PSH. The reverse also happened—projects reported both PSH and affordable units, but called themselves “single-site, all PSH.” Hopefully we can work on gaining greater clarity, and therefore greater precision, on the next round of surveys.

with these agencies’ fund development, allowing set-asides for PSH within larger affordable housing developments. In Spokane, S+C has been used to support scattered-site configurations as part of a deliberate strategy to avoid excessive concentrations of formerly homeless people.

How Much Non-PSH Is Part of PSH Projects?

In addition to units of PSH, which we define as units offering permanent, affordable housing with supportive services for formerly homeless people with disabilities, some projects include other types of units. We have information from the project surveys on non-PSH units included in PSH projects. The unit totals presented in Table 2.1 included only those units that the respondents identified as PSH. Table 2.3 shows the presence of non-PSH units in projects that agencies have designated as PSH.

PSH projects in THCH communities include some housing units that are affordable but are not set aside for formerly homeless people with disabilities. Supportive services are usually not attached to these affordable units. Projects in Los Angeles, Portland/Multnomah County, and Spokane are the most likely to report this configuration, which we have labeled “mixed use.” Once we have parallel data for Connecticut and Rhode Island we may find an even higher incidence of mixed use projects, as Connecticut, at least, has made a point of developing housing for those at risk of homelessness (and thus needing affordable housing) as well as those coming from homelessness. Very few projects reported “nonaffordable” units, and when they did there were only one or two per project. These units probably reflect units set aside for resident staff in large projects such as converted hotels.

Table 2.3: Non-PSH Units in PSH Projects, Total and per THCH Community				
(weighted data from 149 project surveys)				
Community	PSH Units	Affordable Units	Other Units	Total Units in PSH Projects
TOTAL—N	12,533	1,752	64	14,285
Percent¹	85%	14%	1%	100%
Connecticut ¹	2,312	NA	NA	2,312
Kentucky	1,280	0	0	1,280
Los Angeles	4,619	1,242	31	5,892
Maine	1,259	0	29	1,288
Portland/Multnomah	830	175	0	1,005
Rhode Island ¹	616	NA	NA	616
Seattle/King	1,449	15	0	1,464
Spokane	168	320	0	488

¹Total PSH and Total Units include units in Connecticut and Rhode Island, but percent-of-total figures are based on the other 6 communities as we had no information about non-PSH units in PSH projects for Connecticut and Rhode Island.

Who Lives in PSH?

In this section we look at different ways to describe PSH occupants. First we present the evidence for the (previous) homeless status of PSH occupants. Thereafter we look at the proportion with different disabilities and the venues from which PSH tenants arrived at PSH. Finally, we gain some insight into the types of nonhomeless people that PSH projects may accept as tenants.

Describing PSH Tenancy: Why is it Important?

This report attempts to provide some background on PSH tenant characteristics by answering two main questions:

- **Who is PSH currently serving in the THCH sites?** Are the projects serving tenants who were chronically homeless? Are they serving a wide range of disabilities or are they focusing most of their effort on tenants with one or two types of disabilities?
- **Who is *not* being served?** As importantly, these data attempt to determine who is not receiving permanent supportive housing. Are there sites/projects in which very few chronically homeless people and/or very few people with a certain type of disability (i.e. HIV/AIDS, substance abuse) are being served?

This information can help sites determine whether they are serving their intended target population and reaching those most in need of permanent supportive housing. If not, sites may want to explore whether any procedural or programmatic changes could improve their ability to serve these groups. For example, projects with a historic focus on serving tenants with severe mental illness may have eligibility rules and intake procedures that screen out people who have disabilities other than mental illness or those who are chronically homeless. In order to reach a broader target population, outreach efforts may need to be targeted to certain populations that the sites and projects have thus far failed to serve. Similarly, program strategies may need to be adapted to effectively engage and successfully house tenants with a different set of service needs.

FORMERLY HOMELESS STATUS

Table 2.4 displays information about the occupants of PSH that has been the subject of intense speculation—how many units identified as PSH are actually occupied by formerly homeless

Community	Formerly Homeless		Other— People Who Were Never Homeless
	Chronic	Not Chronic	
TOTAL	32%	57%	11%
Connecticut	NA	NA	NA
Kentucky	25%	64%	13%
Los Angeles	23%	57%	14%
Maine	21%	74%	5%
Portland/Multnomah	41%	48%	10%
Rhode Island	NA	NA	NA
Seattle/King	57%	35%	9%
Spokane	18%	82%	0%

people and, even more specifically, by those who once were chronically homeless. This information is missing for Connecticut and Rhode Island, but in the remaining THCH sites, 89 percent of PSH units are occupied by formerly homeless people. Most of them were not chronically homeless, however; the average across the sites indicates that most (57%) are occupied by people who did not experience chronic homelessness.

The finding about the homeless status of PSH tenants needs to be tempered by an acknowledgement that not all THCH sites included the full range of PSH projects in their surveys for this baseline period. For instance, Kentucky obtained surveys from several projects offering special needs housing that had never served homeless people and did not intend to do so. In the interest of getting as close to “apples to apples” as possible across communities, we omitted these surveys from the analysis. At the other extreme, Seattle/King County and Spokane included only those projects that either focused on, had served, were serving, or were willing to serve chronically homeless people. This decision omitted projects accounting for about 40 percent of PSH beds in Seattle/King County (according to the local 2004 CoC Housing Activity Chart), including some that use HUD SHP funds but that do not serve chronically homeless people. Readers should bear this in mind when looking at results for Seattle/King County and Spokane, as we could not compensate for missing surveys as we could for extra ones (i.e., we could not add data, only omit it). Given all of the uncertainties, missing projects, and missing information specifically with respect to the homeless and chronically homeless status of PSH tenants, if the present estimate of 32 percent occupancy by chronically homeless people is inaccurate in any direction, it is likely to err in the direction of being a bit too high.

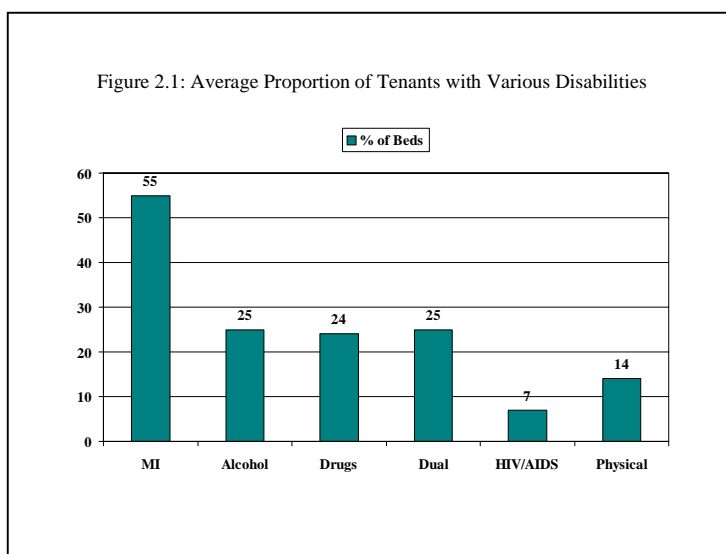
The proportion of formerly homeless and formerly chronically homeless people occupying PSH units varies considerably across the THCH sites. The proportion of PSH occupants who never experienced homelessness ranges from zero (in Spokane) to 14 percent (in Los Angeles), with a THCH average of 11 percent. Seattle and Portland/Multnomah County have the highest proportion of PSH units occupied by people whose former homelessness was chronic, but Seattle’s focus only on projects serving chronically homeless people skews this finding to an unknown degree.

PRESENCE OF DISABILITIES

One of the most pressing questions about PSH occupants is what types of disabilities they have. Major controversies in the field surround the acceptability of housing active alcohol and drug users and the capacity and therefore the willingness of programs to address the complex needs of

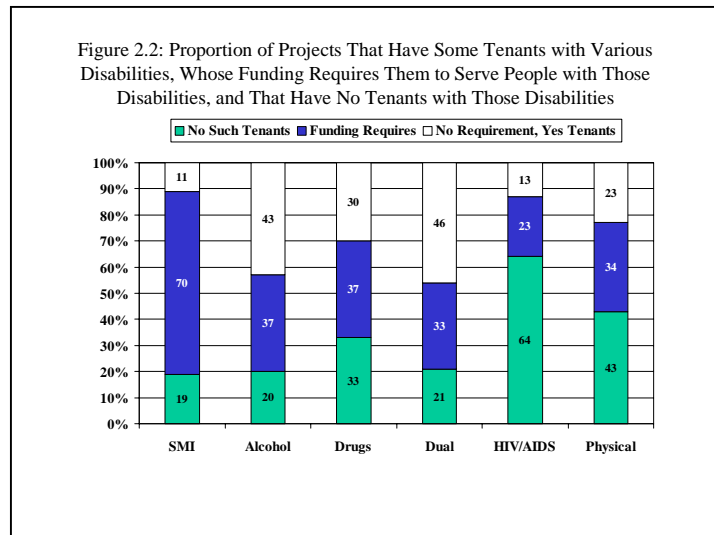
people with multiple diagnoses, to name only two of the more prominent controversies. In addition, funding sources usually are disability-specific rather than universal, so programs may be constrained by the funding that is available regardless of their willingness to serve a variety of people.

Figure 2.1 shows the average proportion of tenants with various disabilities across all THCH sites (solid bars). Some double counting is evident in these statistics, as someone could be both mentally ill and have a physical disability, but in general the data reflect



the concentration in the PSH of THCH sites on people with serious mental illness. At 55 percent of all tenants, this disability accounts for almost twice as many tenants as any other disability category. Conversely, current PSH tenants are least likely to have HIV/AIDS (7%). Figure 2.2 shows the proportion of projects that reported not having any tenants in each disability category as of THCH baseline (early 2004), those whose funding requires them to serve people in a disability category, and those who serve such people although they do not have a funding requirement. These data are the mirror image of those for bed occupancy. Over three out of every five projects (64%) have no tenants with HIV/AIDS, while fewer than one in five (19%) have no tenants with serious mental illness.

Table 2.5 shows the same data as in Figures 2.1 and 2.2 (in the “all THCH” column), and also broken out by each THCH site with relevant data. Very substantial differences between THCH communities are obvious from the information in Table 2.5. Even for people with serious mental illness, for whom projects sites show the least variation in the proportion of tenants (ranging from 42 to 71%), there is significant variation in the proportion of projects that do not have any such tenants (from none in Seattle/King County—i.e., all projects have at least some tenants with serious mental illness—up to 35% of projects in Portland/Multnomah County). Seattle/King County has a tenant base with the most diverse range of disabilities (i.e., the lowest proportion of projects that do not house anyone with the various disabilities of interest), followed by Los Angeles. Spokane seems to have a more narrow range of disabilities among tenants, with most projects designed for people with serious mental illness without the complications of substance abuse.



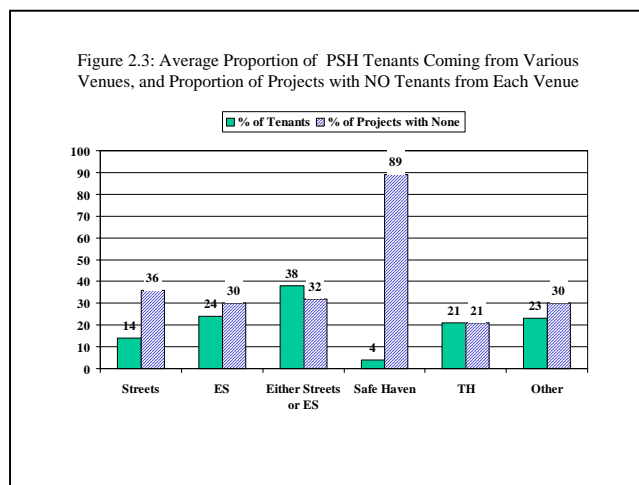
Some reason for these variations becomes apparent when one looks at the information about funding requirements reported in Table 2.6. Across all THCH communities, 70 percent of projects have funding that requires them to serve people with SMI. Slightly more than half of Kentucky projects have funding sources that require them to serve people with substance abuse and physical disabilities, but otherwise no funding source requiring any other diagnosis or disability is available to even half the projects in any community. On average, no other funding source is available to—or at least, not reported by—more than one-fourth to one-third of PSH projects. This finding confirms at the project level what we saw in the first THCH report (June 2004, Chapter 4) with respect to types of funding available in THCH sites for supportive services. Mental health funding was by far the most prevalent state or local services funding source. More detail on services (and other) funding is reported in Chapter 3.

Table 2.5: Average Proportion of PSH Beds Occupied by Formerly Homeless Tenants With Various Disabilities, and Proportion of Projects in Which No PSH Tenants Have Each Disability, Total and per THCH Community (weighted percentages from 119 project surveys)							
Disability	All THCH	Kentucky	Los Angeles	Maine	Portland/Multnomah	Seattle/King	Spokane
Serious Mental Illness							
Average % of Beds	55	42	55	71	54	60	55
% of projects with no such tenants	19	14	17	6	35	0	20
Alcohol Abuse							
Average % of Beds	25	13	25	36	35	44	7
% of projects with no such tenants	20	43	15	25	27	8	60
Drug Abuse							
Average % of Beds	24	15	37	19	30	22	9
% of projects with no such tenants	33	50	12	50	35	33	60
Dual Diagnosis							
Average % of Beds	25	10	30	40	16	36	19
% of projects with no such tenants	21	36	15	19	46	8	60
HIV/AIDS							
Average % of Beds	7	10	13	2	4	12	0
% of projects with no such tenants	64	86	39	88	88	60	100
Physical Disability							
Average % of Beds	14	14	9	22	4	20	< 1
% of projects with no such tenants	43	43	29	63	81	8	90

Discrepancies in the information in Tables 2.5 and 2.6 are sometimes apparent, and probably stem from the specifics of the questions asked. For instance, Table 2.5 shows that only 13 percent of Kentucky projects have any tenants with HIV/AIDS, but 27 percent report that their funding requires them to serve people with HIV/AIDS. Note that the question on which Table 2.5 is based asks for descriptions of “formerly homeless PSH tenants;” it is possible that the additional projects with funding for HIV/AIDS are serving people who have either never been homeless or who do not reside in PSH. Data reported in Table 2.8 might help resolve some of the discrepancy, as they show that 4 percent of Kentucky projects serve nonhomeless people with HIV/AIDS. It is also possible that funding restricts a project from refusing to serve people who have HIV/AIDS, but that few such people apply for the project’s services.

Populations Required by Funding	All THCH	Kentucky	Los Angeles	Maine	Portland/Multnomah	Seattle/King	Spokane
Serious mental illness	70	65	81	75	48	50	50
Alcohol abuse	37	52	30	32	17	42	30
Drug abuse	37	52	30	32	17	42	30
Dual diagnosis	33	27	45	32	9	42	30
People with HIV/AIDS	23	27	31	24	4	8	0
Physical disabilities	34	55	21	40	0	8	0

HOW FORMERLY HOMELESS PSH TENANTS GOT TO PSH



One matter of policy importance is how people get to PSH. The Housing First movement would have them coming directly from the streets into PSH, while others maintain the importance of becoming “housing ready” by traversing one or more steps in a continuum of care. Safe Havens are relatively new pathways to housing for many severely mentally ill people with long histories of homelessness who avoid traditional emergency shelters (and often traditional mental health treatment as well). Some people, with or without homeless histories, may also be coming directly from

institutional or treatment settings. Figure 2.3 shows, for all THCH communities combined, the proportion of PSH tenants in residence in early 2004 who came to PSH through various pathways. Table 2.7 provides the data for all THCH communities and separately for each site.

About one-third of PSH projects (36%) had *no* formerly homeless tenants who had come directly from the streets. Los Angeles and Seattle/King County PSH projects are the most likely to have tenants moving in from the streets, while half or fewer PSH projects in Kentucky, Maine, Portland/ Multnomah, and Spokane have tenants who came directly from the streets.

On average, only 24 percent of PSH tenants come directly from emergency shelters. Maine PSH projects stand out in this regard, showing an average of 52 percent of tenants coming from emergency shelters. At the other extreme are three THCH communities (Kentucky, Los Angeles, and Portland/Multnomah) in which only 13 percent of current tenants came to PSH from emergency shelter.

Table 2.7: Average Proportion of Tenants Coming to PSH from Various Venues, and the Proportion of Projects with NO Tenants Coming from Each Venue, Total and per THCH Community (weighted percentages from 119 project surveys)							
Disability	All THCH	Kentucky	Los Angeles	Maine	Portland/Multnomah	Seattle/King	Spokane
“The Streets”							
Average % of Tenants	14	19	17	5	15	11	16
% of projects with no such tenants	36	54	37	69	54	25	60
Emergency Shelter							
Average % of Tenants	24	13	13	52	13	41	18
% of projects with no such tenants	30	45	37	29	54	8	60
Either Streets or ES							
Average % of Tenants	38	31	30	57	28	52	34
% of projects with no such tenants	32	45	24	23	35	8	60
Safe Havens							
Average % of Tenants	4	10	< 1	1	< 1	3	0
% of projects with no such tenants	89	79	98	93	96	75	100
Transitional Housing							
Average % of Tenants	21	17	30	10	51	15	5
% of projects with no such tenants	21	43	10	50	19	25	80
Other							
Average % of Tenants	23	28	19	23	17	22	31
% of projects with no such tenants	30	29	24	10	50	33	40

Since many homeless people, including chronically homeless people, go back and forth from streets to shelter, it seemed reasonable to calculate a combination of the two as a route to PSH, in addition to examining each separately. Doing this increases to 38 percent the proportion of PSH tenants who arrive without going through transitional housing or the more intense ends of a continuum of care. This pattern is particularly prominent in Maine and Seattle. Looked at from the opposite perspective, on average one-third of PSH projects in THCH communities do not have any current clients who come directly from the streets or emergency shelters. Spokane (at 60%) and Kentucky (at 45%) have the highest proportion of projects that do not take anyone from these venues, and Seattle has the lowest (8%).

Safe Havens are the least likely route by which people arrive at PSH projects—probably due to the relative scarcity of Safe Havens in THCH communities. On average, 89 percent of THCH projects had no formerly homeless PSH tenants who came to them from Safe Havens. Transitional housing programs are as likely as emergency shelters to be the “sending” agency for people entering PSH. Again this varies considerably by site, with transitional programs being a very common source of tenants in Portland/Multnomah County, and a relatively uncommon source in Kentucky, Maine, Seattle/King County, and Spokane.

NONHOMELESS OCCUPANTS OF PSH PROJECTS

As we saw earlier in this chapter (Table 2.4), 11 percent of the tenants in PSH projects had never been homeless at any time prior to moving into PSH. The last question we try to answer in this chapter is who these “other,” never-homeless, PSH tenants are. On this issue the project survey only asked whether or not a project’s current PSH tenants included people from a variety of populations who had never been homeless. So we can tell what proportion of PSH projects house different groups of never-homeless people, but not what proportion of their population each group comprises. Table 2.8 gives the results.

Relatively few THCH projects house any type of people who have never been homeless. Low-income people are tenants in 15 percent of projects, and never homeless people with SMI occupy units in 7 percent of PSH projects—a proportion that rises to 21 percent in Maine and shrinks to zero in three THCH communities. In general, never homeless ex-offenders are tenants in only 5 percent of PSH projects, but in Los Angeles this proportion rises to 12 percent of projects. “Other” is also a relatively popular category, especially in Kentucky, Maine, and Portland/Multnomah County. Interestingly, no PSH project reported current residents whose reason for acceptance as a PSH tenant was aging out of foster care and who had never been homeless.

Nonhomeless Populations	All THCH	Kentucky	Los Angeles	Maine	Portland/Multnomah	Seattle/King	Spokane
Low-income	15	12	19	15	12	25	0
People with SMI	7	4	0	21	0	8	0
Ex-offenders	5	0	12	6	0	8	0
Youth aging out of foster care	0	0	0	0	0	0	0
People with HIV/AIDS	2	4	0	6	0	8	0
People at high risk of homelessness	12	12	12	15	0	8	0
Other	10	14	0	16	15	8	0

Conclusions

THCH project and agency surveys have given us insights into PSH projects that have not previously been available. Most important, in one sense, is the estimates they support for the numbers of PSH units currently available. These estimates support the guesses we made for the first THCH report (June 2004, Chapter 5), of around 12,500 units in THCH communities. Even more useful (since our guesses turned out to be pretty good) is the information on PSH configurations (single site, scattered, etc.) and the presence of non-PSH units in PSH projects. Descriptions of PSH occupants are also extremely useful because they are new information. Knowing that people who were never homeless occupy 11 percent of units in PSH projects, and that only 32 percent of units, at most, is occupied by people who were once chronically homeless, gives us significant leverage in planning future needs. Likewise knowing the

disabilities represented in PSH projects and the routes that people are most likely to follow in reaching PSH is useful for planning—both to enhance existing routes and perhaps to facilitate expansion of less-used routes that might nevertheless be accessible or acceptable to more people. Knowing how funding streams affect the ability of PSH projects to accept particular types of homeless people may also be useful for planning and advocacy. Chapter 5 will discuss further the implications of these findings on PSH levels and occupants.

CHAPTER 3 FINANCING PSH

Introduction

Each project completing a survey was asked to report the sources of capital, operating, and services funding for the past year. In the case of capital resources, many projects were able to go back to their original development funding. We report capital, operating, and services funding separately, looking for the largest/most important sources, average number of sources per project, and total dollar amounts. Total dollar amounts for capital go back to project beginnings, while total dollar amounts for operating and services are just for the reporting year, which has mostly been defined as 2003 or the project's most recently completed fiscal year, whichever was easier to report.⁹ Our hope is that we will be able to see changes (funding increases, and new types of funding) over the THCH years as sites increasingly succeed in promoting stable funding for PSH.

Not all projects reported financial information. Of the 149 operating (that is, not in development) projects for which we have some information, financial data are missing for 38. The majority (30) with missing financial data are the Connecticut and Rhode Island projects that we took from the CSH-SNE database, which did not include financial information. We hope these projects will complete the full project survey next year and allow us to retrieve financial information for these two THCH sites. Thus for most of the analyses in this chapter, the N is 111 or fewer projects.

WEIGHTING

One goal of THCH data collection has been to put us in a position to estimate the total amount of PSH “out there,” and to be able to put a price on it. The data contributed by agencies and projects in THCH communities take us a long way toward being able to achieve this goal. But we cannot just take the data “as is,” because for some THCH communities we only have data from a sample of all the PSH projects that exist, and we have to adjust the answers from the sample to reflect the whole. This adjustment process is called weighting.

When you have data on all of the projects that exist in a community, you do not have to weight. This is the situation for projects in three THCH communities—Portland/Multnomah County, Seattle/King County, and Spokane—for which we have surveys from every project offering PSH, or offering it to chronically homeless people. Financial information comes from the project surveys, so for the financial analysis every project survey from these three communities receives a weight of 1, signifying that it represents itself and only itself.

⁹ Most project surveys were completed by May 2004. Respondents were asked to focus on the most recently completed year when describing their funding. A few projects, mostly in Los Angeles, did not complete project surveys until August-October, 2004 so the time period covered by their financial reporting may differ slightly.

For the three remaining THCH sites—Kentucky, Los Angeles, and Maine—we have only samples.¹⁰ Project information from these sites was weighted (adjusted) to estimate all PSH in these sites (see Appendix A for details).

We report financial information as both unweighted numbers (what the surveys actually reported) and estimates based on weights.¹¹ Both types of data reflect only the six THCH communities for which we have financial data, as we have no way to relate projects, units, and money from these THCH sites to the country as a whole. But by weighting the data for the six communities we are able to say things such as “In THCH communities, X proportion of projects used Y source of funding” and “Y source of funding comprises X percent of all capital funding for PSH in THCH communities.” Being able to make statements like those moves us a giant step ahead in being able to develop strategies for future funding of PSH.

Bottom line:

The **weighted** data are the ones to watch if you want a picture of “the universe of PSH” in THCH communities. We expect sampling and weighting to improve as THCH communities collect surveys in future years, but even with these first primitive efforts, the weighted data still provide the best picture of the PSH universe in THCH communities.

Alternatively, if you want to focus only on the agencies and projects for which we have surveys, look at the **unweighted** data.

¹⁰ For Kentucky and Maine, the projects for which we have surveys represent less than 20 percent of all PSH projects in the state. We also sampled in Los Angeles, in two ways. Los Angeles has 6 agencies that have long been involved in PSH development, each with at least 6 projects and 3 with 18 or more projects containing 800-1,000+ units. It also has more than 20 other agencies offering 1 to 5 PSH projects ranging in size from 1 or 2 units up to 40 or 50 units. We obtained agency surveys from 5 of the 6 “big” agencies, which we have designated “Stratum 1,” and 3 of the remaining agencies. One of the Stratum 1 agencies provided surveys for all 19 of its projects, while the others gave us a sampling of their projects. All project responses in Kentucky, Maine, and Los Angeles received weights in proportion to the number of PSH units they offer compared to all the PSH units in their stratum. Weights for projects from the Los Angeles Stratum 1 agencies that gave us project surveys for only a few of their projects were adjusted to reflect all of the units within their agencies, as well as the contribution of their agency to the entire PSH universe.

¹¹ For the financial analysis only, the weights for Los Angeles projects have been adjusted to compensate for the very large number of projects without financial data (11 of the 41 project surveys). We redistributed the weights for these 11 surveys among all other surveys for Los Angeles (the ones that completed their financial information), so the sum of the weights for Los Angeles for the financial analyses equals the sum of the weights for other analyses for which we had non-financial data from these 11 surveys. When calculating unit costs, however, we retained the units offered by the projects represented by the 11 surveys, as their units are accounted for by the redistributed weights.

Overview of All Funding

The 109 projects from THCH communities reported an unweighted total of \$337.9 million in capital, operating, and services dollars.¹² Weighted, the total comes to \$644.2 million. The vast bulk of those resources are in the capital column—\$305.8 million unweighted, \$562.2 million weighted, or 91 and 88 percent unweighted and weighted, respectively—and are so high because they represent investments over more than a decade, not just the most recent project year as is true for operating and services dollars.

We begin by looking at PSH funding in two broad ways. First (Table 3.1) we examine how different investors (federal, state, and local governments and other contributors) distribute their dollars across capital, operating, and services. Then we ask which investors make the greatest contributions to the different funding types (Table 3.2). Along the way we made some decisions, explained in the text box “Where Does the Money Come From?” about how to treat monies that originate at the federal level but often are administered or allocated by state and local agencies.

UNWEIGHTED	\$, in millions	Percentage Distribution, Type within Government Level/Private			
		Federal	State	Local (city, county, “local”)	Other
Total	\$337.9	\$130.8	\$47.6	\$114.8	\$44.6
Capital	\$305.8	89%	92%	96%	79%
Operating	\$ 21.7	8%	1%	3%	17%
Services	\$ 10.3	3%	6%	1%	4%
WEIGHTED					
Total	\$644.2	\$255.9	\$98.6	\$222.1	\$67.5
Capital	\$562.2	86%	87%	92%	74%
Operating	\$ 50.7	9%	5%	4%	23%
Services	\$ 31.3	5%	8%	4%	3%

¹² The PSH financing data reflect six THCH sites. Connecticut and Rhode Island are excluded because, while we have some information about projects from CSH-SNE’s new PSH inventory database, no financial data were available from this source. New York is not included in any of the analyses for this report because its Moving On Initiative is so substantively different from the activities of other THCH sites that the evaluation has not planned to collect the same types of agency and project data from New York City. Services funding includes \$1.2 million in Medicaid resources in Seattle that cannot be attributed to specific projects but has been added to totals and to services funding throughout. These are designated as “state” dollars following our practice with other funding that originates at least in part at the federal level but whose use is at the discretion of local actors. When making any per-PSH-unit calculations, we use only the unit information for the six sites that contributed financial data. For per-unit estimates for capital financing, we omit scattered-site units as they do not involve development costs.

Table 3.1 shows what we already know—that regardless of investor, the bulk of resources have gone to capital to develop PSH. Federal, state, and local governments have put no less than 89 percent of their resources into capital, with private investors allocating a slightly lower proportion to capital. Private investors are called upon most for operating resources; no source has invested even 10 percent of its resources in service provision—which may indicate why PSH programs have such a hard time finding service dollars.

Where Does the Money Come From?

Designating funding as “federal,” “state,” or “local” is very tricky. For the most part, we relied on the survey responses when designating the source of funding for supportive housing projects. It is clear that states and local governments often use federal funding when they make investments in supportive housing. Some of these federal programs are specifically targeted to supportive housing, or to homeless people, while other federal funding is available for a much broader range of purposes, giving states and local governments significant flexibility in how to use these resources.

It is very likely that much of the funding provided by local governments initially came from the federal government, through block grants such as CDBG or HOME, or through funding for programs that are administered locally by public housing authorities. Even so, when local governments make the decision to allocate these federal funds to supportive housing projects, we generally treat these as investments by state or local governments (although a reader who wanted to determine funding by federal point of origin could look at Tables 3.3 through 3.8 and add the CDBG, HOME, and half of Medicaid dollars to the federal column). However, federal funds specifically allocated to housing subsidies, such as Shelter + Care or Section 8, are treated as federal funds, even though they are administered by local governments.

Survey respondents included Medicaid as a federal resource for some projects, while others reported Medicaid as a state resource. In reality, between 25% and 50% of Medicaid costs are paid by local and/or state governments, and states have a major role to play in determining the availability of Medicaid reimbursement for services in supportive housing. We have not made an attempt to reallocate Medicaid funding between federal, state, and local governments in this analysis, but have included these funds as reported in the survey responses.

Given these considerations, we will continue to work with THCH sites to refine our approach to describing the sources of funding for supportive housing as we gather additional information for future reports.

Table 3.2: Which Investors Contribute Most to Each Type of Funding?
(data from 109 project surveys)

UNWEIGHTED	\$, in millions	Percentage Distribution by Type				
		Federal	State	Local (city, county, “local”)	Other	
Total	\$337.9	39%	14%	34%	13%	100%
Capital	\$305.8	38%	14%	36%	12%	100%
Operating	\$ 21.7	47%	3%	14%	36%	100%
Services	\$ 10.3	39%	36%	10%	15%	100%
WEIGHTED						
Total	\$644.2	40%	15%	35%	11%	100%
Capital	\$562.2	39%	15%	37%	9%	100%
Operating	\$ 50.7	44%	10%	17%	30%	100%
Services	\$ 31.3	42%	26%	26%	6%	100%

Weighting makes very little difference to the distribution of resources across capital, operating, and services funding, regardless of the level of government. It does, however, increase the estimate of capital resources invested in PSH since the early 1990s by 84 percent, from \$306 to \$562 million. It also makes more of a difference for operating and especially for services dollars—weighting increases the former by 133 and the latter by 204 percent.

Table 3.2 looks at the distribution of resources from the perspective of each funding type. Attending first to the unweighted data, federal and local governments are the biggest investors in PSH overall, with the federal government contributing 39 percent and local government contributing 34 percent of all PSH funding. They contribute roughly similar proportions to capital but make quite different investments in operations and services. Federal funds comprise 47 percent of operating revenues, while local government contributes only about 14 percent of all operating funds. The bulk of the difference comes from private resources (36 percent), including tenant rents, foundations, individual charitable contributions, and other sources. Where federal resources contribute lopsidedly is in services, where they make up more than one third (39 percent) of all services resources. As will become clear below, McKinney-Vento SHP funding is a big player for services. Looking at McKinney-Vento SHP contributions overall, they comprise only \$7.1 million of the \$337.9 million (2.1% of the unweighted total), but are obviously extremely important in the services area—an anomaly for HUD.

Weighting makes little difference in the proportion each level of government contributes to PSH overall or in the area of capital and operating expenses. But it does increase the proportion of services funding being contributed by local sources, from 10 to 26 percent, with a corresponding dip in the proportion coming from private sources. It also increases the proportion of funding coming from McKinney-Vento SHP to 4.0 percent of \$644.2 million.

Below we summarize findings on average per-unit revenues reported. These figures are always of interest to policy makers and planners but a note of warning is in order. It is very likely that projects were not able to report all revenues for supportive services, and possibly also had difficulty reporting all sources of operating revenues, as they mainly consulted their own budgets in reporting this information. When projects partner with other agencies to supply the supportive services or to do facility operations and management, they likely are less able to report the full cost of these activities as the costs do not appear in their own budgets. Partnering happens fairly often, as reported in Chapter 4, making this caveat particularly important for anyone intending to use the average revenues reported below when establishing the funding needed for new PSH.

AVERAGE PER-UNIT REVENUES REPORTED (WEIGHTED)	
\$ 92,200	Capital (development units only, total all years)
\$ 7,700	Operating (development + scattered units, most recent project year)
\$ 6,000	Supportive Services (development + scattered units, most recent project year)

Capital Funding Sources

Capital funding data are available for 109 projects, which reported receiving a total of \$562.2 million (\$305.8 million unweighted) in capital funding since their inception. Projects reported an average of 3.7 different capital funding sources.¹³ The 109 projects reported a total of about 3,100 units (unweighted) for which capital resources were reported. Comparing these unweighted units to the unweighted total of capital resources yields an average of about \$98,600 per unit. Weighting the 3,100 units that reported capital investment yields 6,100 units which, when divided into the weighted total capital resources reported yields an average unit cost for development of about \$92,200 (\$562.2 million/6,100 units).

All together, projects identified 34 capital sources, including individuals, foundations, congregations, businesses, and miscellaneous public sources (e.g., HOPWA, local public housing authorities). Table 3.3 reveals the sources of capital funding for PSH in THCH communities that contributed at least \$10 million, according to the weighted amount of their investment. The four biggest contributors of capital funding gave 68.3 percent of the total, and may surprise the reader. LIHTC is far and away the biggest contributor (33% of all capital funding). Redevelopment authorities contributed 15.4 percent of capital funding for PSH in THCH communities. Among THCH communities only two reported this capital funding source (Los Angeles and Portland/Multnomah County), but redevelopment authorities might be a potential source of funding in more communities if approached correctly.

SOURCE	Number of Projects Receiving	Amount (in millions)		Percentage of All (Weighted) Capital Dollars
		Not Weighted	Weighted	
LIHTC	35	\$101.2	\$184.1	32.7
Redevelopment Authorities	26	\$51.2	\$86.5	15.4
CDBG	17	\$11.0	\$57.1	10.2
Housing Finance Agency	37	\$36.0	\$56.0	10.0
Housing Trust Funds	32	\$28.1	\$41.5	7.4
Commercial banks	33	\$20.1	\$31.8	5.7
HOME	17	\$ 7.8	\$13.1	2.3
McKinney-Vento SHP	17	\$ 3.8	\$11.5	2.0
Federal Home Loan Bank Board	23	\$6.4	\$11.4	2.0
Housing Tax Levy	6	\$10.3	\$10.3	1.8
Totals		\$305.8	\$562.2	89.5

¹³ 6 projects reported 1 source of capital, 21 reported 2 sources, 23 reported 3 sources, 26 reported 4 or 5 sources, and 14 reported 6 or more sources.

CDBG and housing finance agencies each distributed about 10 percent of capital funding. These sources are quite widespread and assist many projects. Projects in Portland/Multnomah County, Seattle, Spokane, Kentucky, and Maine report housing finance agency support. Housing trust funds support PSH capital development in the same communities plus Los Angeles, contributing 7.4 percent of all capital funding. McKinney-Vento (SHP and Mod Rehab combined) contributes \$11.5 million, or about 2 percent of all PSH capital funding—a fact which may not be so surprising when one remembers that McKinney-Vento capital contributions are capped at about \$400,000, and many of the projects reporting in THCH sites are large hotel conversions requiring many times this amount.

As revealing is the number of projects in Table 3.3 to have benefited from the different capital funding sources. State housing finance agencies and LIHTC assist the largest number of projects, followed by commercial banks and housing trust funds. Many projects borrow money to finance capital development, including getting loans from commercial banks and from the Federal Home Loan Bank Board. Federal block grants under the control of state and local agencies (e.g., CDBG, HOME) are a bit less commonly used.

COMPARING CAPITAL SOURCES ACROSS THCH SITES

The six THCH sites that contributed financial information are very different from each other. Three (Los Angeles, Portland/Multnomah County, and Seattle/King County) have many units in large projects, often in converted hotels. In contrast, projects in Kentucky and Maine typically are quite small, agencies typically offer only one or perhaps two projects, and scattered-site configurations represent a greater proportion of all units (based on the information reported on project surveys). It is quite likely that the sites have very different experiences with funding as well. To examine this issue, we use the “major capital funding sources” just identified in Table 3.3 and look at the similarities and differences in the proportion of funding coming from the different sources across the THCH sites. We do this entirely with weighted data.

Table 3.4 reveals that, as expected, the importance of different funding sources varies greatly across the THCH sites. First there is the simple matter of availability—for instance, only Seattle has a housing tax levy, so only Seattle shows this as a capital source. In all probability Kentucky and Maine do not have much access to redevelopment authorities (although their largest cities might). Projects in Los Angeles and Portland make significant use of this source of capital funding, but Seattle, the other large city in THCH, does not have access to redevelopment dollars.

Source	All THCH	KY	LA	ME	PT	SE	SP
LIHTC	32.7	--	38.5	16.2	4.8	41.9	--
Redevelopment Authorities	15.4	--	20.7	--	16.0	--	--
CDBG	10.2	--	13.3	3.5	8.1	1.2	9.7
Housing Finance Agency	10.0	43.1	5.1	17.9	26.2	11.7	3.3
Housing Trust Funds	7.4	0.6	9.0	0.5	3.0	6.3	19.5
Commercial banks	5.7	--	4.9	6.3	9.5	6.3	28.5
HOME	2.3	9.1	1.2	3.3	2.8	4.9	11.1
McKinney-Vento SHP	2.0	16.0	0.5	12.3	0.6	1.9	--
Federal Home Loan Bank Board	2.0	--	1.4	2.9	2.4	4.8	9.8
Housing Tax Levy	1.8	--	--	--	--	14.5	--
Proportion from Major Sources	89.5	68.9	94.6	62.9	73.3	93.7	81.9
Total Dollars (weighted, millions)	\$562.2	\$21.3	\$380.0	\$35.4	\$48.4	\$71.0	\$6.1

Some other differences in Table 3.4 appear to reflect the very different natures of the agencies and projects in different THCH sites. For instance, McKinney-Vento SHP funds are important sources of capital only for Kentucky and Maine, the two sites with much rural territory and small projects. And even in these states SHP accounts for only a small proportion of capital funds—16 percent or less. Two of the sites with many large hotel conversion projects—Los Angeles and Seattle—account for most of the access to LIHTC—although Maine and Portland/Multnomah projects also have some access. Given the leverage, politics, and general furor surrounding allocation of tax credits every year, it is not surprising that only the agencies sponsoring many projects and large projects have entered the LIHTC arena and succeeded in it.

Another finding in Table 3.4 is the different proportion of all capital resources for PSH that these major sources contribute. Again Kentucky and Maine stand out for having that proportion be less than 70 percent, with Portland not far behind. In Kentucky and Maine Section 811, another funding source that did not make the overall \$10 million cutoff to be included in Tables 3.3 and 3.4, contributes 16.9 and 14.8 percent, respectively, of capital resources for PSH, but is much less significant in other THCH communities. In Portland, private funding, including from foundations, and HOPWA account for the bulk of capital resources missing from Table 3.4. The small projects of Kentucky and Maine that have capital costs are clearly piecing together their capital investment from many small sources, which may mean they do not have the ability to obtain support from the larger ones. The situation in Spokane is also interesting—from the financial data submitted for Spokane’s 10 projects, it looks as if capital funding is scarce and the development agencies do not have a lot of access to capital without borrowing it at regular rates—commercial banks supply the largest share, and none of the projects reported using McKinney-Vento funds to capitalize PSH. On the other hand, Spokane developers have used HOME and CDBG funding to help develop PSH, suggesting that someone has the ear of local community development agencies.

Sources of Operating Funds

Projects in THCH communities reported receiving \$50.7 million (weighted) in operating resources during their most recent project year, which in most cases would have been 2003 or FY 2004. Projects reporting any operating funds included about 6,600 units (weighted), which translates into approximately \$7,700 per unit per year (\$50.7/6,600 units).

Source	Number of Projects Receiving	Amount (in millions)		Percentage of All (Weighted) Operating Dollars
		Not Weighted	Weighted	
Shelter+Care	23	\$5.0	\$9.7	19.2
Self-pay tenant rents	67	\$4.9	\$7.5	14.7
McKinney-Vento SHP	16	\$1.1	\$6.7	13.2
Redevelopment authorities	4	\$0.5	\$5.8	11.5
Section 8	18	\$4.0	\$5.3	10.5
Individual charitable contributions	14	\$1.5	\$5.0	9.8
Mental health funding	9	\$0.6	\$4.5	8.8
Public housing authorities	21	\$2.4	\$2.4	.8
Foundations	6	\$0.2	\$1.3	2.5
Commercial rents/other income	7	\$0.9	\$1.3	2.5
Totals from Major Sources		\$21.1	\$49.5	97.4%

Table 3.5 shows the sources of operating resources contributing more than \$1 million (weighted) to PSH projects in THCH communities. All together, projects identified 20 sources of operating funds, including foundations, congregations, businesses, and miscellaneous public sources (e.g., HOPWA, CDBG, and state or local rental assistance programs). The information available to describe operating revenues is a bit more confusing than for capital sources, because projects sometimes gave a funding program (e.g., Section 8) and sometimes a funding agency (e.g., public housing authority). However, it is clear that federal housing resources contribute a great deal to PSH operating revenues. In this category we include Shelter+Care, Section 8, and “public housing authorities,” which together invested \$17.4 million (weighted) to the most recent year’s operations of PSH projects in THCH communities. This amount equals about one-third (34%) of all operating revenues reported.

The single biggest source of operating revenues is Shelter+Care, a McKinney-Vento program, which contributes 19.2 percent. McKinney-Vento SHP, as part of which we have also included the few projects that reported Section 8/Mod Rehab funding, contributes 13.2 percent. Together these funds provide almost one-third of reported operating revenues, and McKinney-Vento clearly makes its most substantial contributions in this arena (operating revenues) and services (see below), rather than in its commitment of capital dollars.

Self-pay tenant rents comprise 14.7 percent of reported operating funds. Respondents were instructed to report “self-pay tenant rents” if tenants control the resources to pay rent, “regardless of where tenants get the money.” Undoubtedly many pay their rent from the public benefits they

receive, including tenant-based Section 8, SSI, SSDI, and General Assistance. Some may also earn money or have other sources of cash. Tenants have discretion over how they spend their money, regardless of source, so we accord them the same designation as a “source” as we did for state and local agencies deciding to spend HOME or CDBG dollars for PSH, even though the ultimate origin of the money is federal.

Public mental health agencies, redevelopment authorities, and housing authorities contribute significant shares of reported operating revenues, as do private foundations. Responses also make clear that agencies running PSH solicit charitable donations from a number of sources and rent out their space and services to meet operating expenses. In addition to the individual charitable contributions and other private sources noted in Table 3.5, projects received operating funds from foundations, businesses, and business associations. In some cases where a private developer helped create the PSH, the developer also contributes funds to operations.

COMPARING SOURCES OF OPERATING FUNDS ACROSS THCH SITES

Continuing our cross-THCH analyses, this time for operating revenues, we use the “major operating funding sources” identified in Table 3.5 and look at the similarities and differences in the proportion of funding coming from the different sources across the THCH sites. As was true for capital funding, sources of operating revenues vary greatly across sites (Table 3.6).

Reliance on foundations for a significant share of operating expenses occurs only in Kentucky, which does not seem to have much access to the types of resources controlled by public housing authorities (PHAs), including Section 8, other PHA funds and resources, and most of S+C. McKinney-Vento SHP funds were not reported at all for Portland/Multnomah County and Spokane sites (Spokane has McKinney-funded projects in development, but not open). Mental health funding contributes more than 10 percent of operating revenues in two sites, but is not used at all (or is not available) in three.

Source	All THCH	KY	LA	ME	PT	SE	SP
Shelter+Care	19.2	---	15.2	71.1	--	--	63.0
Self-pay tenant rents	14.7	18.0	11.8	9.7	31.6	26.2	13.1
McKinney-Vento SHP	13.2	44.0	12.1	5.2	--	5.7	--
Redevelopment authorities	11.5	--	19.3	--	--	--	--
Section 8	10.5	4.5	9.6	--	2.1	43.5	--
Individual and other private contributions	9.8	0.8	14.6	0.2	8.8	4.6	6.2
Mental health funding	8.8	--	13.6	4.0	--	--	13.6
Public housing authorities	4.8	--	--	1.2	53.3	17.0	--
Foundations	2.5	18.0	--	3.6	--	--	--
Commercial rents/other income	2.5	--	3.8	--	--	2.4	--
Proportion from Major Sources	97.4	85.3	100	95.0	95.8	99.4	96.0
	\$50.7	\$5.5	\$30.2	\$6.5	\$3.1	\$4.6	\$0.8

Surprisingly, S+C was *not* reported as a major source of operating funds by projects in any THCH site except Maine and Spokane. With respect to these funding sources we face an issue of conflicting information from different sources in accounting for operating resources. The problem is that for the June 2004 baseline THCH report, public agencies told us about higher levels of funding for certain resources than is being reported on project surveys. The big discrepancies related to operating resources occur for all the federally-supported public rental subsidies—S+C, Section 8 tenant- and project-based assistance, and Housing Choice vouchers. We have the following discrepancies:

Site	Reported by:	
	Public Agencies, June 2004 report	Projects, about their 2003 or 2004 fiscal year
S+C		
Maine	\$2.5 million	\$4.6 million
Portland	\$0.5 million	none
Seattle	364 vouchers (no \$ value)	none
Section 8 (tba and pba) and/or Housing Choice Vouchers)		
Portland	\$2.2 million	\$1.7 million (including “local public housing authority”)
Seattle	\$3.7 million	\$2.8 million

Maine projects are reporting almost double the amount of S+C that state agencies did, while in Portland and Seattle none of the S+C reported by agencies shows up in the project surveys. For Section 8, survey reporting falls about half a million dollars short of public agency information

in both Portland and Seattle. These are discrepancies it would be good to reconcile in the next phase of this evaluation.

The information in Table 3.6 probably reflects some confusion in how projects are reporting rental subsidies and the contributions of PHAs. Three or four categories are possibly being used interchangeably, depending on how the survey respondents think about things. For instance, they could be saying “Section 8” for project-based subsidies, tenant-based subsidies, or both. They could be saying PHAs for Section 8 of either variety, S+C, and/or units in PHA-controlled buildings. Or they could be getting some other type of funding that runs through PHAs.

In addition, some projects reported “rental subsidies” without specifying what type, so we cannot classify them. THCH site managers and CSH staff might want to talk about how these terms *should be* used, or at least get a better idea of how they *are being* used, so we can be comparing apples and apples. At present, the reader might want to lump together the contributions of Section 8, S+C, and PHAs for cross-site comparison purposes, but the differences might also be important as indications that a local PHA was particularly supportive of PSH development (as might be implied if it contributed locally-controlled dollars or made its own units available). Also, some S+C and local rental subsidies are controlled by agencies other than the PHA (e.g., in Spokane a county agency controls S+C, and mental health agencies in Los Angeles can do rental subsidies with funding provided by state laws).

Sources of Funding for Supportive Services

Projects in THCH communities reported receiving \$31.3 million (weighted) in operating resources during their most recent project year, which in most cases would have been 2003 or FY 2004.¹⁴ As projects reporting services funding offered about 5,200 units of PSH, this translates into approximately \$6,000 per unit per year (\$31.3 million/5,200 units, including scattered-site units).

Table 3.7 reveals seven sources of funding for supportive services that contributed more than \$1 million to the reporting PSH projects (weighted), plus self-pay tenant sources because it is an important revenue stream for services in some THCH communities. All together, projects identified 24 sources of services funds, including businesses, foundations, congregations, and miscellaneous public sources (e.g., HOPWA, redevelopment authorities, substance abuse agencies). Services funding is where McKinney-Vento SHP grants make their biggest impact, providing about one-quarter (24%) of the services funding reported (weighted). State or local mental health funding and Medicaid make up another 50 percent. Three other public sources supply another 14 percent of services funding, of which the \$1.1 million from DHHS (3.6%) is in the form of HRSA or SAMHSA grants for specific projects, rather than the potentially ongoing funding from the other sources of services dollars. Individual charitable contributions and other private resources contribute as much or more to services funding than these two federal sources of specialized money.

¹⁴ This does not include an unknown number of projects in Seattle whose tenants benefited from Medicaid funding that we have included only in the aggregate (that is, not attributed to particular projects).

Table 3.7: Largest Sources of Services Resources

(weighted data from 92 project surveys)

Source	Number of Projects Receiving	Amount (in millions)		Percentage of All (Weighted) Services Dollars
		Not Weighted	Weighted	
Mental health funding	25	\$2.3	\$12.1	38.8
McKinney-Vento SHP	16	\$2.3	\$ 7.6	24.1
Medicaid	22+	\$1.0	\$3.4	10.7
Medicare	1	\$0.3	\$1.9	6.1
HOPWA/HIV-AIDS funding	7	\$0.6	\$1.4	4.6
Individual donations and other private sources	19	\$1.3	\$1.3	4.4
DHHS—HRSA or SAMHSA	8	\$0.7	\$1.1	3.6
Self-pay tenant sources	10	\$0.4	\$0.6	1.9
Totals from Major Sources		\$8.9	\$29.4	94.2%

COMPARING SERVICES FUNDING ACROSS THCH SITES

The final element of our cross-THCH analyses focuses on funding for services. Once again we use the “major services funding sources” identified in Table 3.7. Before commenting on any patterns evident in Table 3.8, a couple of caveats are important to understand. We know that for capital and operating resources, some projects were not able to attach dollar figures to every source they reported. For the most part these lapses were random rather than systematic, and are to be expected. For services, however, there are some very large domains of missing information, sufficiently important and potentially large to skew anything we might say about access to services dollars.

Medicaid coverage of services is the biggest of these missing domains. For instance, several Seattle projects indicated that Medicaid paid for services, but they could not report how much this resource was worth—almost certainly because the projects do not control Medicaid dollars, and do not always know what services their tenants are receiving. In the cases of Portland/Multnomah County and Seattle/King County, we know something about Medicaid funding from the information gathered for the first THCH report. For Seattle, the county mental health agency reported \$1.2 million of Medicaid funding as going to tenants in PSH. In Portland, one agency reported receipt of Medicaid funding (of about \$110,000) for services. But the biggest PSH provider, also a federally qualified health center, felt that it could not distinguish how much of the \$1.9 million it received in Medicaid funding was spent to serve PSH residents, and how much was used to serve tenants in transitional housing. We can make a guess of about \$800,000, based on the fact that PSH makes up 42-43 percent of all supportive housing units in the community (transitional and permanent). Without actually adding these amounts into the calculations on which Tables 3.7 and 3.8 are based, we could nevertheless conclude that services funding levels might reasonably be reported at \$33.3 million rather than the \$31.3 million we report based on project survey responses. Even these additions only raise the per-unit revenues

reported for services up to \$6,100. Portland providers also seem to have other problems reporting services funding, as indicated by the extremely low level of services dollars they report (about \$285,000, making the Portland per-unit average for services about \$860, or one-seventh the overall average).

Source	All THCH	KY	LA	ME	PT	SE	SP
Mental health funding	38.8	5.3	62.4	2.3	--	--	25.7
McKinney-Vento SHP	24.1	77.7	20.8	--	--7.3	48.0	--
Medicaid	10.7	--	--	59.2	36.5	--	--
Medicare	6.1	--	--	34.7	--	--	--
HOPWA/HIV-AIDS funding	4.6	--	7.1	--	--	3.2	--
Individual donations and other private sources	4.4	0.5	0.6	--	23.5	27.9	11.4
DHHS—HRSA or SAMHSA	3.6	--	6.0	--	--	--	--
Self-pay tenant rents	1.9	4.1	--	2.0	32.6	9.7	--
Proportion from Major Sources	94.2%	87.6	96.9	98.2	99.9	88.8	37.1
Total Dollars (weighted, millions)	\$31.3	\$2.3	\$18.7	\$5.5	\$0.3	\$3.6	\$1.0

Not surprisingly, as we have seen the same for capital and operating resources, Table 3.8 shows that services funding sources vary greatly across sites. McKinney-Vento SHP funding accounts for most of the services funding in Kentucky and about half in Seattle, but very little elsewhere. This is actually quite surprising, as we thought McKinney-Vento might be most important for small projects—based on an assumption that they were less sophisticated and also had fewer staff who could devote themselves to extracting services dollars from locally-controlled mainstream agencies or from Medicaid. But from the data it appears that the big agencies with many projects have been most capable of drawing down SHP funding. An alternative, and not mutually exclusive, explanation is that SHP may account for most services dollars in a community such as Kentucky where very few other resources are being made available to serve PSH tenants. It will be interesting to see the levels of Medicaid funding reported in the next round of THCH surveys, as several have been making major efforts to draw down Medicaid resources to provide the services component of PSH.

Conclusions

Financial data from THCH project surveys has made possible an examination of PSH funding that offers a first systematic overview of PSH resources by type of expense and by the sources that different communities have been willing to devote to PSH development. Even with missing data and some confusion as to how to classify some sources of support, we can see the importance of various federal, state, local, and private funding streams in helping to create PSH. Further reflections on what we have learned will be offered in Chapter 5.

CHAPTER 4

AGENCY COMMITMENTS AND POLICIES AFFECTING PSH

Introduction

In addition to learning about the numbers, configurations, and occupants of PSH in THCH communities, and the financial resources to pay for PSH, the survey component of the evaluation sought to understand the history, motivations, and policies of PSH agencies and projects. We tried to limit questions on these subjects to issues that are important for understanding:

- The odds that the agencies currently involved in PSH will continue to help develop more;
- The collaborations and partnerships that agencies develop to support one or more aspects of PSH—development, operations/management, and services;
- What types of people they are likely to serve; and
- Any policies that make it more or less likely that PSH will attract and retain tenants who were once homeless.

This chapter describes what we learned from agency and project surveys on these important issues.¹⁵

Agency Involvement in and Commitment to PSH

One of the things we hoped these surveys might do is provide some idea of agency commitments to PSH, as developers, operators, and providers of supportive services. The agency survey asked several questions to explore this commitment, the simplest of which asked how likely the agency thought it was that it would continue to be involved with PSH in the future. Responses suggested overwhelming intent to continue:

- 79 percent said their agency was very likely to remain involved with PSH,
- 18 percent said their agency was somewhat likely to stay involved, and
- Only 3 percent thought it unlikely that they would do more with PSH.

To pursue the issue of commitment further, a set of questions asked about different types of involvement—with development, operations, and services—in the past, at present, and in the future. We examined the answers to these questions for patterns of involvement; Table 4.1 displays the results, combined across THCH communities and for each site separately. One

¹⁵ All data reported in this chapter are weighted.

dominant pattern emerged that accounts for 40 percent of agencies offering PSH. Agencies in this pattern have been, are presently, and expect to continue to be involved in all aspects of PSH. In Table 4.1 this pattern is designated DOS (for Development, Operations, and Services) PaPrF (for past, present, and future). Most agencies in this pattern said “yes” to every question in this series. A small fraction said “yes” to present and future involvement in all three aspects of PSH—that is, they did not have much history with PSH but they were involved now and expected to continue. As assessing future capacity and interest is the main purpose of this exercise, we judged that these agencies belonged together with those that were equally committed to the future and also had a history. Agencies in this category may be thought of as being with PSH “for the long haul” and covering all of its aspects.

Table 4.1: History of and Anticipated Future Involvement with PSH, Total and per THCH Community

(weighted percentages from 63 agency surveys)

Community	Type of Involvement (all PaPrF)*					Other (e.g., new to PSH, D only, no future intentions)
	DOS*	DO, no S	OS, no D	DS, no O	S only	
TOTAL	40%	3%	3%	5%	6%	43%
Connecticut	34	0	0	10	26	30
Kentucky	43	0	0	0	0	57
Los Angeles	38	0	17	5	0	39
Maine	26	0	0	6	0	68
Portland/Multnomah	60	0	0	20	0	20
Rhode Island	28	12	14	0	22	24
Seattle/King	100	0	0	0	0	0
Spokane	25	50	0	0	0	25

*D=development, O=operating, S=services; PA=past, Pr=present, F=future. In classifying agencies for this table, present and especially future orientation and commitment were deemed most important. Thus an agency could be without a present development project but have developed PSH in the past and intend to do so in the future, and still be classified with this group of agencies.

Agencies in the “long haul” category account for two-thirds of the agencies that said they were “very likely” to continue to be involved with PSH. Another 17 percent of agencies offering PSH also have extensive involvement that they expect to continue. However, these agencies cover only one or two of the three PSH components—they offer at most two of development, operations, and services, and sometimes do only one (e.g., the 6% of agencies that only do services). This means they must partner with other agencies to produce and sustain PSH.

Finally, a significant proportion (43%) of agencies offering PSH are less consistent and predictable than the agencies already described. Their answers were so different that they could not readily be categorized, but the main issue for these agencies is that they are changing their commitments. They have been doing development but will not do any more, they never did housing management but are preparing to take it on, they did services in the past and will continue with their present commitments but will not take on any more, and so on. Agencies in the first group (DOS, PaPrF) tend to be the biggest agencies, offering large numbers of PSH units in many projects. In contrast, the agencies in this final “miscellaneous” group tend to be smaller, both in terms of the total number of units they offer and the number of projects they

support. They are probably at (or perhaps beyond) their capacity with the PSH they now offer, and do not appear able or interested in expanding their capacity.

Collaborations and Partnerships

The agencies and projects completing surveys reported many different types of collaborative and partnership arrangements in response to several different questions. One form of collaboration is to have one agency develop a project for another agency, which takes over once the project is ready for occupancy. The project survey asked who developed the project, your own or another agency; 16 percent of projects reported that another agency had done the development.

Considered only in relation to the 77 percent of PSH projects that had a development phase (that is, they were not scattered-site), this translates to 1 in 5 PSH single-site projects for which an agency not currently running the project did the bricks and mortar aspects of development.

Another aspect of collaboration is agency expectations for future collaboration for new projects. The agency survey asks what other agencies the respondent expects to work with *for projects currently in development or in the future*, with respect to developing physical properties, operating PSH once it is open, and delivering services. Table 4.2 shows that most agencies offering PSH in THCH communities expect to be involved in at least one more PSH project in the future for which they will partner with at least one other agency. Partner roles are fairly evenly distributed across development, operations, and services, with agencies expecting to have, on average, 2 development partners, 1.2 operations/management partners, and 2.1 service partners (these may be anticipated for more than one development project).

Community	Number of Agencies:		Number of Agencies Naming at Least One Partner (Average Number of Partners Anticipated) for:		
	With Surveys	Naming at Least One Partner for Future Projects	Development Partners	Operating/Management Partners	Service Partners
TOTAL	63	48	25 (2.0)	19 (1.2)	30 (2.1)
Connecticut	12	10	7 (3.1)	4 (1.2)	8 (1.5)
Kentucky	10	8	1 (1.0)	2 (1.0)	4 (3.0)
Los Angeles	8	8	6 (1.8)	6 (1.2)	4 (1.8)
Maine	8	6	2 (2.5)	3 (1.0)	3 (5.3)
Portland/Multnomah	5	1	2 (1.0)	0	0
Rhode Island	7	7	5 (1.0)	4 (1.0)	4 (2.0)
Seattle/King	5	1	1 (2.0)	0	0
Spokane	8	7	1 (1.0)	0	7 (1.0)

A third approach to understanding collaborative arrangements of PSH agencies is to look at the number of providers associated in one way or another with the projects these agencies run. Project directors reported a wide variety of organizations that offer at least one service or play at least one supportive role with respect to their tenants or to the project itself (e.g., building

maintenance). Table 4.3 summarizes the number of different providers named by project survey respondents, and the number of mentions they received (a given provider could be, and often was, named by more than one project in a community). The data in Table 4.3 make clear that PSH agencies in THCH communities are doing a good deal of partnering, with 3.9 partners per project on average across all THCH communities. Many of the same providers are supporting PSH units in several different projects. It is also clear that partnerships are more likely in some communities than in others.¹⁶ This may be a result of having more or fewer potential providers to partner with, but it may also be the way PSH agencies in some communities do business, preferring to do everything themselves.

Table 4.3: Providers Named by PSH Projects as Partners for Development, Operations, or Services, Total and per THCH Community
(weighted data from 149 agency surveys)

Community	Number of Providers Mentioned	Number of Mentions	Average Number of Partners per Project
TOTAL	271	635	3.9
Connecticut	20	25	1.1
Kentucky	96	139	6.3
Los Angeles	48	169	3.6
Maine	66	166	10.4
Portland/Multnomah County	6	33	1.4
Rhode Island	7	27	3.9
Seattle/King County	21	60	5.0
Spokane	7	16	1.6

* Connecticut and Rhode Island data come from CSH-SNE's PSH database, not from the surveys, so some differences may be attributable to the differences in questions and categories on the two data sources rather than to the reality of partnering arrangements.

Agency and Project Mission and Populations Served

We wanted to know the characteristics of people currently occupying PSH units, which we reported in Chapter 2. But we also wanted to know about agency and project commitments to serve particular types of people. Such commitments represent policies that, if currently restrictive for certain groups, might be changed to open up more PSH opportunities for the least-served homeless people. For the same disability groups used to characterize the people already in PSH, the surveys asked about mission, and also about willingness to serve single adults and families in which a parent was affected by the disability. Table 4.4 shows the results for mission.

Looking first at the top panel of Table 4.4, we see that on average, no single disability is a mission for more than about 40 to 50 percent of PSH projects. The exception is people with serious mental illness, who are part of agency and project missions for 70 percent of projects. In each THCH community except Portland/Multnomah County and Rhode Island, serving people with SMI is the most common mission identified. In Portland/ Multnomah County, only substance abuse tops SMI as an agency mission. In Rhode Island, the combination of a mission

¹⁶ The data for Connecticut and Rhode Island come from CSH-SNE's database and not from the project surveys. The low rate of partnering for Connecticut in particular is probably the result of different ways of reporting rather than a reflection of reality.

to serve people with SMI and dual diagnosis tops 50 percent—the only site in which more agencies are committed to the dual diagnosis population than those who simply have SMI. The other exception in Table 4.4 is Seattle/King County, where the large majority of projects report a mission to serve people with all types of disabilities.

Community	Disability Group					
	SMI	Alcohol Abuse	Drug Abuse	Dual Diagnosis	HIV/AIDS	Physical Disabilities
TOTAL	70%	47%	46%	52%	40%	43%
Connecticut	52	35	35	40	44	49
Kentucky	79	60	60	60	60	70
Los Angeles	77	37	37	53	35	29
Maine	75	43	43	51	29	22
Portland/Multnomah	48	57	57	22	9	4
Rhode Island	17	46	46	46	17	54
Seattle/King	100	92	92	100	92	92
Spokane	50	30	30	30	0	0
	SMI but no Substance Abuse		Substance Abuse but no SMI		Both SMI and Substance Abuse	
TOTAL	30%		3%		45%	
Connecticut	16		7		40	
Kentucky	15		0		60	
Los Angeles	31		0		62	
Maine	32		0		51	
Portland/Multnomah	30		35		22	
Rhode Island	9		0		46	
Seattle/King	0		0		100	
Spokane	5		13		38	

* Connecticut and Rhode Island data come from CSH-SNE's PSH database, not from the surveys, so some differences may be attributable to the differences in questions and categories on the two data sources rather than to the reality of project commitments.

The second panel of Table 4.4 combines the data on mission to shed light on the interest of PSH projects in serving people with co-occurring disorders.¹⁷ It shows those projects with a mission to serve people with SMI but not substance abusers, substance abusers but not people with SMI, and people with either or both conditions. This comparison makes even more stark the conclusion we drew from the top panel of this table—that except for Portland/Multnomah County, few projects offering PSH see themselves as having a mission to serve only substance abusers as a primary population. About one-third of PSH projects see their mission as serving people with SMI but not those with substance abuse, alone or in company with SMI. The largest proportion of projects (45%) see themselves as intending to serve people with either condition, alone or in combination. This proportion differs substantially from one THCH community to

¹⁷ The 26 percent of projects missing from the second panel of Table 4.4 did not name either SMI or substance abuse as a mission.

another, with every Seattle agency expressing a mission to serve people with both conditions, while as few as 22 percent of Portland/Multnomah County projects do the same.

Regardless of the mission of their PSH projects, however, agencies that provide PSH in reality serve single adults with a wide variety of disabilities, as Table 4.5 shows. Agencies responded to survey questions about the needs of single adult clients served in their PSH projects and other agency activities, which might include other programs operated by the same agency. Reports of populations actually served by agencies (Table 4.5) are consistently higher than having a mission to serve a particular population in PSH (Table 4.4). Portland/Multnomah County, Rhode Island, and Spokane agencies join those of Seattle/King County in serving people with virtually any disability. Substance abuse, whether by itself or combined with SMI, is the disability most likely to be higher in Table 4.5 than in Table 4.4, indicating that while PSH projects might not have a mission to take on substance abusers, many of them have indeed done so, and most of the agencies that provide PSH are serving people with substance abuse problems in at least some of their programs. This is especially true in the case of people with dual diagnosis—probably indicating that agencies with a mental health mission have recognized that they also need to accommodate people who abuse alcohol and drugs. Table 4.5 also indicates that relatively few of the agencies that provide PSH (37%) serve people without disabling conditions, even if they may have been homeless.

It is useful to read Tables 4.4, 4.5, 2.5, 2.6, and 2.8 together for a particular community to get the full picture. For example, 75 percent of Maine projects say they have a mission to serve people with SMI (Table 4.4, column 2, row for Maine), and 71 percent of the agencies that provide PSH have current clients with mental illness (Table 4.5, column 2, row for Maine). Further, 94 percent of the PSH projects in Maine report that they have at least some formerly homeless residents with SMI (Table 2.5), 75 percent have funding requiring that they serve people with SMI (Table 2.6), and 21 percent have nonhomeless PSH residents with SMI (Table 2.8). Putting data from these five tables together also helps resolve some of the confusion about how many projects serve people with HIV/AIDS.

Table 4.5: Proportion of Agencies Whose Current Single Adult Clients, Whether in PSH or Not, Have Various Disabilities, Total and per THCH Community
(weighted percentages from 63 agency surveys)

Community	SMI	Substance Abuse	Dual Diagnosis	HIV/AIDS	Physical Disabilities	No Disability
TOTAL	75%	69%	75%	61%	56%	37%
Connecticut	51	57	76	67	41	21
Kentucky	71	57	57	40	54	22
Los Angeles	100	84	59	95	84	38
Maine	71	60	88	31	41	10
Portland/Multnomah	100	100	100	100	80	80
Rhode Island	100	100	100	81	78	64
Seattle/King	100	100	100	80	80	60
Spokane	100	100	100	80	80	60

The issue of how many homeless families need PSH is still controversial, but we know that some parents suffer from the same disabilities that make long-term homelessness more likely among single adults. In addition to asking agencies whether they served single adults with various disabilities, we asked them the same questions about parents in homeless families. In general, the agencies currently offering PSH to single adults are less likely—or perhaps less able given the configurations of their units—to serve families with an affected adult. Table 4.6 shows whether PSH agencies in THCH communities are very much or somewhat less likely, equally likely, or somewhat or very much more likely to be serving singles than families.

Table 4.6: Single Adults with Various Disabilities Currently Served by PSH Agencies, Whether in PSH or Otherwise, Compared to Families with a Disabled Parent,* Total and per THCH Community
(weighted percentages from 63 agency surveys)

Community	Disability Group					
	SMI	Substance Abuse	Dual Diagnosis	HIV/AIDS	Physical Disabilities	No Disability
TOTAL	>>	=	>>	>>	>>	=
Connecticut	>	=	>	>	>	=
Kentucky	>>	>	>	>	<<	=
Los Angeles	>>	>>	>>	>>	>>	>>
Maine	=	=	>>	>>	>	=
Portland/Multnomah	>>	>	>>	>	>>	=
Rhode Island	=	=	=	=	=	=
Seattle/King	>>	>>	>>	>>	>>	>>
Spokane	>>	>>	>>	>>	>>	>>

* << - 20 or more percentage points fewer serving singles than families; < - at least 10 but less than 20 percentage points fewer serving singles than families; = - singles and families within 9 percentage points of each other; > - at least 10 but less than 20 percentage points more serving singles than families; >> - 20 or more percentage points more serving singles than families.

Rhode Island agencies emerge as the most “egalitarian” among THCH sites, being equally likely to be serving single adults and parents in families, regardless of disability and even if they have no disability. In only one THCH site (Kentucky) and for only one disability group (physical) are agencies *more* willing to serve adults in families than single adults. Not surprisingly, PSH as it is currently configured is often powerfully geared toward accommodating single adults.

Project Policies

PSH, and especially the Housing First versions of it, developed a set of policies geared to attracting homeless people who had long demonstrated an aversion to the ‘standard fare’ of continuums of care. One of the tenets of the type of PSH that CSH promotes is that continued tenancy rest on fulfilling the same conditions as any other tenant, and no additional ones. The “same conditions” are usually taken to be paying the rent, not destroying property, and not endangering others by violent behavior. Policies such as losing control of one’s money, having to participate in services as a condition of tenancy, or abstinence requirements are known to have discouraged some of the most needy homeless people from coming into housing. The project surveys asked about many of these policies; we report findings in this section.

REQUIREMENTS FOR REPRESENTATIVE PAYEE

Landlords want to be paid, and failure to pay rent is one of the few universal circumstances that housing courts honor as a reason for eviction. Many chronically homeless people have historically had difficulty paying rent, not just because they are poor but because their disabilities interfere with prudent management of the little money they do have. One way to assure that the rent gets paid is to have the program, or someone else, control the tenant's money and pay the rent and other necessities before giving the tenant what is left over. This practice is controversial, especially if it is imposed on tenants rather than offered to them and accepted as a matter of free choice. PSH projects differ in their policies regarding representative payees. Some require all tenants to have a payee (e.g., Pathways in New York City, the “granddaddy” of Housing First, requires every tenant to have a rep payee even while abiding by most other aspects of tenant choice). Others do not have this requirement. There is also the issue of who will serve as rep payee.

We asked projects whether they require tenants to have a payee, and whether they sometimes serve as payee. Across all THCH sites, only 8 percent of PSH projects *require* tenants to have a representative payee. However, this differs a great deal across sites. Four (Kentucky, Los Angeles, Seattle, and Spokane) have no projects that require a representative payee. At the other extreme, 96 percent of PSH projects in Portland/Multnomah County *do* require tenants to have a payee. In Maine, only a small fraction (4%) of projects require a payee. We have no information on this issue from projects in Connecticut and Rhode Island. Project willingness to serve as rep payee is reported in Table 4.7.

SERVICES OFFERED BY SPONSORING AGENCY

The survey asked projects to describe their role in a number of activities sometimes found in PSH. As Table 4.7 reports, service offerings differ widely, both within service across communities and within communities across services. Nothing about responses to these questions suggests that an agency requires its PSH tenants to avail themselves of the service—e.g., the agency may be willing to hold a lease, and does so for some tenants or some projects, but need not (and usually does not) do this for all tenants.

Across all THCH sites, 49 percent of agencies hold at least some of the leases to PSH units. The proportion of agencies holding leases varies from none in Seattle/King County to almost all (89%) in Los Angeles (also see Table 4.8 for the proportion of PSH units with different leasing arrangements). Only one-third of agencies across THCH communities serve as rep payee, with agencies in Los Angeles being by far the most likely to do so. Case management services provided by PSH agencies are very widespread (83% of agencies offer them). One might have thought that case management was a sort of *sine qua non* for PSH, but in Maine only half of the agencies offering PSH provide case management and even fewer do so in Spokane. This may be due to collaborative arrangements among several providers, which as we saw earlier in this chapter are most likely to be in the services arena for PSH agencies in these two communities. This is likely to be the case as agencies in these two communities are consistently least likely to offer any of the array of services described in Table 4.7.

Community	Agency Holds Lease	Serves as Rep Payee	Provides Case Mgmt	Provides Health Care	Provides Education Activities	Provides Employment Assistance
TOTAL	49%	32%	83%	72%	72%	51%
Connecticut	30	38	100	100	85	55
Kentucky	63	32	86	61	76	48
Los Angeles	89	66	91	81	97	81
Maine	38	11	55	52	41	10
Portland/Multnomah	60	20	60	60	80	60
Rhode Island	30	14	88	64	55	79
Seattle/King	0	40	100	100	80	60
Spokane	38	0	50	38	38	38

It is fairly common for PSH agencies to provide health care and educational activities to PSH residents, and somewhat likely for them to provide employment assistance. Los Angeles and Rhode Island agencies stand out in the employment services realm, with four out of five offering PSH tenants assistance in finding and keeping employment.

LEASING ARRANGEMENTS

We have already touched on leasing arrangements, in relation to whether PSH agencies hold leases for tenants. Table 4.8 describes the leasing arrangements prevailing for tenants in current PSH units. This question was not as consistently answered as some others, so Table 4.8 also reports (final column) the proportion of units in each THCH community for which we have leasing information.

Overall, at least four out of every five PSH tenants hold their own lease. Joint leases and subleases are each held by 7 percent of tenants. Very few (only 5%) do not have a lease of any kind. In Connecticut and Rhode Island residents in some small programs sign “program agreements” rather than leases, and their tenancy is contingent on participation in services. In only two THCH communities (Kentucky and Portland/Multnomah County) does the proportion of PSH tenants with their own lease fall to half or lower. The other tenants have joint leases, subleases, or no leases. From these responses it would appear that most PSH in THCH communities operates with leasing policies that are in line with the approach encouraged by CSH.

As with Tables 4.4 and 4.5, it is helpful to consider the information on leasing arrangements in Tables 4.6 and 4.7 together. Doing so makes clear the point suggested earlier—that while agencies may be willing to hold leases for some tenants or in some projects, this is far from a common event. Over all PSH units in THCH communities, tenants hold the leases in 82 percent (Table 4.8) even though 49 percent of agencies offering PSH hold some leases (Table 4.7).

Table 4.8: Proportion of PSH Units with Different Leasing Arrangements, Total and per THCH Community (weighted percentages from 138 project surveys)					
Community	Percent of Units for Which:				
	Tenant Holds Lease	Joint Lease	Tenant Has Sublease	No Lease	% of Units for Which Lease Arrangements Reported
TOTAL	82%	7%	7%	5%	73%
Connecticut	95	0	0	5	100
Kentucky	38	7	37	21	100
Los Angeles	92	6	2	0	61
Maine	98	2	2	0	100
Portland/Multnomah	52	44	5	0	85
Rhode Island	89	0	0	11	100
Seattle/King	94	6	0	0	15
Spokane	81	0	19	0	96

EVICTON POLICIES

A final issue of great importance is what aspects of tenant behavior could prompt a PSH project to evict a tenant. As noted earlier, the ideal would be that PSH is as secure as any living arrangement entered into by any tenant—eviction would only be for the same reasons that any tenant might be evicted. The findings from project surveys, reported in Table 4.9, indicate that this ideal is largely the reality. For projects in all THCH communities, only disruptive or aggressive behavior, destroying property, and not paying rent are near-universal reasons for eviction, and it is interesting that not paying rent is the last of these, not the first. With proportions so high (84 to 94 percent), it is not surprising that they are very consistent from one THCH site to another. Two percent of PSH projects would not evict for any reason—all in Spokane, which accounts for the very low proportions reported for that community.

In light of recent controversies about harm reduction, the need (or lack of it) for abstinence, and the high odds of relapse among recovering substance abusers, it is interesting, and somewhat surprising, that even multiple relapses will not get a tenant evicted from almost two-thirds of PSH projects. Finally, about one-third of PSH projects reported “other” reasons for eviction. These include becoming unable to care for oneself at the level required by the project, even with assistance; and failure to report income or cooperate with recertification as required for eligibility and payment determination by the funding sources supplying rent subsidies or supportive services.

Table 4.9: Proportion of PSH Projects that Would Evict Tenant for Various Reasons, Total and per THCH Community

(weighted percentages from 119 project surveys)

Reason	All THCH	Kentucky	Los Angeles	Maine	Portland/Multnomah	Seattle/King	Spokane
Fails to maintain complete abstinence	12	19	7	23	39	8	0
Multiple relapses	31	58	23	35	13	0	0
Fails to participate in required service	24	49	23	23	13	8	20
Disruptive/aggressive behavior	87	94	100	76	92	100	20
Destroying property	94	100	100	100	96	88	20
Not paying rent	84	78	94	96	96	100	20
Other	34	22	39	48	13	0	0

Conclusions

The information supplied by PSH agencies and projects in THCH communities have shed light on some important issues that may be useful for shaping policy but that had not been available previously. In particular we now have some meaningful idea of agencies’ staying power and intent in the PSH arena, their mission and scope of services, the populations they are willing and able to serve, and their policies with respect to preservation of tenancy. It appears that the large majority of PSH projects and agencies operate within the scope of what CSH considers appropriate for PSH—serving highly disabled people, not conditioning tenancy on service participation, offering a range of supportive services. The data on PSH agency and project commitments and policies also raise some very interesting questions that could become the subject of discussion within and across THCH sites. Most of these pertain to how we promote ever more PSH, and are the subject of further discussion in Chapter 5.

CHAPTER 5

CONCLUSIONS AND IMPLICATIONS

We began this evaluation with questions about permanent supportive housing in THCH communities that we hoped would also give us some insight into the larger world of PSH throughout the country. Of course we cannot officially generalize from our findings because we have no way of knowing how the THCH communities relate to the larger PSH universe. We do, however, have some ways that we can begin to push these findings a bit farther than the THCH communities themselves.

We set out to answer three general questions:

- How much PSH is there?
- How is PSH funded?
- Who will be most likely to continue developing PSH, and for which populations?

The agency and project surveys have provided answers to these questions at a level of detail and concreteness that have not been available before. These answers are valuable simply because they tell us things we did not previously know, and can use to help set policy directions. They also provide a baseline for THCH, against which we can assess how much has changed during the years of THCH funding and grantee efforts. We expect to use the rest of this year to fill in the gaps in information in the 2004 surveys, and then repeat these surveys in 2006 to take the first step in seeing whether THCH has helped to expand PSH, change policies, inspire new funding streams especially for operations and services, and shift the mix of populations that occupy PSH.

How Much PSH?

We have answered this question for THCH communities—about 12,500 units of housing that meets the CSH definition for permanent supportive housing (permanent, affordable, with supportive services to preserve tenancy, and continued tenancy contingent only on complying with the obligations expected of any renter). And we have seen that most of this type of housing (89%) is occupied by people who have been homeless and who are disabled, even if two-thirds of them are not the chronically homeless disabled people that need PSH to end their homelessness. We also know that other housing exists in these same communities that is sometimes included in the PSH rubric, listed on CoC housing activity charts, covered by homeless management information systems, and assisted by HUD SHP funding. We do not have as adequate a grasp on the scope of this remaining PSH, but we think our THCH surveys have reached the “core” PSH that is likely to be used for ending chronic homelessness. This study, including the work it took to sort out the group homes from the PSH, has resulted in a stronger level of confidence in CSH’s earlier estimates of permanent supportive housing that are on the low end of the range of estimates.

In 2001 and 2002, CSH estimated that about 75,000 units of supportive housing existed nationally, including units that were then in development as well as those that are occupied. The estimate used CSH's definition of PSH to the extent that this was possible, which is probably the primary reason why the estimate is low. Those who developed it tried to discount the inflation that occurs in CoC counts from including special needs housing, treatment facilities, and other units not truly available to homeless people or fitting with CSH's conception of PSH.

Other estimates include one from 1996 of 81,000 units, derived from the National Survey of Homeless Assistance Providers and Clients.¹⁸ We all expect that a great many units have been placed into service since that time under the general PSH rubric. The odds are that a summary of PSH units being counted in the country's CoC lists would come closer now to 100,000 to 110,000. We can anticipate more precise estimates once the first Annual Homeless Assessment Report is published later this year, but as that estimate will rely on CoC lists, it is likely to overestimate the types of PSH that serve chronically homeless people. We will therefore take the CSH estimate as the national baseline against which we may draw some conclusions.

THCH communities include both major cities (Los Angeles, Seattle, Portland), communities that are mostly a mixture of urban and suburban (Connecticut and Rhode Island), and largely rural communities (Kentucky and Maine). If the finding from these surveys of agencies and projects in THCH sites provides a reasonably good picture of supportive housing projects nationwide, it would appear that only about one-third of PSH units (or about 25,000 to 30,000 units) are being used to end homelessness for those who have been homeless the longest. Other units have been used to prevent homelessness for people with disabilities, including people leaving institutions, or to provide housing for people who had experienced shorter episodes of homelessness before entering supportive housing.

CSH's definition of PSH involves secure tenancy whether or not the tenant participates in services. This report shows how many PSH units and projects meet that definition, including issues such as grounds for eviction, leasing arrangements, and requirements that tenants have a representative payee. Future PSH development should be geared toward creating more units that meet this CSH definition.

If we are to end homelessness through PSH development for the estimated 150,000 to 200,000 individuals who are still chronically homeless, communities will need to (a) develop that many more PSH units dedicated to the chronically homeless population, (b) make more existing PSH units available for occupancy by people who were chronically homeless as units become vacant, and/or (c) continue to create additional PSH for people with disabilities whose homelessness has not yet reached the chronic stage. Many supportive housing providers and policymakers believe that some combination of these strategies is reasonable, humane, and an appropriate way to reduce chronic homelessness and prevent others from becoming chronically homeless.

¹⁸ Martha R. Burt, Laudan Aron, and Edgar Lee. 2001. *Helping America's Homeless: Emergency Shelter or Affordable Housing*. Washington, DC: Urban Institute Press. Page 244, Table 9.1.

What Should “Count” as PSH?

Numbers of PSH units available depend greatly on what one decides should “count” as PSH. We have agreed for purposes of THCH to exclude residential settings that are basically treatment programs, such as group homes for people with mental disabilities. Even if one does not compromise the core concepts of permanency, supportive services, affordability, and “housing” rather than “treatment,” there is room for debate with respect to homeless status. On the one hand CSH is pushing for greater inclusion of chronically homeless people and strategizing how to make more existing units available to them. On the other hand, the mainstream agencies that THCH is working to involve in taking more responsibility for the housing needs of vulnerable populations may use their housing to prevent initial homelessness as well as to end existing homelessness. In theory their doing this should reduce the numbers of disabled people who become homeless or whose homelessness extends long enough to become chronic. Should we or should we not “count” such housing as PSH, especially when it looks just like PSH except for the homeless histories of its occupants?

How Is PSH Funded?

We have seen that PSH agencies and projects are extremely creative in their search for funds to support various aspects of PSH. Projects noted no less than 34 sources of capital and 20 or so sources of operating and services dollars, that come from every level of government and the private sector. As relatively little is known nationally about PSH funding, this report also offers the first systematic overview of funding sources by type of expense (capital, operating, and services) and reveals the different commitments that different communities and public agencies have made to developing and sustaining PSH. The findings make obvious that a great deal of state, local, and private funding augments the federal dollars supporting PSH, such that direct federal dollars comprise only about 40 percent of PSH funding. Of course a good deal of the money that we have identified as state or local also originates from federal agencies, but local actors have discretion as to how they will spend these block grant and other types of federal resources. When they choose to spend it on PSH we have given them the credit. In terms of funding that comes strictly from state and local tax dollars, the biggest sources for capital are housing finance and redevelopment agencies. For services they are mental health agencies. Communities that are not accessing these resources might begin to work on ways to redirect them toward PSH, as well as to increase their absolute level of commitment.

The bottom line for THCH is expanding the funding streams for PSH to create a reliable and adequate flow of money to meet development goals. This report shows where the THCH sites began, thus providing a baseline for comparison with future expansions.

Who Will Provide PSH, and for Whom?

The good news emerging from the THCH agency surveys is that a solid core of agencies are committed to continuing their work to expand PSH. These agencies have long histories of involvement in developing and operating PSH and providing its tenants with supportive services, or engaging in collaborative arrangements to assure that all three aspects of PSH provision happen. Forty percent of agencies are involved in all aspects of PSH, and another 17 percent

have long-standing commitments to one or two aspects that they perform in conjunction with stable partners. However, a significant number of agencies offering PSH (43%) are not so committed. These tend to be the smaller agencies that serve vulnerable populations but may have had little prior experience with housing. Even with local capacity-building efforts, partnership development, and technical assistance, such agencies may already be in over their heads. In Maine, for instance, we heard that efforts to involve community development corporations and private developers as partners for service agencies may already have gone as far as it can go, and PSH promoters are beginning to feel up against a wall of insufficient capacity. What can be done to help develop capacity and partnering?

What Next?

In the next few months we will be working with THCH sites to improve the completeness of the information obtained from these project and agency surveys for the baseline period of 2004. The next THCH report on project and agency surveys will use these improved data to redo and expand the present report and assess the impact of missing data on our conclusions. Beginning in 2006, THCH sites will undertake a second wave of project and agency surveys to include new projects and agencies and update tenant, funding, and policy information on already surveyed agencies and projects. The report based on this second wave of surveys will provide the first look at increases in PSH and the success of THCH efforts in expanding funding and partnering opportunities.

APPENDIX A SAMPLING AND WEIGHTING

Weighting the THCH agency and survey data is necessary because we do not have data from the “universe” of PSH for all THCH communities. “Universe,” in sampling terms, means that you have data to describe every member of the thing you care about—in our case, PSH agencies, projects, and beds. When you have data from the universe of agencies and projects that exist in a community, you do not have to weight.

Most THCH communities include many PSH projects, and some also have many agencies—too many for us to expect that THCH site staff would be able to get surveys from all of them. However, when the data you have come from less than the universe, you must make some adjustments if you want your findings to represent the universe and not just the agencies and projects for which you have data. This adjustment process is called weighting. Table A.1 shows the number of agencies and projects in THCH communities, and the number of surveys we received to represent them. Unshaded cells indicate that we have surveys from all agencies or projects in that community—i.e., we have “the universe” for these sites. Agencies and projects in these cells receive a weight of 1, meaning the agency or project represents itself and only itself. Shaded cells indicate communities for which only a sample of agencies or projects completed surveys. These surveys received weights different from 1, meaning that an agency or project survey represents not only itself but also other agencies similar to itself (i.e., in its “stratum”).

Community	Agencies		Projects	
	# Received	Representing	# Received	Representing
Connecticut	12	47	23	74
Kentucky	10	45	14	81
Los Angeles	8	28	41	118
Maine	8	21	14	45
Portland/Multnomah	5	5	26	26
Rhode Island	7	15	7	25
Seattle/King	5	6	12	12
Spokane	8	8	10	10

* Includes only projects open in early 2004 that house homeless people, and agencies with at least one open project.

Weighting was done in several different ways, depending on the information available for each THCH community and, for those from which we have samples, how the samples were created. A brief explanation of how strata were developed and how agencies and projects were weighted in each THCH community follows.

CONNECTICUT

CSH-SNE had a database containing project, agency, and bed count information for all PSH in the state. For information requested on the project survey, data were drawn from this database rather than ask the projects to report it on THCH forms. Projects were selected from five strata

constructed according to project size. The strata for both agencies and projects were: 1-9 beds, 10-19 beds, 20-29 beds, 30-49 beds, 50-99 beds, and 100+ beds. We assigned agencies to strata based on all the beds an agency offered, across all of its projects. We assigned projects to strata based on the number of beds in a project.

We selected 23 projects to represent the 74 Connecticut projects in the CSH-SNE database. Agency surveys were collected from 12 of the 17 agencies offering the sampled projects. As we knew the total number of beds available in each stratum and for the state as a whole, we weighted against these beds.

$$\text{Agency weight} = (\# \text{ beds in agency's stratum} / \# \text{ beds agency offers}) / \# \text{ agencies from stratum in sample}$$
$$\text{Project weight} = (\# \text{ beds in project's stratum} / \# \text{ beds project offers}) / \# \text{ projects from stratum in sample}$$

KENTUCKY

KHC had a database of projects throughout the state, from which it sampled. The database indicates the project name and the agency offering the project, and usually also indicates the population the project serves. After eliminating projects that were group homes for MR/DD, some home repair and rehab projects, and projects that were closed or were under construction in 2004, we used the same approach to weighting as we did in Connecticut.

$$\text{Agency weight} = (\# \text{ beds in agency's stratum} / \# \text{ beds agency offers}) / \# \text{ agencies from stratum in sample}$$
$$\text{Project weight} = (\# \text{ beds in project's stratum} / \# \text{ beds project offers}) / \# \text{ projects from stratum in sample}$$

LOS ANGELES

We used information from Continuum of Care applications to create four strata: (1) big agencies, with many large projects and many beds; (2) medium-size agencies (usually not more than 100 beds total); (3) small agencies (usually less than 10 beds total); and (4) mental health agencies receiving S+C and state funding to house chronically homeless mentally ill people. We did some adjusting of which agencies were in which strata once we were actually talking with agencies. One of the big agencies supplied project surveys for all of its projects, while the other big agencies supplied surveys for only a sample of their many projects. Each big agency that gave us surveys for only a sample of their projects did some internal stratification with our help, so the projects for which we have surveys represent a subset of similar projects offered by that agency. We constructed weights as follows:

$$\text{Agency weight} = \# \text{ agencies offering PSH in agency's stratum} / \# \text{ agencies in stratum returning agency survey}$$
$$\text{Project weight for projects from Stratum 1 agency completing surveys for all projects}$$

= agency weight

Project weight for projects from Stratum 1 agencies completing surveys for a sample of projects

$$= (\# \text{ beds in project's stratum within agency} / \# \text{ beds project offers}) * \text{agency weight}$$

Project weight for projects from Stratum 2 and 4 agencies

$$= (\# \text{ beds agency offers} / \# \text{ beds project offers}) * \text{agency weight}$$

MAINE

We used information from Maine's three Continuum of Care application Housing Activity Charts (3fs) to assess the number of PSH agencies, projects, and beds available in the state. It is not clear how projects and agencies were selected to receive surveys (i.e., no strata were developed in advance), so we created strata retrospectively in order to weight responses from agency and project surveys received from Maine. We created two strata: (1) the two agencies that together offer more than half the PSH available in the state, and their projects; and (2) all other agencies and projects. We knew from the 3fs the total number of beds available in each stratum and for the state as a whole, and used these beds to construct weights.

$$\text{Agency weight} = (\# \text{ beds in agency's stratum} / \# \text{ beds agency offers}) / \# \text{ agencies from stratum in sample}$$

$$\text{Project weight} = (\# \text{ beds in project's stratum} / \# \text{ beds project offers}) / \# \text{ projects from stratum in sample}$$

PORTLAND/MULTNOMAH COUNTY

We had surveys from all relevant agencies and projects in Portland/Multnomah County, so each agency and project received a weight of 1, with the exception of the Housing Authority of Portland, which got a weight of .83 as an agency and a weight of .27 for one of its projects (with Cascadia), to correct for duplicate counting of one project that HAP did the development for but Cascadia runs, and both reported.

RHODE ISLAND

CSH-SNE had a database containing project, agency, and bed information for all PSH in the state. For information requested on the project survey, data were drawn from this database rather than ask the projects to report it on THCH forms. Seven projects were selected from five strata constructed according to project size. Agency surveys were collected from all 7 agencies offering the sampled projects.

As we knew the total number of beds available in each stratum and for the state as a whole, we weighted against these beds. We created agency strata based on all the beds an agency offered, across all of its projects. We created project strata based on the number of beds in a project. The strata for both agencies and projects were: 1-9 beds, 10-19 beds, 20-29 beds, 30-49 beds, 50-99 beds, and 100+ beds.

Agency weight = (# beds in agency's stratum / # beds agency offers) / # agencies from stratum in sample

Project weight = (# beds in project's stratum / # beds project offers) / # projects from stratum in sample

SEATTLE/KING COUNTY

Seattle/King County poses a bit of a challenge, because the site decided to surveys from all projects known to serve chronically homeless individuals, and their respective agencies (numbering about 1500 beds). However, the site did not gather any surveys from projects or agencies that provide PSH, and are listed on the 2004 CoC Housing Activity Chart, but are not available to the really hard core street people that the first set of agencies serves, and which contain about 880 more beds. Thus we have a deliberately biased sample of Seattle/King County PSH. It is impossible to represent the “other” projects by weighting the surveys we have, as they are quite different. Thus we have left the weights for the projects we do have from Seattle at 1, representing themselves. However, we had a project survey for a project run by an agency for which we did not have a survey, so we created a weight for each surveyed agency that adjusted for the missing agency. That weight is the same (1.106) for each agency for which we have a survey, and was constructed as follows:

Agency weight = # beds available in all reporting *projects* / # beds available in all *agencies* completing a survey

SPOKANE

We had surveys from all relevant agencies and projects in Spokane, so each agency and project received a weight of 1.

NOTE ON “ESTIMATES” AND INTERPRETATION

The fact that we already knew the number of PSH beds available in Connecticut, Kentucky, Maine, and Rhode Island and used it to create weights means that there is no issue of “estimating” the amount of PSH in these THCH communities—we knew it already, as well as it can be known.

However, without the THCH surveys we would not know who lives in the PSH, or what their homeless histories are, or what the offering agencies intend to do with respect to developing more PSH. It is therefore important to estimate agency responses to such questions using weights to adjust answers from sampled agencies for all agencies in the various THCH sites and for THCH as a whole.

For Portland/Multnomah County, Seattle/King County, and Spokane, we also do not have to “estimate” PSH beds, because we have surveys from all projects. The unweighted data will give the same answers as weighted data, because all weights are 1. As we want to combine data across THCH sites, however, it is necessary to give that weight of 1 to the agencies and projects in these communities.