Permanent Housing Solutions for Homeless Populations: A Program and Financial

Modeling Report for the Detroit Continuum of Care

June 2014

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ABOUT CSH

CSH transforms how communities use housing solutions to improve the lives of the most vulnerable people. We offer capital, expertise, information and innovation that allow our partners to use supportive housing to achieve stability, strength and success for the people in most need. CSH blends over 20 years of experience and dedication with a practical and entrepreneurial spirit, making us the source for housing solutions. CSH is an industry leader with national influence and deep connections in a growing number of local communities. We are headquartered in New York City with staff stationed in more than 20 locations around the country. Visit csh.org to learn how CSH can make a difference where you live.

ACKNOWLEDGEMENTS

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EXECUTIVE SUMMARY:

PURPOSE AND HISTORY OF THIS REPORT

CSH produced an initial financial modeling report in 2007 to help the Homeless Action Network of Detroit (HAND) develop a plan to end homelessness through the creation of supportive housing. At that time the Homeless Management Information System (HMIS) estimated that 24,015 persons experienced homelessness in the cities of Detroit, Highland Park and Hamtramck during the course of a year. The number of Permanent Supportive Housing (PSH) units needed was calculated to be 8,146. In acknowledgement of the high cost of producing that many units, and in deference to changing conditions over time and the capacity of the local community, a goal of creating 1,500 PSH units over a four year period was established.

Production of PSH did not increase to meet the target PSH production goal. It is estimated that since 2007, approximately 780 units of PSH have been developed. Although the number of people entering homelessness has dropped to about 20,000, it has remained stable at this level for several years. Not content to simply manage homelessness, HAND asked CSH to revisit the 2007 report and modify it to design new solutions to end homelessness in the Detroit Continuum of Care.

The result, this 2014 report, projects that by changing the way we use existing resources and increasing our local focus on permanent supportive housing development, we can end homelessness in Detroit, Highland Park and Hamtramck over the course of five years. Included in the report is a description of how households will be identified and referred to permanent housing, the types of housing to be created, and the costs of capital financing, operating subsidies, and supportive services for those units over this five year period.

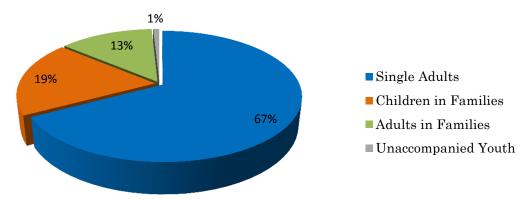
SUMMARY OF ANNUAL ESTIMATES

In 2012, a total of 19,714 people experiencing homelessness touched the homelessness services system at least one time and were thus counted in HMIS. More detailed demographic information is available in HAND's 2012 State of Homelessness Annual Report for the Detroit Continuum of Care.²

¹ Throughout this report, when the term "Detroit" is utilized, this should be considered to be inclusive of Detroit, Hamtramck and Highland Park.

 $^{^2~}See~\underline{http://www.handetroit.org/HMIS/2012\%20State\%20of\%20Homelessness\%20Report~FINAL.pdf}~to~obtain~the~report.$

Table 1E: Detroit Homeless Subpopulations



HOUSING OPTIONS PROPOSED

The 2014 Detroit financial modeling report utilizes a combination of three evidence-based housing models targeted to households based on a standardized assessment to determine the appropriate intervention. These models are described below:

HOMELESSNESS PREVENTION: Homelessness prevention programs seek to identify households that would become homeless if not for intervention and provide financial assistance for rent or utility arrears, as well as other case management services, to prevent the occurrence of homelessness. Often called "diversion," homelessness prevention seeks to preserve households in their current situation where possible, or assist them in moving to a better situation, while empowering clients towards maintaining housing stability in the future. In order to end homelessness, it is essential not only to decrease the number of currently homeless households, but also prevent the increase of additional people becoming homeless.

RAPID RE-HOUSING: Rapid re-housing is a major component of federal homelessness assistance funds and plays a key role in cities like Detroit where families were hard hit by the recent recession. Many households become homeless due to loss of employment, domestic violence, or other acute crises that prevent them from being able to pay rent. When a household becomes homeless as the result of an acute crisis, the ideal intervention is to rapidly return them to housing with the use of temporary, short-term assistance with rent, utilities, security deposits, and access to case management services as they become stabilized financially. Rapidly re-housing households facing these acute crises who do not have chronic challenges such as a long-term disability frees up emergency shelter services for others in need and spares children the instability and trauma of prolonged homelessness.

PERMANENT SUPPORTIVE HOUSING (PSH): Permanent supportive housing (PSH)

combines affordable housing with services that help people who face the most complex challenges to live independently successfully. As many people experiencing homelessness in Detroit have disabilities, mental illnesses, substance abuse disorders, and other long-term challenges that require frequent and intensive services, PSH is an essential part of Detroit's effort to end chronic homelessness.

METHODOLOGY

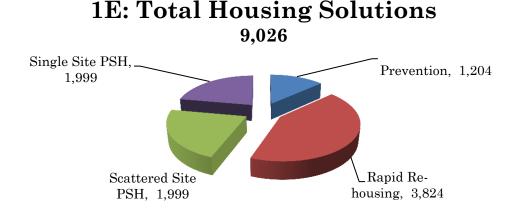
The financial modeling approach involves several key steps:

- First, current data and trends on the general housing market and homelessness in Detroit are considered, with careful attention paid to the proportion and needs of veterans and families.
- Second, assumptions about the strengths and limitations of various development and service approaches are identified and considered. CSH and HAND met with representatives of agencies throughout the homelessness services system to seek feedback and support in preparation for this report.
- Third, a proprietary tool is used to calculate the needed units of permanent supportive housing and other interventions based on inputs such as need, resources available, and development or operational costs and capacity. The feasibility of unit development via leasing, acquisition, rehabilitation or new construction are evaluated in order to leverage Detroit's existing housing stock in the most effective manner possible. Also, a time frame is chosen that is long enough for a substantial number of units to be developed, but that also allows for changing conditions to be incorporated into the plan.
- Fourth, recommendations on needed interventions are established and a plan is created for financing and producing the desired results.

CREATION/PRODUCTION STRATEGY

The 2014 report projects that 9,026 housing solutions would need to be created to end homelessness in Detroit. The creation of these permanent housing solutions, in accordance with the models of Prevention, Rapid Re-Housing, and Permanent Supportive Housing, is spread evenly over a five year period. This approach demonstrates that if a full transition to the new approaches described above were made, the needs of the entire Detroit homeless population of 19,714 could be addressed, with ongoing needs met in future years.

The breakdown of the different interventions used to meet the needs of those who are homeless in the Detroit Continuum of Care is outlined in graph 1E below:



The capital financing, operating subsidies and support services expenses associated with the three housing models were based on information provided by HAND member organizations currently providing housing and services to those who are homeless, and the Michigan State Housing Development Authority.

Apart from the two exceptions, sources of financing for production expenses are shown coming primarily from mainstream housing and services funders, the re-purposing of existing HAND Continuum of Care program funding, and re-purposing of state level Emergency Solutions Program (ESP) and City of Detroit Emergency Solutions Grant (ESG) shelter funds.

Tables 3E, 4E and 5E outline the operating, services and capital sources used to develop the three key housing solutions described above.

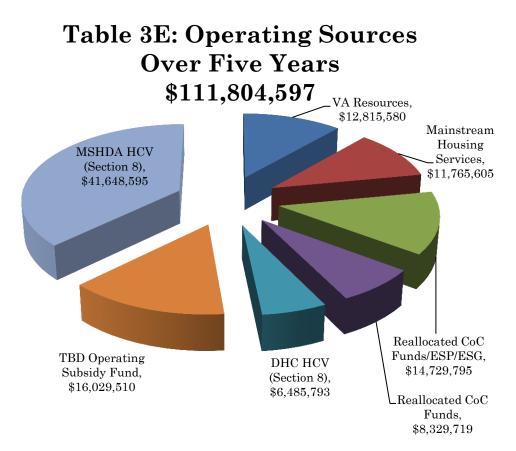


Table 4E: Services Sources Over Five Years \$33,832,265

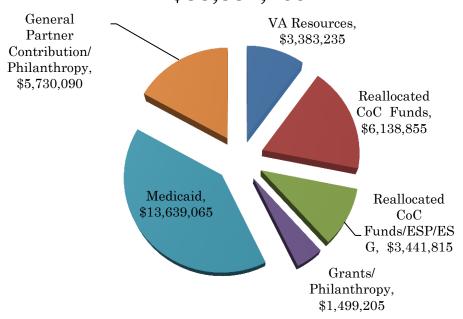
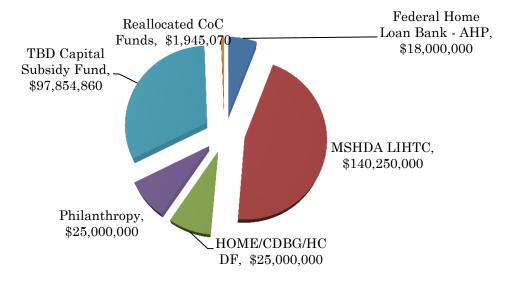


Table 5E: Capital Sources Over Five Years \$308,049,930



Additional Resources Not Yet Identified:

1. A capital funding source of \$19 Million a year for five years, totaling \$98 million, needs to be established to meet the production budgets projected for permanent supportive housing. This amounts to 32% of the total capital budget of \$306

Million. Absent this source, the permanent supportive housing production could still meet its goal by within eight, instead of five years. While this number may seem large, it is feasible utilizing an approach such as Social Impact Bond financing³. The Massachusetts Social Impact Bond program produced \$50 million, and the Minnesota Housing Trust Fund dedicated for housing for those who are homeless is \$30 million.

2. A source of rental assistance of \$2.8 Million a year during years three through five, totaling \$8 Million, needs to be created for use in the production of scattered site permanent supportive housing. This could be created through the use of unbudgeted tenant contributions towards rent, targeted grants, philanthropic sources, and additional re-purposed HAND Continuum of Care funds.

A more detailed description of the production schedules and budgets is found in a later section of this report.

RECOMMENDATIONS

In order for the program and financial model to be effectively executed, CSH makes the following recommendations:

- The Detroit community must embrace the repurposing of a significant amount (specific dollars amounts are outlined in the *Financial Projections* section of this report) of temporary housing dollars currently used to fund transitional housing and emergency shelter to *permanent housing solutions*.
- The full implementation of the coordinated access, assessment and referral system, called CAM (Coordinated Assessment Model) in Detroit, and creation of new resources, described in this report, must be officially supported by HAND.
- HAND must take the lead in establishing a transition plan and timeline for the repurposing of Continuum of Care program funds included in this report. First steps in that transition should begin in 2014, setting the course for other funders to follow.
- HAND must take the lead in reaching out to community partners, public, private, and philanthropic, to seek their support and participation in implementing the creation of permanent housing solutions described in this report. An analysis and potential retooling of current prevention activities should be included in this work.
- HAND members providing permanent housing solutions, especially those receiving Continuum of Care program funds, must agree to take referrals exclusively from the CAM
- Increased collaboration should occur between outreach teams, the CAM and the Department of Veterans Affairs to ensure eligible veterans can access VA-funded services for individuals and families who are homeless.
- A rigorous exploration of eligibility for coverage and reimbursement of PSH services under the recently enacted Medicaid Expansion known as Healthy Michigan should be conducted by HAND and its members.
- HAND should lead the effort to collect specific HMIS and other data, detailed later in this report, for the purpose of evaluating outcomes, and enabling informed revisions to be made to the production schedules contained in this report.

³ More Info Available via A New Tool For Scaling Impact: How Social Impact Bonds Can Mobilize Private Capital To Advance Social Good: http://www.rockefellerfoundation.org/uploads/files/655fab01-83b9-49eb-b856-a1f61bc9e6ca-small.pdf

INTRODUCTION

The Corporation for Supportive Housing partnered with the Homeless Action Network of Detroit (HAND) to engage in a program and financial modeling process to determine the number of units of permanent supportive housing (PSH) and the amount of other interventions like rapid re-housing and homelessness prevention needed for households experiencing homelessness in Detroit. The program and financial model is a tool that combines existing community data with the substantial local and national development expertise of CSH and its community partners to develop concrete development goals and strategies. This process has resulted in the development of unit goals, a projection of financial costs for the development of such units, and a set of recommendations regarding the development of these units. A similar modeling process was completed in 2007, but did not include Rapid Re-housing or Homeless Prevention interventions in addition to Permanent Supportive Housing. This new approach to financial modeling, which focuses on targeting resources most strategically, and provides additional housing options is reinforced by federal partners in ending homelessness, including the Department of Housing and Urban Development (HUD). In its July 12, 2013 SNAPS Weekly Focus newsletter, HUD asked "CoCs and PSH providers to prioritize chronically homeless persons and persons that are the most vulnerable in all PSH units as they become available" instead of a "first come, first served approach" to filling vacancies, as this will be a requirement starting with the FY2013 CoC Program Competition.⁴ The September 3rd Weekly Focus notes that "while rapid re-housing can be used effectively for many homeless populations, preliminary evidence indicates that it is particularly effective for households with children".5

HOMELESSNESS IN DETROIT

SUMMARY OF ANNUAL ESTIMATES: To determine the total need for the three housing interventions outlined in this report, it is first necessary to develop an estimate of the number of persons experiencing homelessness over the course of a year. The primary source of data used for this report is the Homeless Management Information System (HMIS), managed by the HAND. In 2012, a total of 19,714 people experiencing homelessness in Detroit touched the homelessness services system at least one time and were thus counted in HMIS. More detailed demographic information is available in HAND's 2012 State of Homelessness Annual Report for the Detroit Continuum of Care. According to the 2012 Report, of the individuals entered into HMIS:

- 61% were male and 38% were female.
- 170 were unaccompanied youth between the ages of 12 and 17, and 1,977 were older youth between the ages of 18 and 24.
- 6,323 (32%) were adults and children in families, with children representing more than half of that total number (3,737).
- Approximately 90% were Black/African American, 9% White, and 1% Asian, Native American, or multi-racial.

⁴ https://www.onecpd.info/news/snaps-weekly-focus-giving-priority-to-chronically-homeless-persons/

⁵ https://www.onecpd.info/news/snaps-weekly-focus-rapid-re-housing/

 $^{^6}$ See <u>http://www.handetroit.org/HMIS/2012%20State%20of%20Homelessness%20Report_FINAL.pdf</u> to obtain the report.

- 1,924 (10%) were Veterans and 3,457 (18%) were chronically homeless.
- Approximately 85% were unemployed.

SUBPOPULATIONS

FAMILIES WITH CHILDREN: Families with children account for approximately 32% of persons who were homeless over the course of 2012. The main causes identified for their homelessness were evictions, lack of affordable housing, loss of job, domestic violence, and underemployment. Seventy-seven percent of adults in these families were unemployed, and 39% lacked a high school diploma or GED. Less than one-third (31%) of these adults report a disabling condition. 51% reported being homeless for the first time. The number of homeless adults in families declined from 3,697 in 2010 to 3,555 in 2011, then again to 2,586 in 2012, although the number of homeless children declined by only 139 between 2010 and 2012.

While supportive housing may be the best solution for the minority of families who are chronically homeless or facing disabilities, <u>rapid re-housing</u> is a recognized best practice for this population. Rapid re-housing uses short-term strategies to help families quickly move out of homelessness and into permanent housing.

HOUSEHOLDS WHO WERE CHRONICALLY HOMELESS: Almost one in five individuals (18%) experiencing homelessness in 2012 were chronically homeless, defined as having been homeless 4 or more times in the past 3 years or been homeless for one year continuously and diagnosed with a disability. These 3,457 people are mostly male (69%), mostly Black/African American (88%), and most report having a mental health disability. Chronically homeless individuals often require intensive and long-term services to remain housed, making permanent supportive housing the most effective intervention for most chronically homeless individuals and families. As noted by the National Alliance to End Homelessness, "The ongoing and increased development of permanent supportive housing, a proven solution to ending homelessness for people with disabilities, is bringing down chronic and veteran homelessness numbers in communities across the country."

VETERANS: The 1,924 veterans experiencing homelessness over the course of the year were predominately male (90%), Black/African American (81%), unemployed (71%), and disabled (63%). Veterans in families had similar reasons for becoming homeless as nonveteran families: eviction, lack of affordable housing, and job loss. Single veterans also struggled with substance abuse and mental health. The National Coalition for Homeless Veterans notes that veterans account for a larger proportion of those experiencing homelessness compared to the overall population and have high rates of disabilities like PTSD.8 Veterans experiencing chronic homelessness often need long-term health and

⁷ The National Alliance to End Homelessness State of Homelessness in America 2013 http://b.3cdn.net/naeh/bb34a7e4cd84ee985c_3vm6r7cjh.pdf

⁸ http://nchv.org/index.php/news/media/media_information/

mental health support, and thus permanent supportive housing can be an ideal intervention, although other veterans can benefit from other types of interventions as well.

THE ROLE OF COORDINATED ACCESS, ASSESSMENT AND REFERRAL IN IMPLEMENTATION

Since the 2007 modeling report was published, evidence has emerged that demonstrates the effectiveness and efficiency of a coordinated entry, assessment and referral system in offering appropriate permanent housing choices to those who are homeless. The system is currently in a phased implementation process in the Detroit Continuum of Care. The Coordinated Assessment Model, or CAM, as it is know is Detroit consists of the following components:

- · A centralized access point and telephone number to access
- A uniform assessment tool, the Service Prioritization Decision Assistance Tool (SPDAT), used by the CAM to guide service provision,

And, at the time of full implementation:

• A coordinated, system wide waitlist of individuals and families who qualify for permanent supportive housing.

Especially important to highlight in the CAM implementation process is the role of the SPDAT in driving the referral to the appropriate housing intervention for individuals and families facing homelessness. The VI-SPDAT, and the more extensive full SPDAT assessment establish a numerical score which can determine an individual or family's likelihood of ending their own homelessness, or if they an additional support to obtain housing. If additional support is recommended, the SPDAT score can guide which intervention is appropriate. ⁹

The projections in this report assume the full implementation of CAM and that the CAM conducts assessments of the majority of persons identified as homeless. The CAM must also maintain an inventory of temporary and permanent housing opportunities for those who are homeless. Finally, this system makes referrals that match available housing and services with the identified needs of the homeless persons on the waiting list. Shelter or transitional housing referrals may be made as short term interim housing, while permanent housing arrangements are sought and finalized.

The fully implemented CAM is an essential component of making the most efficient and effective use of resources available to respond to homelessness. The belief that targeting scarce resources for those who need them the most is the most effective way to provide services is built into financial modeling assumptions contained in this report.

TARGETING AND INTERVENTIONS: THE EVIDENCE

⁹ More information about the SPDAT is available here: http://www.orgcode.com/spdat/

This report will assist HAND in targeting interventions and limited resources to appropriate subpopulations. In concert with HAND's 10 Year Plan goals, this data will support planning and responding to the needs of those who are homeless by providing "a clear picture of not only the characteristics and needs of the people served, but also the programs and services that have [been] successful in moving these individuals in to long-term housing solutions," and thus improve use of "limited resources in a more targeted, efficient, and effective manner". ¹⁰

In order to determine how best to serve individuals in the Detroit Continuum, CSH called upon its organizational experience and a review of existing evidence about the effectiveness of resources to serve a wide range of people at risk of, or experiencing homelessness.

In 2009, in the wake of an economic recession, President Obama signed the American Recovery and Reinvestment Act of 2009. The act included \$1.5 billion for what was called the Homelessness Prevention and Rapid Re-Housing Program (HPRP). While HPRP ended in 2012, research and lessons learned from across the country, the State of Michigan and the City of Detroit has helped to guide new decisions about the most cost effective way to use resources available to prevent and end homelessness. The two specific interventions that made up HPRP were prevention and rapid re-housing.¹¹

PREVENTION: Homelessness prevention strategies provided targeted, short-term case management and financial assistance with the goal of avoiding homelessness for families and individuals who are at imminent risk of losing housing. The United States Interagency Council on Homelessness (USICH) notes that not only is prevention an essential strategy in every community response to homelessness, but that prevention resources are most effectively directed and distributed within the context of a coordinated assessment system, ¹²

It should be noted that all prevention efforts are not created equal. Research indicates that in order for prevention to be effective it must target those who would become homeless without the intervention. Risk factors for entering homelessness include: extremely low income, a head of household less than 22 years of age, and a history of homelessness. ¹³ As mentioned in our recommendations in the reports Executive Summary, greater coordination of prevention efforts, and linkage to mainstream prevention resources whenever possible, is essential for the success of prevention.

RAPID RE-HOUSING: A rapid re-housing program consists of three key components; assistance securing housing, temporary financial assistance and case management. A review of the literature related to rapid re-housing demonstrates that it is an effective strategy to quickly end homelessness. A National Alliance to End Homelessness research study found that the cost per exit to permanent housing for Rapid Re-Housing was just

¹⁰ http://handetroit.org/documents/10YP.pdf

¹¹ https://www.onecpd.info/hprp/

 $^{^{12}\} http://usich.gov/usich_resources/solutions/explore/homelessness_prevention$

¹³ http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3969118/

\$4,111, as compared to \$10,067 for shelter and \$22,214 for transitional housing. 14 Additionally, the USICH notes that "Findings of program-specific evaluations are fairly consistent, often reporting that 90 percent or more of households served remained housed and that very few households return to shelters."15

PERMANENT SUPPORTIVE HOUSING: CSH defines permanent supportive housing as: a successful, cost-effective combination of affordable housing with services that helps people live more stable, productive lives. Supportive housing works well for people who face the most complex challenges—individuals and families who are not only homeless, but who also have very low incomes and serious, persistent issues that may include substance use, mental illness, or other disabilities.

PSH is an essential part of Detroit's effort to end chronic homelessness. Research shows that PSH is highly effective for this population, and it is also less expensive to society. For example, McLaughlin (2011) found that for those with mental illness, using PSH saves thousands of dollars per client in costs of mental health care, emergency shelter stays, emergency room use, jail time, and ambulance fees, even after accounting for the costs of rent 16 .

PSH can be grouped in one location with on-site services or spread throughout the community with regular service contact provided. Either way, tenants have a lease in their name, have easy access to services designed to keep them housed, but are not required to participate in any services to remain housed and have no time limit on their housing. By placing people in housing first, they are better able to overcome or manage the other challenges they face. Despite the evidence-based benefits, the supply of PSH units is often far below the population need.

ASSUMPTIONS

For the purposes of this report, the followed assumptions regarding targeting of resources were made:

- A better use of existing prevention resources would mean that homelessness could be prevented for an additional 8% of Detroit's 19,714 homeless individuals who touched HMIS in 2012.
- After subtracting individuals who were identified as chronically homeless in HMIS, 65% of the households left in the system would leave the system without any financial support. National research suggests that anywhere between 75-80% of individuals and families who enter the shelter system will leave on their own accord, with no assistance.¹⁷ Within input and feedback from HAND, CSH set the number of households who would leave shelter on their own accord at 65%. We chose a lower

¹⁴ http://b.3cdn.net/naeh/0cea6e704a17438f25 sxm6vu8av.pdf

¹⁵ http://usich.gov/usich_resources/solutions/explore/rapid_re_housing

¹⁶ http://rsw.sagepub.com/content/21/4/404.short

¹⁷ Culhane, D.P. & Kuhn, R. (1997). Patterns and determinants of shelter utilization among single homeless adults in New York City and Philadelphia: A longitudinal analysis of homelessness. Journal of Policy Analysis and Management, 17 (1) 23-43.

- number than the national average mainly due to the high poverty and unemployment rates in the City of Detroit.
- All individuals identified as chronically homeless will need some sort of housing intervention to obtain and maintain housing.
- For family households, an average family size of three was established. This means that of the 6323 members of families counted in 2012 HMIS data equated to 2108 total households. On the same note, based on this assumption, the 19,714 individuals counted in HMIS become 15,499 households.

 In order to effectively modeling the number of interventions and the cost of these interventions, and recognizing that we cannot predict family compositions, we are using 1 bedroom units to signify interventions for singles, and three bedroom units to project for families. Serving families in scattered-site housing will allow flexibility to ensure appropriate unit sizes.

Based on these assumptions, we have established that we would need to create 9,026 Housing Solutions in order to end homelessness in Detroit.

NEEDS PROJECTIONS

A WORD ABOUT THE CREATION STRATEGY: The creation of 9,026 permanent housing solutions, in accordance with the models of prevention, rapid re-housing, and permanent supportive housing, is spread evenly over a five year period. This approach demonstrates that if a full transition to the new approaches described above were made, the entire homeless population in the City of Detroit could be accommodated. The capital financing, operating subsidies and support services expenses associated with

The capital financing, operating subsidies and support services expenses associated with the three housing models were based on information provided by HAND member organizations currently providing housing and services to those who are homeless, and the Michigan State Housing Development Authority.

PREVENTION: As described above, a significant number of households that ultimately become homeless faced a point when an intervention including financial assistance and support services could have resolved the immediate crisis. This report projects that a combination of increased resources and better coordination with mainstream housing and service providers could provide 8% of households who would become homeless with a solution enabling them to remain housed. If implemented, Table 1 shows that Prevention services would divert 993 Individual Households, and 211 Family Households, from becoming homeless. This solution would reduce the total number of homeless households in the Detroit area from 15,499 to 14,295.

Table 1: Estimating the Total Number of Households that are Homeless Following Prevention								
	# of Househol ds that are Homeless	% of Household s that are Homeless	% of Households usehold Diverted Ho hat are from Dive		# of Househol ds that are Homeless	% of Households that are Homeless		
Individual Households:	13,391	86%	6%	993	12,398	87%		
Homeless	9,934	64%	10%	993	8,941	63%		
Chronically Homeless	3,457	22%	0%	0	3,457	24%		
Family Households:	2,108	14%	10%	211	1,897	13%		
TOTAL HOUSEHOLDS:	15,499	100%	8%	1,204	14,295	100%		

ESTIMATING THE NUMBER OF HOUSEHOLDS TO BE REFERRED TO

PERMANENT HOUSING SOLUTIONS: Research indicates that a large percentage of those identified as homeless will find housing on their own, without system intervention. For Detroit's homeless population it's estimated that 46% of Individual Households (including 100% of those who are chronically homeless) and 35% of Family Households will need assistance resolving their homeless situation, and therefore will need be served by one of the Permanent Housing Solutions described in this report. Table 2 below shows that of the 14,295 homeless households, 7,250 of them (6,586 Individuals and 664 Families) should be referred to a permanent housing solution.

Table 2: Estimating the Total Number of Housing Solutions							
	# of Households that are Homeless	% of Households that are Homeless to be Referred to Housing	# of Households that are Homeless to be Referred to Housing				
Individual Households:	12,398	46%	6,586				
Homeless	8,941	35%	3,129				
Chronically Homeless	3,457	100%	3,457				
Family Households:	1,897	35%	664				
TOTAL HOUSEHOLDS:	14,295	51%	7,250				

ESTIMATING THE NUMBER OF RAPID RE-HOUSING UNITS NEEDED IN THE

COMMUNITY: As demonstrated above, rapid re-housing has proven to be a successful permanent housing intervention for individuals and families. This report assumes 50% of individuals (3,293) and 80% of families (531) assessed through the CAM should be referred to this type of permanent housing solution. Also anticipated is that 15% of families, and 20% of individuals who receive rapid re-housing will be unable to retain housing with this

level of services and will need a more intensive, permanent supportive housing intervention to effectively achieve housing stability.

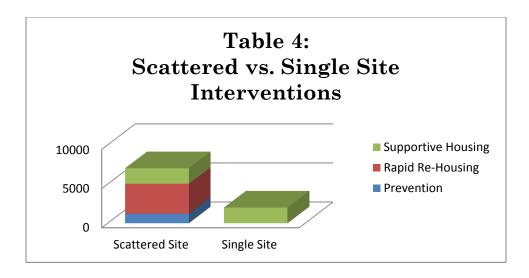
Table 3 below summarizes the referrals to rapid re-housing, as well those leaving for permanent supportive housing.

Table 3: Estimating the Total Number of Rapid Re-Housing (RRH) Units Needed							
			# of RRH Units Needed	% of Households Leaving RRH for PSH	# of Households Leaving RRH for PSH		
Individuals:	6,586	50%	3,293	20%	667		
Homeless	3,129	50%	1,565	15%	235		
Chronically Homeless	3,457	50%	1,729	25%	432		
Families With Children:	664	80%	531	15%	80		
TOTAL:	7,250	53%	3,824	20%	746		

ESTIMATING THE NUMBER OF PERMANENT SUPPORTIVE HOUSING UNITS

NEEDED IN THE COMMUNITY: Permanent Supportive Housing is the most complex and expensive housing solution presented in this report. In 2007 it was estimated that over 8,000 units were needed to effectively end homelessness in Detroit. In the current report, taking into account those households who find housing on their own, those who are prevented from ever becoming homeless, and those who need a shorter term form of assistance with housing and services, the PSH unit development goal is significantly less.

Of the 3998 units of permanent supportive housing to be created, a total of 1999 units (50%) will be offered on a scattered site basis, and a total of 1999 units (50%) will be located at single sites. In addition, all prevention and rapid re-housing will be offered in scattered site settings, ensuring a wide range of choice for the individuals and families served.



The permanent housing solutions detailed in this report are designed to emphasize tenant choices scattered throughout the community. Offering options area-wide enables tenants to locate near family, friends, schools, employers, retailers, and other resources of their choice. This approach is highly supported as a means to integrate households into their community, supporting their efforts to achieve housing stability and success in their lives.

Single site permanent housing solutions have been limited to those involving the acquisition/rehab or new construction of permanent supportive housing. This approach offers its own advantages, such as targeting specific locations, including amenities and features specific to those targeted to live there, and increasing the overall pool of high quality units, and committing those units for PSH for extended periods of time.

Table 5 includes the number of individual and family households referred directly to PSH and the number of Households referred from a Rapid Re-Housing setting. It takes into account the existing number of PSH units, shows how many become available through annual turnover, and calculates that 3,998 PSH units are needed – including 178 for family households and 3,820 for individual households.

Table 5: Estimat	ting the T	otal Num	ber of PS	H Units N	Needed	in the (Commu	nity
	# of Homeless to be Referred to Housing	% of Househol ds Referred to PSH	# of Househol ds Referred to PSH	# of Househol ds Leaving RRH for PSH	Existin	Turnov	Annual Turnov er Rate (#)	TOTAL PSH Units Needed
Individuals:	6,586	50%	3,293	667	1,554	9%	140	3,820
Homeless	3,129	50%	1,565	235	1179	9%	106	1,693
Chronically Homeless	9 457	50%	1,729	432	375	9%	34	2,127
Families With								
Children:	664	20%	133	80	385	9%	35	178
TOTAL:	7,250	47%	3,426	747	1,939	9%	175	3,998

FINANCIAL PROJECTIONS:

EXPENSES: Table 6 outlines the annual expenses for the three housing methods proposed in this report:

Table 6: Annual Expenses for Prevention, Rapid Re-Housing, and Permanent Supportive Housing								
		ention	Rapid Re-Housing		Scattered Site Permanent Supportive Housing		Single Site Permanent Supportive Housing	
	Annual # of Househ	Annual	Annual # of Househ	Annual	Annual # of Househo	Annual	Annual # of House	Annual
	olds	Expense	\mathbf{olds}	Expense	lds	Expense	holds	Expense
Operating Expenses								
Individuals (1 BR)	199	2,004,867	659	2,659,512	382	3,085,081	382	3,085,081
Families with Children (3 BR)	42	609,579	106	613,776	18	205,469	18	205,469
Subtotal	241	2,614,446	765	3,273,288	400	3,290,550	400	3,290,550
Services Expenses								
Individuals (1 BR)	199	993,000	659	658,621	382	382,006	382	1,146,018
Families with Children (3 BR)	42	211,000	106	106,226	18	17,780	18	53,341
Subtotal	241	1,204,000	765	764,847	400	399,786	400	1,199,359
Development Expenses								
Individuals (1 BR)							382	61,120,972
Families with Children (3 BR)							18	889,014
Subtotal							400	62,009,986
Total Expenses		3,818,446		4,038,135		3,690,336		66,499,895

REVENUE SOURCES: Prevention Revenues by Source and Household Type Table 7, below, lists the amount and sources of revenues needed, over a five year period, to create and operate the prevention units this report projects will be needed. Further description of the revenue sources follows the chart.

Table 7: Prevention Revenues	s by Source and	Household	Туре			
		Year 1	Year 2	Year 3	Year 4	Year 5
Revenues						
Operating						
Individuals (1 BR)	VA Resources	200,567	200,567	200,567	200,567	200,567
	Mainstream Housing Services	1,805,107	1,805,107	1,805,107	1,805,107	1,805,107
Subtotal		2,005,675	2,005,675	2,005,675	2,005,675	2,005,675
Families with Children (3 BR)	VA Resources	60,890	60,890	60,890	60,890	60,890
	Mainstream Housing	- 40 01 4	- 40 01 4	2 40.014	- 40 01 4	2 10 01 1
	Services	548,014	548,014	548,014	548,014	548,014
Subtotal		608,905	608,905	608,905	608,905	608,905
Total Operating		2,614,580	2,614,580	2,614,580	2,614,580	2,614,580
Services						
Individuals (1 BR)	VA Resources	99,340	99,340	99,340	99,340	99,340
	Reallocated ESP/ESG Funds	894,060	894,060	894,060	894,060	894,060
C-1-4-4-1	Fullus		· ·	, i		
Subtotal Families with Children (3	VA	993,400	993,400	993,400	993,400	993,400
BR)	Resources	21,077	21,077	21,077	21,077	21,077
BIO	Reallocated ESP/ESG	21,011	21,011	21,011	21,011	21,011
	Funds	189,690	189,690	189,690	189,690	189,690
Subtotal		210,767	210,767	210,767	210,767	210,767
Total Services		1,204,167	1,204,167	1,204,167	1,204,167	1,204,167
Total Revenues		3,818,746	3,818,746	3,818,746	3,818,746	3,818,746

Assumed Prevention Operating Revenues

Individuals (1 BR)

• VA Resources – An annual total of \$200,567 is budgeted to come from the VA, through SSVF, to provide short term rental or other financial assistance to veterans.

Mainstream Housing Services – An annual total of \$1,805,107 is budgeted for
greater utilization of existing resources available from mainstream service providers
for all Detroit area households who need assistance such as avoiding utility shut
offs, help with rent arrearages, providing rent deposits and short term rental
subsidies. Increased training should be provided to the CAM and homeless services
providers, on coordination with the Department of Human Services, Wayne Metro
Community Action Agency, and other state and local agencies, to access their
resources.

Families with Children (3 BR)

- VA Resources An annual total of \$60,890 is budgeted to come from the VA, from SSVF, to provide short term rental or other financial assistance to veterans.
- Mainstream Housing Services An annual total of \$548,014 is budgeted for greater utilization of existing resources available from mainstream service providers for all Detroit area households who need assistance such as avoiding utility shut offs, help with rent arrearages, providing rent deposits and short term rental subsidies.
 Increased training should be provided to the CAM and homeless services providers on coordination with the Department of Human Services, Wayne Metro Community Action Agency, and other state and local agencies, to access their resources.

Assumed Prevention Services Revenues

Individuals (1 BR)

- VA Resources An annual total of \$99,340 is budgeted to come from the VA, through SSVF (Supportive Services for Veteran Families) to provide short term services coordination or case management assistance to veterans.
- State of Michigan ESP/ESG Funds and City of Detroit ESG Funds An annual total of \$894,060 is budgeted to come from State of Michigan ESP Funds and City of Detroit ESG Funds. Full implementation of the Coordinated Access and Referral System operated by the CAM, resulting in less utilization of emergency shelters, and limiting shelter stays to no more than 30 days, provides an opportunity to repurpose existing resources currently used for shelter operations to prevention activities.

Families with Children (3 BR)

- VA Resources An annual total of \$21,077 is budgeted to come from the VA, through SSVF, to provide short term services coordination or case management assistance to veterans.
- State of Michigan ESP Funds and City of Detroit ESG Funds An annual total of \$189,690 is budgeted to come from State of Michigan ESP/ESG Funds and City of Detroit ESG Funds. Full implementation of the Coordinated Access and Referral System operated by the CAM, resulting in less utilization of emergency shelters, and limiting shelter stays to no more than 30 days, provides an opportunity to repurpose existing resources currently used for shelter operations to prevention activities.

RAPID RE-HOUSING: Table 8, below, lists the amount and sources of revenues needed, over a five year period, to create and operate the rapid re-housing units this report projects will be needed. Further description of the revenue sources follows the chart:

Table 8: Rapid Re-Ho	Table 8: Rapid Re-Housing Revenues by Source and Household Type								
		Year 1	Year 2	Year 3	Year 4	Year 5			
Revenues									
Operating									
Individuals (1 BR)	VA Resources	265,951	265,951	265,951	265,951	265,951			
, ,	Reallocated COC	,	,	,	,	,			
	Program								
	Resources	2,393,560	2,393,560	2,393,560	2,393,560	2,393,560			
Subtotal		2,659,512	2,659,512	2,659,512	2,659,512	2,659,512			
Families with		· · · · ·							
Children (3 BR)	VA Resources	61,378	61,378	61,378	61,378	61,378			
	Reallocated COC								
	Program								
	Resources	552,399	552,399	552,399	552,399	552,399			
Subtotal		613,776	613,776	613,776	613,776	613,776			
Total Operating		3,273,288	3,273,288	3,273,288	3,273,288	3,273,288			
Services									
Individuals (1 BR)	VA Resources	65,862	65,862	65,862	65,862	65,862			
11101/10/0010 (1 214)	Reallocated COC	00,002	00,002	00,002	33,002	00,002			
	Program								
	Resources	592,759	592,759	592,759	592,759	592,759			
Subtotal		658,621	658,621	658,621	658,621	658,621			
Families with		,	,	,	,	·			
Children (3 BR)	VA Resources	10,623	10,623	10,623	10,623	10,623			
	Reallocated COC								
	Program								
	Resources	95,604	95,604	95,604	95,604	95,604			
Subtotal		106,226	106,226	106,226	106,226	106,226			
Total Services		764,847	764,847	764,847	764,847	764,847			
m . 15		,	4.00= 1=11	4.00= .==	4.005.55	4.005.15			
Total Revenues		4,038,135	4,038,135	4,038,135	4,038,135	4,038,135			

Assumed Rapid Re-Housing Operating Revenue

Individuals (1 BR)

• VA Resources – An annual total of \$265,951 is budgeted to come from the VA, from SSVF, to provide short term rental or other financial assistance to veterans.

• Reallocated CoC Program Resources – An annual total of \$2,393,560 is budgeted for re-purposing existing of CoC resources currently allocated under the program types transitional housing (TH) or supportive services only (SSO). Permanent housing would be made available by making payments for rent deposits and providing short term rental subsidies through the RRH program type.

Families with Children (3 BR)

- VA Resources An annual total of \$61,378 is budgeted to come from the VA, from SSVF, to provide short term rental or other financial assistance to veterans.
- Reallocated CoC Program Resources—An annual total of \$552,399 is budgeted for repurposing existing of CoC resources currently allocated under the program types transitional housing (TH) or supportive services only (SSO). Permanent housing would be made available by making payments for rent deposits and providing short term rental subsidies through the RRH program type.

Assumed Rapid-Rehousing Services Revenues

Individuals (1 BR)

- VA Resources An annual total of \$65,862 is budgeted to come from the VA, from SSVF, to provide short term services coordination or case management assistance to veterans.
- Reallocated CoC Program Resources—An annual total of \$592,759 is budgeted for repurposing existing of CoC resources currently allocated under the program types transitional housing (TH) or supportive services only (SSO). Permanent housing would be made available by making payments for rent deposits and providing short term rental subsidies through the RRH program type.

Families with Children (3 BR)

- VA Resources An annual total of \$10,623 is budgeted to come from the VA from SSVF, to provide short term services coordination or case management assistance to veterans.
- Reallocated CoC Program Resources—An annual total of \$95,604 is budgeted for repurposing existing of CoC resources currently allocated under the program types transitional housing (TH) or supportive services only (SSO). Permanent housing would be made available by making payments for rent deposits and providing short term rental subsidies through the RRH program type.

SCATTERED SITE PERMANENT SUPPORTIVE HOUSING: Table 9, below, lists the amount and sources of revenues needed, over a five year period, to create and operate the scattered site permanent supportive housing units this report projects will be needed. Further description of the revenue sources follows the chart.

Table 9: Scattered Site PSH Revenues by Source and Household Type							
Revenues		Year 1	Year 2	Year 3	Year 4	Year 5	
Operating							
Individuals (1 BR)	VA Resources	308,508	308,508	308,508	308,508	308,508	
	CoC Program Funds	2,776,573	2,776,573	0	0	0	
	DHC Section 8	0	0	104,988	104,988	104,988	
	TBD Operating Subsidy Fund	0	0	2,671,585	2,671,585	2,671,585	
Subtotal	z uzzauj 1 ulitu	3,085,081	3,085,081	3,085,081	3,085,081	3,085,081	
Families with Children (3		3,003,001	3,000,001	3,003,001	3,000,001	3,000,001	
BR)	VA Resources	20,547	20,547	20,547	20,547	20,547	
	DHC Section 8	184,922	184,922	184,922	184,922	184,922	
Subtotal		205,469	205,469	205,469	205,469	205,469	
Total Operating		3,290,550	3,290,550	3,290,550	3,290,550	3,290,550	
Services							
Individuals (1 BR)	VA Resources	38,201	38,201	38,201	38,201	38,201	
	Grants/Philanthropy	95,502	95,502	95,502	95,502	95,502	
	Medicaid	248,304	248,304	248,304	248,304	248,304	
Subtotal		382,007	382,007	382,007	382,007	382,007	
Families with Children (3							
BR)	VA Resources	1,778	1,778	1,778	1,778	1,778	
	Grants/Philanthropy	4,445	4,445	4,445	4,445	4,445	
	Medicaid	11,557	11,557	11,557	11,557	11,557	
Subtotal		17,780	17,780	17,780	17,780	17,780	
Total Services		399,787	399,787	399,787	399,787	399,787	
Total Revenues		3,690,337	3,690,337	3,690,337	3,690,337	3,690,337	

Operating Revenues

Individuals (1 BR)

- VA Resources An annual total of \$308,508 is budgeted to come from the VA, from HUD/VASH, to provide ongoing rental assistance to veterans. Since this annual total is for permanent housing, it accumulates each year, reaching the level of \$1,542,540 during Year 5.
- CoC Program Funds During Year 1 and Year 2 an annual total of \$2,776,573 is budgeted for re-purposed CoC Program Funds, to provide ongoing rental assistance. This accumulates to an ongoing annual total of \$5,553,146. Since this report assumes that all or most homeless households will be referred to Permanent Housing Solutions, CoC Program Funds currently used for Transitional Housing Programs is a source that should be considered.
- Detroit Housing Commission Section 8 During Years 3 to 5 an annual total of \$104,988 is budgeted to come from the Detroit Housing Commission in the form of 13 Section 8 Housing Choice Vouchers, for ongoing rental assistance. This accumulates to an ongoing total of 39 youchers at an annual rate of \$314,964.
- Operating Subsidy Fund (to be developed) -- During Years 3 to 5 an annual total of \$2,671,585 is budgeted to come from an Operating Subsidy Fund to be developed, for ongoing rental assistance. This accumulates to an ongoing total of \$16,029,510. Local sources, such as CoC Program Funds, and the Detroit Housing Commission,

are maximized before establishing this new resource. The fund could be established by any combination of private, public and philanthropic resources, and could be augmented by the solicitation of national and state grants offered to provide housing for homeless households.

Families with Children (3 BR)

- VA Resources An annual total of \$20,547 is budgeted to come from the VA, from HUD/VASH, to provide ongoing rental assistance to veterans. Since this annual total is for permanent housing, it accumulates each year, reaching the level of \$102,735 during Year 5.
- Detroit Housing Commission Section 8 During Years 1 to 5 an annual total of \$1184,922 is budgeted to come from the Detroit Housing Commission in the form of 16 Section 8 Housing Choice Vouchers, for ongoing rental assistance. This accumulates to an ongoing total of 80 vouchers at an annual rate of \$924,610.

Services Revenues Individuals (1 BR)

- VA Resources An annual total of \$38,201 is budgeted to come from the VA Medical Center, from HUD/VASH, to provide short term services coordination or case management assistance to veterans. This accumulates from Year 1 to Year 5, reaching an annual total of \$191,005.
- Grants/Philanthropy An annual total of \$95,502 is budgeted to come from the assortment of grants, fundraising efforts, and philanthropy agencies providing services to households who are homeless can access. This accumulates from Year 1 to Year 5, reaching an annual total of \$477,510.
- Medicaid An annual total of \$248,304 is budgeted to come from Medicaid Funds. This accumulates from Year 1 to Year 5, reaching an annual total of \$1,241,520

Families with Children (3 BR)

- VA Resources An annual total of \$1,778 is budgeted to come from the VA Medical Center, from HUD/VASH, to provide services coordination or case management assistance to veterans. This accumulates from Year 1 to Year 5, reaching an annual total of \$8,890. Increased training should be provided to the CAM and homeless services providers, on coordination with the VA to access their resources.
- Grants/Philanthropy An annual total of \$4,445 is budgeted to come from the assortment of grants, fundraising efforts, and philanthropy agencies providing services to households who are homeless can access. This accumulates from Year 1 to Year 5, reaching an annual total of \$22,225.
- Medicaid An annual total of \$11,557 is budgeted to come from Medicaid Funds. This accumulates from Year 1 to Year 5, reaching an annual total of \$57,785.

SINGLE SITE PERMANENT SUPPORTIVE HOUSING: Table 10, below, lists the amount and sources of revenues needed, over a five year period, to create and operate the single site permanent supportive housing units this report projects will be needed. Further description of the revenue sources follows the chart

Table 10: Single S	Site PSH Revenues by Source and Household Type						
Revenues		Year 1	Year 2	Year 3	Year 4	Year 5	
Operating							
Individuals (1 BR)		308,508	308,508	308,508	308,508	308,508	
	MSHDA Section 8	2,776,573	2,776,573	2,776,573	2,776,573	2,776,573	
Subtotal		3,085,081	3,085,081	3,085,081	3,085,081	3,085,081	
Families with Children							
(3 BR)	A Rental Subsidies	20,547	20,547	20,547	20,547	20,547	
	DHC Section 8	184,922	184,922	184,922	184,922	184,922	
Subtotal		205,469	205,469	205,469	205,469	205,469	
Total Operating		3,290,550	3,290,550	3,290,550	3,290,550	3,290,550	
Services							
Individuals (1 BR)	VA Funding	114,602	114,602	114,602	114,602	114,602	
,	General Partner	,	,	,	,	,	
	Contribution/						
	Philanthropy	382,006	382,006	382,006	382,006	382,006	
	Medicaid	649,410	649,410	649,410	649,410	649,410	
Subtotal	Modicala	1,146,018	1,146,018	1,146,018	1,146,018	1,146,018	
Families with Children							
(3 BR)	VA Funding	5,334	5,334	5,334	5,334	5,334	
(6 214)	CoC Program	0,001	0,001	0,001	0,001	0,001	
	Funds	48,007	48,007	48,007	48,007	48.007	
Subtotal	1 dilus	53,341	53,341	53,341	53,341	48,007 53,341	
Total Services		1,199,359	1,199,359	1,199,359	1,199,359	1,199,359	
		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	
Development							
Individuals (1 BR)	AHP	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	
AHP	MSHDA LIHTC	28,050,000	28,050,000	28,050,000	28,050,000	28,050,000	
	State/Local						
	HOME, CDBG, Housing &						
	- U						
	Community	= 000 000	• 000 000	- 000 000	= 000 000	~ 000 000	
	Development Locai	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
	Philanthropy	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
	To Be Developed	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	
	Capital Subsidy						
	Fund	19,570,972	19,570,972	19,570,972	19,570,972	19,570,972	
Subtotal		61,120,972	61,120,972	61,120,972	61,120,972	61,120,972	
Sustitui		51,120,012	01,120,072	51,120,012	51,120,012	31,120,012	
Families with Children	AHP/Philanthrop						
(3 BR)	у	500,000	500,000	500,000	500,000	500,000	
, ,	oC Program Funds	389,014	389,014	389,014	389,014	389,014	
Subtotal	oo i rogram rumus	889,014	889,014	889,014	889,014	889,014	
		000,014	000,014	000,014	000,014	000,014	
Total Development		62,009,986	62,009,986	62,009,986	62,009,986	62,009,986	
Total Revenues		62,472,459	62,472,459	62,472,459	62,472,459	62,472,459	

Single Site Permanent Supportive Housing Revenues by Source and Household Type $\,$

Operating Revenues

Individuals (1 BR)

- VA Resources An annual total of \$308,508 is budgeted to come from the VA, from programs such as HUD/VASH, to provide ongoing rental assistance to veterans. Since this annual total is for permanent housing, it accumulates each year, reaching the level of \$1,542,540 during Year 5.
- Michigan State Housing Development Authority (MSHDA) Section 8 During Years
 1 to 5 an annual total of \$2,776,573 is budgeted to come from MSHDA in the form of
 344 Project Based Section 8 Housing Choice Vouchers, for ongoing rental assistance.
 This accumulates to an ongoing total of 1,720 vouchers at an annual rate of
 \$13,882,865.

Families with Children (3 BR)

- VA Resources An annual total of \$20,547 is budgeted to come from the VA, from programs such as HUD/VASH to provide ongoing rental assistance to veterans. Since this annual total is for permanent housing, it accumulates each year, reaching the level of \$102,735 during Year 5.
- Detroit Housing Commission Section 8 During Years 1 to 5 an annual total of \$184,922 is budgeted to come from the Detroit Housing Commission in the form of 16 Section 8 Housing Choice Vouchers, for ongoing rental assistance. This accumulates to an ongoing total of 80 vouchers at an annual rate of \$924,610.

Services Revenues

Individuals (1 BR)

- VA Resources An annual total of \$114,602 is budgeted to come from the VA Medical Center, from HUD/VASH, to provide short term services coordination or case management assistance to veterans. This accumulates from Year 1 to Year 5, reaching an annual total of \$573,010.
- Grants/Philanthropy An annual total of \$382,006 is budgeted to come from the assortment of grants, fundraising efforts, and philanthropy agencies providing services to households who are homeless can access. This accumulates from Year 1 to Year 5, reaching an annual total of \$1,910,030.
- Medicaid An annual total of \$649,410 is budgeted to come from Medicaid Funds. This accumulates from Year 1 to Year 5, reaching an annual total of \$3,247,050

Families with Children (3 BR)

- VA Resources An annual total of \$5,334 is budgeted to come from the VA Medical Center, from HUD/VASH to provide short term services coordination or case management assistance to veterans. This accumulates from Year 1 to Year 5, reaching an annual total of \$26,670.
- CoC Program Funds An annual total of \$48,007 is budgeted for re-purposed CoC Program Funds, to provide ongoing support services. This accumulates from Year 1 to Year 5, reaching an annual total of \$240,035. Since this report assumes that all or most homeless households will be referred to Permanent Housing Solutions, CoC

Program Funds currently used for Transitional Housing Programs is a source that should be considered.

Development/Capital Revenues

Individuals (1 BR)

- Federal Home Loan Bank AHP Funds From Year 1 to Year 5, seven projects are budgeted to receive \$500,000 of AHP funds, totaling \$3,500,000 on an annual basis.
- MSHDA Low Income Housing Tax Credits (LIHTC) An annual total of \$28,050,000 is budgeted to come from LIHTC equity, which represents approximately 60% of the tax credits set aside for supportive housing.
- Local Philanthropy An annual total of \$5,000,000 is budgeted to come from philanthropic sources and individual project capital campaigns.
- Capital Subsidy Fund (to be developed) An annual total of \$19,570,972 is budgeted to come from a Capital Subsidy Fund to be developed. A promising model emerging in several states is a "pay for success", or Social Impact Bond approach. Planning efforts are underway in Michigan to explore the feasibility of developing such a capital funding mechanism. In the absence of such a fund, the three sources listed above could be utilized, with production spread over an eight year period instead of the projected five years.

Development/Capital Revenues - Families with Children (3 BR)

- AHP/Philanthropy An annual total of \$500,000 is budgeted to come from some combination of contributions from philanthropic sources, or AHP grants from the Federal Home Loan Bank system.
- CoC Program Funds An annual total of \$389,014 is budgeted for re-purposed CoC Program Funds, to provide capital financing. Since this report assumes that all or most homeless households will be referred to Permanent Housing Solutions, CoC Program Funds currently used for Transitional Housing Programs is a source that should be considered.

RECOMMENDATIONS FOR DATA COLLECTION, ANALYSIS AND REVISIONS

The program and financial modeling projections in this report are based on the best data available at the time the report was produced. The following types of data, if collected on an ongoing basis, could be used to test the data driven assumptions contained in this report, allow for revisions, and more precise calculations, in future years. Data that would be useful for those purposes include:

- The number and percentage of those who are identified as homeless, who find housing without a referral to a Permanent Housing Solution.
- The net cost of rental assistance for RRH and PSH (total rent minus tenant paid portion)
- The number and percentage of those who leave RRH and are referred to PSH
- The turnover rate for PSH, including those who go to other permanent housing options, and those who recidivate back into homelessness
- The ongoing costs of developing, operating, and providing supportive services for Permanent Housing Solutions

• The number and percentage of those touching the homeless system who report being first time homeless. The number and percentage of households who contact the contacts with the centralized intake system (CAM) who are not homeless

CONCLUSION

The Detroit Continuum of Care has recognized that in order to move the needle on ending homelessness, they must use creative, evidence based services that are effectively targeted to the individuals and families facing homelessness

The program and financial modeling process and resultant five-year housing solutions model outlined in this report provide a clear path forward in this process. Stakeholders from the public, private, and non-profit sectors must now come together to turn this development model into a concrete and measurable action plan and work collaboratively to identify the resources needed to successfully execute it.