

**Assessing Program Theory in the Development of Accessory Dwelling Unit Supportive  
Housing for Veteran Homelessness**

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## Abstract

**Problem:** On a single night in January in both 2020 and 2021, there were approximately 315 Veterans experiencing homelessness in the State of Minnesota identified by the National Point-in-Time (PIT) Count. For more than a decade, federal policy initiatives to end both Veterans and chronic homelessness have set a specific goal and marshaled resources to end chronic homelessness among Veterans, generally making homelessness brief, rare and one-time when it does occur. There are many housing challenges for the Veteran target population, including but not limited to broader issues of affordability, a shortage in the availability of housing, chronic homelessness, racial discrimination, other forms of discrimination and screening, challenges in maintaining housing, matching of available housing to needs, and obstacles present in the implementation of targeted housing programs.

**Program:** This paper highlights a social entrepreneurship case study of a pilot initiative in the Minneapolis-St Paul metropolitan area and evaluates the program's theory and design. The YardHomes Housing Lease Expansion Program (Y-HELP) exploits shifts in local land use that facilitate easier opportunities to create new Accessory Dwelling Unit (ADUs) structures behind existing single-family and duplex properties. The program recruits non-profit property owners and homeowners to lease land for the addition of backyard homes that are leased to a Veteran client of an established local service provider.

**Methods:** Information about the program and the context surrounding it has been identified through reliance on secondary sources, program staff, program partners, additional stakeholders, and site visits completed by the author. This information has been analyzed using the approach of an assessment of program theory and design, consisting of describing the program impact theory, service utilization plan, and organizational plan. In addition, a logic model framework was used to elicit and represent the components of the program's design.

**Results:** The program shows significant responsiveness to the localized context of the social problem of Veteran homelessness in Minnesota. This appears attributable, in large part, to the strength of synergistic partnerships. It reflects distinct instances of innovation in real estate financing, land use, construction techniques, human services, and property operations. The program also lowers supply costs, transaction costs, and information costs in the development of ADUs through these strategies. In addition, the program theory for enhancing housing stability rests on the mediation of market and social interactions between homeowners, landlords, and Veterans by the specific practices and strategies of the partnering service provider—a critically important link in the program logic. Finally, the program—though perhaps not explicitly—serves as a potential mechanism to advance important state policy goals of addressing racial equity in homelessness.

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## **Assessing Program Theory in the Development of Accessory Dwelling Unit Supportive Housing for Veteran Homelessness**

### **Introduction**

On a single night in January in both 2020 and 2021, there were approximately 315 Veterans experiencing homelessness in the State of Minnesota identified by the National Point-in-Time (PIT) Count. For more than a decade, federal policy initiatives to end both Veterans and chronic homelessness have set a specific goal and marshaled resources to end chronic homelessness among Veterans, and generally make homelessness brief, rare and one-time when it does occur (U.S. Interagency Council on Homelessness, 2015). There are many housing challenges for the Veteran target population, including but limited to broader issues of affordability, a shortage in the availability of housing, chronic homelessness, racial discrimination, other forms of discrimination and screening, challenges in maintaining housing, matching of available housing to needs, and obstacles present in the implementation of targeted housing programs.

This paper highlights a social entrepreneurship case study of a pilot initiative by YardHomesMN in the Minneapolis-St Paul metropolitan area and evaluates the program's theory and design. The YardHomes Housing Lease Expansion Program (Y-HELP) exploits shifts in local land use that facilitate easier opportunities to create new Accessory Dwelling Unit (ADUs) structures behind existing single-family and duplex properties. The program recruits non-profit property owners and homeowners to lease land enabling the addition of backyard homes that are, in turn, leased to a Veteran client of an established local supportive service provider. This research seeks to answer the following research questions:

- What is the origin of Y-HELP and what is the contextual understanding of homelessness in which it came to exist?
- How is Y-HELP conceptualized and designed to deliver real estate and social impact outcomes in the delivery of supportive housing?
- How does the program incorporate innovative components of utilizing land, construction, development financing, and property operations?
- How does Y-HELP incorporate and speak to racial equity within the context of homelessness in Minnesota?

### **Methodology**

This research draws on a case study of a real estate and supportive housing program, Y-HELP, in the State of Minnesota that was completed through the course of the author's work at Volunteers of America National Services (VOANS) and partnership with YardHomes through the VOANS Innovative Dwellings program. It is designed as an evaluation of a social intervention drawn from Rossi et al (2019). It applies components of a systematic method of determining whether a social intervention is directed at the appropriate problem, whether it is implemented as designed, whether and how it proves to be effective, and the costs associated with it. Despite the sense that an evaluation determines if a program "works" or "does not," this approach simultaneously recognizes that different aspects of the program evaluation—the framing of a social problem, the assumptions inherent in the program design, the methods and

indicators used—take on more of an interpretative nature with the outcome of an evaluation greatly dependent on the meanings assigned by the administrators, stakeholders, evaluators and participants (Creswell, 2014).

The research process started with initial interviews with program administrators, a review of program materials, and background information on the context of the social program context. A preliminary logic model was prepared to elicit and represent the components of the program design. Using W. K. Kellogg Foundation's Logic Model Guide (2004), preparing a logic model entails identifying the context and problem definition and detailing the specific inputs and resources used as part of a series of processes that produces program outputs that are intended to accomplish short, near-term, and long-term outcomes. Iterations of the logic model and accompanying narrative were shared with program administrators for additional feedback.

Rossi (2019) identifies multiple types of program evaluation and the approach modeled in this study is an assessment of program theory and design, consisting of describing the program impact theory (theory of change), service utilization plan (how the treatment reaches the target population) and organizational plan (resources, personnel, administration, and general structure on which the service delivery relies).

The study adheres to a view that permanent supportive housing is a social intervention in which housing units are provided as a program output along with the delivery of supportive services to improve individual housing outcomes (and potentially neighborhood and other aggregate levels of analysis). Because there is significant interest in the performance of real estate development as an outcome of economic intervention and not just a means to deliver social outcomes (reductions in development costs, use of new construction technologies, building operating cost performance), the program design analysis has been organized into a real estate development component along with a social impact component. Each component will have its process theory presented (its service utilization plan and organizational plan) as well as its theory of change (assumptions about how the program leads to expected outcomes).

## **Literature Review**

### *Homelessness*

A pioneering study of the explanatory factors for homelessness by Burt (1992) formed an endearing consensus on the significance of a combination of individual characteristics (mental health, substance abuse, etc.), familial and relational factors (relationship with parents, domestic violence, social isolation, social capital, etc.) and economic factors (human capital, poverty, stagnant wages, unemployment, availability, and adequacy of social welfare, availability of housing units and cost of housing). There are also important structural considerations that impact the above factors: racism and screening of disabled, health-challenged BIPOC Veterans; inequality and competition over scarce housing; government policy such as interest rate pressures that restrain market housing; and the loss of naturally and low-income housing (Burt, 1992; Cusack & Montgomery, 2018). Additional research has identified the impact of economic changes with an increase in evictions amidst lower wages and a more competitive housing market. Minnesota has experienced a loss of low-cost housing units to gentrification which has left families grappling with housing insecurity and homelessness with a narrower set of options (Gerrard et al., 2020; Minnesota Interagency Council on Homelessness, 2018).

### *Permanent Supportive Housing*

Permanent Supportive Housing (PSH) has emerged in recent decades as the chief approach to addressing chronic homelessness, quickly displacing earlier “linear” approaches in which “housing readiness” (e.g. sobriety) was expected as a precondition with an extended experience in transitional housing. (U.S. Interagency Council on Homelessness, 2015). Once permanent housing was provided, historically, sobriety and other compliance obligations persisted in the ability to maintain housing. Evaluations of the new “Housing First” approach have demonstrated the ability to increase housing stability without preconditions, pairing proactive but voluntary service outreach with rental assistance.

### *Veteran Homelessness*

The U.S. Department of Veterans Affairs (VA) has operated a PSH program targeting Veterans experiencing homelessness for decades in partnership with the U.S. Department of Housing & Urban Development (HUD-VASH). This program was significantly increased in 2010 with the USICH Open Doors national plan to end Veteran homelessness with a greater emphasis on chronic homelessness and Housing First (U.S. Interagency Council on Homelessness, 2015). HUD-VASH provides social workers to connect Veterans with VA medical care and benefits that they are eligible for or can gain eligibility. It also provides housing vouchers administered through local Public Housing Authorities. Cusack & Montgomery (2018) document how Veterans experience similar challenges to those of the general population experiencing homelessness, with intense screening and perceived discrimination (including a stigma of Veterans with disabilities) presenting challenges in finding housing along with assistance in securing units identified. There is also challenge in both exiting the program itself (discontinuing case management) before successfully getting housing and after being housed which spurs additional challenges in maintaining housing.

### *Zoning & ADUs*

Wasserman (2019) completed an analysis of similar programs in California and Portland that pair the development of Accessory Dwelling Units in backyards with rental assistance programs targeted to extremely low-income households. This study shows the programs varied in the weight attached to homeowner preferences in the tenant selection. Some offer homeowners a clear veto of the tenant while others didn’t consider the homeowner’s views at all – a warning sign in designing a program relying on homeowners in light of Fair Housing concerns, the importance to serving those with the greatest need and how this is balanced with the need to rely on recruitment and participation by homeowners.

## **Program Description**

This section provides an overview of the primary organizations administering Y-HELP, the program’s mission, goals, and target population.

### *Organizational Background*

YardHomesMN, a Minnesota B-Corporation, is a startup social enterprise, that strives to create a profitable and sustainable business while also expanding the housing supply and housing choices across Minnesota. Their vision is the addition of compact, pre-fabricated, housing options that deliver additional community benefits that can create systemic change in the real

estate industry. YardHomes conceptualized the YardHomes Housing Expansion Lease Program (Y-HELP) in coordination with the Minnesota Assistance Council for Veterans (MACV), the leading Veterans supportive service provider in the state. MACV's mission is to end Veteran homelessness in Minnesota and envisions a Minnesota where every Veteran has access to supportive services to avoid homelessness and achieve sustainable housing (*Minnesota Assistance Council for Veterans Testimony*, 2021).

#### *Program Mission*

The mission of Y-HELP is to make high-quality compact dwellings available for low-income residents by attracting neighborhood hosts of Accessory Dwelling Units (ADUs) for ten years with the subsequent transfer of ownership of the ADU to the landowner. They originally envisioned developing and leasing 50 backyard homes providing permanent supportive housing through the Y-HELP program within 2-3 three years of operations from 2020-2023 and believe their success can bring about systemic change in the real estate industry with an immediate emphasis on affordable housing and supportive housing for those experiencing homelessness.

This mission is aligned with the explicit goals of the State of Minnesota Interagency Council of Homelessness (2018):

- Preventing veterans from becoming homeless
- Making veteran homelessness rare, brief, and one-time
- Increasing equitable outcomes for households who are disparately impacted by homelessness

#### *Overview of the Program*

Y-HELP brings together components under a coordinated program currently focused on serving Veterans experiencing homelessness. The social impact component entails human services delivery of Veteran referrals, case management and supportive services at multiple scattered site properties and is complemented by the second component of real estate development and asset management. Under the original model, YardHomes functions as property owner during the ten-year term and property manager, while MACV is the lead agency for case management and supportive services. MACV's role in providing permanent supportive housing in Y-HELP models a role that other supportive service providers can provide in future iterations. Furthermore, MACV not just provides supportive services but owns and operates existing scattered site rental housing which has served as the first sites for ADU development under Y-HELP.

Under the real estate component, housing units are secured for 10 years by YardHomes as an Accessory Dwelling Unit (ADU) to a primary structure. Under a modification of the original model, YardHomes identifies vacant sites and builds clusters of dwelling units without a primary structure. Ownership reverts to the property owner after the 10-year lease term, which may be non-profit like MACV or an individual homeowner. The development process entails the utilization of two cutting-edge pre-fabricated construction typologies, the use of philanthropic Program-Related Investments (PRIs) and securing bank mortgages on a unique land lease layered on top of any existing financing.

#### *Program Goals*

The program's goals have been identified due to their explicit identification by the program and those implied, discussed during conversations with program staff, and highlighted

as significant based on state policy context. These goals include lowering the incidence of veteran homelessness; improving the economic & social integration of veterans and broader neighborhoods; increasing innovation within combined and individualized ecosystems of real estate, affordable and supportive housing; increasing the supply of low-density “missing middle” housing for use in affordable housing and beyond; reducing public fiscal costs due to homelessness, and increasing citizen awareness, investment and capacity to end homelessness among for all Minnesotans in addition to Veterans (N. Dehmer & J. Stolpestad, personal communication, October 7, 2021; Minnesota Interagency Council on Homelessness, 2018).

### *Targeted Population*

The 2021 pilot program of Y-HELP has been initially self-described as targeting Veterans experiencing homelessness who are eligible recipients of HUD-VASH (*Y-HELP Descriptor*, n.d.). However, program staff have indicated that moving forward, program participants will not be limited exclusively to eligible recipients of HUD-VASH. They will accept other clients of case management and supportive services if they have rental assistance (N. Dehmer & J. Stolpestad, personal communication, October 7, 2021). This is a significant clarification because HUD-VASH eligibility would signify a focus on a target population of Veterans who experience homelessness for at least two years and who have a mental or physical illness, a related clinical condition, or a substance-abuse order, that has a significant impairment of their ability to live independently, even if it is a treatable condition (*HUD-VASH Eligibility Criteria: VA Homeless Programs [General Information]*, 2019). Instead, the program is focused on a broader population of Veterans experiencing homelessness that is more consistent in the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 which centers on the following (*The McKinney-Vento Homeless Assistance Act*, 2009) summarized as:

- Lack of suitable or non-emergency nighttime shelter;
- Having experienced homelessness before departing from a period of institutionalization less than 90 days;
- Individuals or families at imminent risk of losing nighttime residence, fleeing from domestic violence, significantly socially isolated, or simply lacking any other residence; and
- Unaccompanied youth.

### **Real Estate Development Program Theory**

In this section, the program theory behind the real estate component of Y-HELP is presented. The combination of how the real estate intervention is delivered and the structure on which it relies will be addressed first, followed by the theory of change, assumptions about how the program intends to contribute to the expected outcomes.

#### *Theory of Action: Approach to Delivering Housing Units*

**Site Selection.** YardHomes seizes on the expanded ability to build ADUs as the result of zoning ordinances and reforms throughout the state of Minnesota. Under many of these ordinances, a single-family home (and often an existing duplex) can add a detached ADU “by right,” in other words without receiving any additional zoning approval (N. Dehmer & J. Stolpestad, personal communication, October 7, 2021). By identifying homeowners to serve as Neighborhood Hosts, they can create prospective sites for housing in previously unattainable



neighborhoods given restrictive single-family zoning. YardHomes does not outright purchase the land on which individual ADUs are developed, they enter a 10-year land lease at essentially zero cost that confers them effective ownership over a portion of the land and covered buildings during the period of the lease (J. Stolpestad, personal communication, October 26, 2022). A complementary site selection approach exists where YardHomes acquires or leases 0.25-0.50 acre lots on which multiple dwelling units can be placed through a multifamily rezoning.

**Design.** Dwelling units in Y-HELP are designed in accordance to YardHomes' focus on micro-living. The bulk of units are designed as Accessory Dwelling Units and, as a result, must meet a combination of design specifications articulated within a local ADU ordinance and the state building code. Dwelling units in the state generally must be no smaller than 400 square feet (Minnesota Department of Labor and Industry, n.d.). One fundamental design decision that characterizes the Y-HELP program is that they are not developing pre-fabricated housing that qualifies as Manufactured Housing and is built according to the HUD Residential Code. Although such units have less on-site inspection beyond the foundation, they are frequently accompanied by annual limits on the number of units that can be developed in a year and face structural limitations in building and zoning codes.

Dwelling units that meet the state's Residential Code must meet requirements for natural light, ventilation, heating, minimum room sizes, plumbing facilities, and means of egress (Minnesota Department of Labor and Industry, n.d.). Each ADU must meet varying local ordinances. As an example, Minneapolis' ordinance is observed to have a high degree of administrative discretion incorporated into individual approvals creating a preference for ADUs that match the materials of the primary structure and stipulating a requirement that ADUs cannot be "injurious" to surrounding uses (Minneapolis Code of Ordinances, 2022). The setback requirements between a detached ADU, the primary structure and the boundaries of the yard impose a significant limitation on the size (and perhaps permissibility) of an ADU.

YardHomes creates significant design efficiency by maintaining and improving a small number of designs, utilizing them even when they are designing dwelling units for clustered villages that are not zoned as ADUs. The two earliest designs include a 384 square feet CitiCabin model and a 495 Y-HELP model. Their newer "Stackd-UP" model features dwelling units placed on top of a parking garage, giving them a reliable way to introduce two parking spaces when necessary (whether called for by an ADU ordinance, landowner prerogative, or an eliminated existing garage or surface parking spot). Standardized designs help reduce project costs by reducing the architectural expenses on an individual project and institutionalizing waste-reducing construction approaches like using dimensions of 8 feet that correspond to standard lumber sizing. Like any industrial production process, repetition can also improve precision in matching the product to the design.

A final component of design has to do with the interior layout. YardHomes incorporates aspects of Universal Design, an approach that leads to spaces that can be "accessed, understood and used to the greatest extent possible by all people regardless of their age, size, ability or disability" (Centre for Excellence in Universal Design, 2020; N. Dehmer & J. Stolpestad, personal communication, November 9, 2021). Such units don't adhere to design standards associated with the Americans with Disabilities Act, but this approach makes them more conducive to residents with physical impairments, including the need for wheelchair accessibility. Smaller dwelling units necessitate a special consideration of the interior layout given the decreased floor area. YardHomes has moved the layout of the bedroom and bathroom in the CitiCabin and Y-HELP units to maintain adequate interior spacing for both rooms as the

dimensions adjust. Both designs maintain a distinct living area. They have also forged a unique partnership with IKEA's local Minneapolis office where they received technical assistance from interior and industrial designers about how to optimize the full volumetric units (N. Dehmer & J. Stolpestad, personal communication, November 9, 2021).

**Construction.** YardHomes incorporates innovation in the construction of the physical structure, relying primarily on pre-fabricated full volumetric and panelized construction approaches in contrast to onsite stick-built construction that has been dominant in American construction for generations. YardHomes believes that their choice of construction methodologies can push both the general real estate and affordable housing industry forward through further adoption of pre-fabricated approaches that rely on construction materials that are fashioned—to a greater or lesser extent—in a controlled factory environment concurrently as a foundation is being completed on the site (N. Dehmer & J. Stolpestad, personal communication, October 7, 2021). These instances of pre-fabrication contrast that of Manufactured Housing in that they still are built to local code, are fully inspected on-site, and must individually receive a standard building permit before proceeding. An advantage of this approach is that a greater share of the supply chain for these units is produced with non-union construction labor in contrast to multifamily affordable projects subject to prevailing wage. In addition, the single-level detached structures have less costly construction specifications (J. Stolpestad, personal communication, October 26, 2022).

The first three ADUs completed by YardHomes featured three different approaches: Volumetric Modular, Panelized (Structural Insulated Panels), and Stick-Built On-Site. This strategy was designed to give them maximum insight into the application of the different approaches, and they endeavor to complete identical models using the different approaches to give the most direct side-by-side comparison of the approaches.

*Stick-Built On-Site.* Stick-built construction is the dominant practice in American construction, and YardHomes uses it as a control in their experimental construction approach. The foundation is laid at the beginning of a sequence followed by floors, wall framing, roof structure and interior finishes. Pre-fabricated approaches disrupt the linear nature of this approach.

*Volumetric Modular Construction.* This approach represents the greatest intensity of factory reliance in the construction process. YardHomes relies on an Australia-based builder Northstar Systembuilt with a production facility in Minnesota. The prototypical instance of “modular building,” Northstar uses a factory assembly line process to frame, assemble and construct walls for individual modules that are either complete units in the case of an ADU or stackable modules, while still relying on wood-frame construction. The modules are placed on flatbed trucks and transported to the site, limiting the practical distance between the factory and the construction site, and requiring the use of a crane to place them onto the foundation. Northstar relies on a system of dealers that serve a dual role of sales and construction consultant, and YardHomes' relationship with them is unique and effectively reflective as one of their dealers (Northstar Systembuilt, personal communication, November 9, 2021).

*Panelized Construction.* This approach falls in between full modular and stick-built construction in terms of the reliance on pre-fabrication in a factory, retaining a degree of assembly on-site. YardHomes has primarily relied on a Minnesota-based company, Extreme Panel, which uses a particular panelized approach called structural insulated panels (SIPs) and ships panels across the country and outside the country. They have also started to utilize a second

SIP provider based in North Carolina, Eco-Panels, based on an identified advantage in their product design.

SIP construction consists of wall components with some sort of foam that is sandwiched by two panels of randomly oriented strand board (OSB), a composite of wood chips that is engineered in contrast to traditional wood materials. Extreme Panel and Eco-Panels have architectural drafters in-house who take standard architectural drawings and convert them to construction documents that can be subdivided into SIP components that can be stacked and loaded into a shipping container. One key advantage of SIPs is that they are a structural building system as well as a building envelope, eliminating studs that create opportunities for more interior penetration of outside weather conditions (Extreme Panel, personal communication, November 9, 2021). Project examples from the Structural Insulated Panel Association show that the approach has been used for mid-rise multifamily properties (Structural insulated panel association, n.d.). Once the initial design and programming is done for an architectural model, YardHomes can order one more quickly.

**Financing.** Most forms of income-restricted or subsidized housing for low-income residents must generate financing resources through a significant reliance on market financing—debt and equity. YardHomes relies on two sources of project financing for the individual ADU model, equity from charitable contributions to a program-related investment (PRI) vehicle with the Venn Foundation and a unique mortgage secured by the 10-year land lease for an individual unit.

*Venn PRI.* Program-related investments are an established but less widespread philanthropic tool where a foundation disburses institutional funds in a manner structured to generate returns on capital that are lower than the private market. They manage such an account for YardHomes where they serve as an intermediary for other contributions from institutions and individuals to finance the development costs of real estate. For investors, the Venn PRI Fund has an 11-year duration, allowing 10 years for operation and an initial year for housing development. In the first year, it generates 1.5% simple interest with an annual interest-only payment, and in the following years, it pays a higher 3% simple interest with an annual payment of the accrued interest plus 10% of the original principal (*Venn Foundation: YardHomes*, n.d.). Venn Foundation makes the deployment of the PRI more accessible, and to the program it is a hybrid of equity and a below-market-rate loan which reduces the overall cost of capital (J. Stolpestad, personal communication, October 26, 2022).

*Leasehold Mortgage.* A mortgage involves granting a 3<sup>rd</sup> party entity right to a property's ownership title and a stream of principal and interest payments in exchange for upfront funds used for acquisition or development. It is common in real estate and affordable housing. Two aspects make the traditional form of mortgages, otherwise, infeasible in the Y-HELP Model. First, the properties (fee simple residential parcels in residential neighborhoods) likely have an existing mortgage. The mainstream financing options around ADUs will often alter the underlying mortgage, comingling the financing for the additional unit and the existing unit (Abu-Khalaf, 2020).

Second, a comingled unit fails to present a separable asset for obtaining new financing. Through YardHomes' relationship with Drake Bank, they were able to create a new loan product that is secured by the 10-year lease and doesn't disrupt the underlying property financing. The loan is underwritten to cover 75% of the cost of an originally projected \$100,000 ADU project and is serviced by the rental revenues over the 10-year lease (*Y-HELP Descriptor*, n.d.). Drake Bank may not be a community development financial institution—non-profits associated with

financial services most conducive in the affordable housing industry—but is a community bank that blends the financial bottom line with the benefit to the local community. This relationship would need to be replicated with another financial institution if the existing program is to be replicated in another market. The financing is further aided by the fact that the main counties in Minnesota purportedly do not increase the assessed value of homes when an ADU is added, providing an implicit subsidy (J. Stolpestad, personal communication, October 26, 2022).

### *Theory of Change*

This section presents the underlying assumptions for how the real estate theory of action will lead to outcomes associated with the program.

**Greater availability of affordable units.** The program increases the availability of affordable units by creating them through new channels and relying on new resources. There isn't a robust ADU affordable housing landscape within the US even if there are other similar programs highlighted in the literature review about similar programs seeking to do so. In the case of Y-HELP, these units add to the housing supply, are accompanied by a 10-year commitment to be available for leasing to Veterans with a history of homelessness, and (if the owners developed ADUs through another means) take the place of units that would almost surely not have affordability plans.

**Faster and lower cost production of affordable units.** The reduced waste, overlapping timelines, and use of alternative materials such as OSB-board in SIPs associated with pre-fabrication construction processes translate directly to shorter delivery times and cost savings in labor and materials. In YardHomes' first few years, after working through both individual ADUs and diversifying their approach to include Veteran Villages they were able to select a site for a four-unit Veteran Village that nearly went from initial Letter of Intent through zoning, construction to lease-up in less than a year. This stands in significant contrast to the timelines associated with going from conceptualization to unit completion for larger, more complex projects with affordable housing units.

**Improved housing opportunities in residential neighborhoods.** As discussed earlier in the literature review, the spread of single-family zoning infamously excludes not just lower-cost housing forms such as multifamily apartments but also gentler density in the form of ADUs and multi-unit buildings that provide additional pools of rental housing. Resources such as strong schools, proximity to job opportunities and other local institutions become more accessible with the construction of ADUs in neighborhoods whose legislative bodies continued to maintain vestiges of exclusionary zoning practices.

**Additional units developed without LIHTC.** There are increasingly fewer instances of newly constructed affordable units completed that do not rely on the Low-Income Housing Tax Credit platform. These funds frequently are the difference between a successful project moving forward or not and are highly competitive. The reliance on philanthropic program-related investment funds as the equity to fill the gap of a permanent mortgage creates an additional new stream of new units and showcases a pathway to creating units that don't have the same barriers to entry.

**Improved energy efficiency and reduced operating expenses.** There is significant promise through reliance on multiple forms of pre-fabrication in the construction process for the dwelling units. The controlled environment of a factory facilitates improvement on traditional stick-frame construction in terms of the building envelope, and structural insulated panels (SIPs) reduce penetrations through the elimination of wall studs and achieve an even tighter envelope.

**Greater match between Veteran preferences/needs and affordable housing stock.** A major driver of the innovation in the Y-HELP program has been the experience of MACV and the research of the state's other advocates for the homeless that the available low-cost and affordable housing stock does not meet the needs of Veterans. Detached compact dwelling units are viewed as favorable for certain Veteran clients of service providers given the possibility of a service animal, the lack of an elevator, and the general preference for greater privacy.

### **Social Impact Program Theory**

In this section, the program theory behind the social impact component of Y-HELP will be presented. It will first address how the human services are delivered to participants, the structure and resources facilitating them, followed by the theory of change.

#### *Theory of Action: Approach to Supportive Services & Case Management*

**Veteran-Host matching during the referral process.** Veterans are selected for participation in Y-HELP by the Minnesota Assistance Council for Veterans (MACV), which helped inspire the program and serves as the primary service provider (N. Dehmer & J. Stolpestad, personal communication, October 7, 2021). MACV has an existing Landlord Engagement program that establishes a relationship with professional landlords to reduce barriers to entry for leasing to Veterans in their caseload (Riffe, 2022). Borrowing from the Landlord Engagement work, they complete a landlord-matching process which solicits parameters from the landlord to identify Veterans who need housing and would present a suitable match (N. Dehmer & J. Stolpestad, personal communication, October 7, 2021). Echoing the program design question confronting other ADU programs identified in the literature review, MACV neither emphasizes a landlord veto of the referred Veteran nor does it put singular responsibility on the owner for identifying a tenant. It recognizes the sensitivity of obtaining landlord buy-in and both works within and expands the boundaries of possibility in matching housing supply with Veterans in its caseload.

**Arranging rental assistance.** Rental revenues must match the projections that extend beyond the rents considered affordable to an extremely low-income (ELI) household at or below 30% AMI with a history of homelessness. As a result, a critical part of referring Veterans to the program requires establishing their participation in tenant-based rental assistance that can make up for the difference in their personal resources and the apartment rent (N. Dehmer & J. Stolpestad, personal communication, October 7, 2021). In the HUD-VASH program, operated under Housing Choice Voucher Program, participants would complete a briefing and have documentation to provide to market-rate landlords to establish the certainty of their assistance. There are increasingly tenant-based rental assistance programs outside of the HCV program administered by Public Housing Authorities, that can be provided directly to non-profit service providers or a non-governmental administrative entity pass-through resource for clients. As a result, the practice of doing program eligibility and much of the enrollment process is completed before an apartment is formally secured.

**Leasing process with Veterans.** Once a Veteran with rental assistance eligibility has been selected, they will execute an appropriate lease agreement with the property owner. Attached to that lease will be a rider that requires ongoing participation with supportive services (J. Stolpestad & N. Dehmer, personal communication, October 21, 2021). This is an approach resulting from the partnership of YardHomesMN and MACV. To facilitate a successful start of the rental experience, MACV offers an intensive set of move-in services for veterans that could

include down-payment assistance, transportation assistance, furniture donations, and employment services. Lastly, at move-in, both the Veteran participant and the Host are required to negotiate a “social contract” with their host that establishes norms and expectations for shared living, which may include yard work, chores, family dinners, etc. Y-HELP Veterans will continue participation in case management & supportive services in some fashion because of the lease rider that is attached to the rental agreement (N. Dehmer & J. Stolpestad, personal communication, October 7, 2021). This ensures the ongoing involvement of a MACV Case Officer who maintains a relationship with the landlord and Veterans.

**Ongoing case management.** Ongoing case management is strongly desired and required by a program’s lease rider, which helps provide a source of support for housing and other individual or household crises that frequently occur and threaten housing stability for the target population. It also ensures an ongoing source of information about the property and relationship that is complemented by YardHomes’ professional property management. Veterans and their families can rely on ongoing service likely to include the following (*Minnesota Family Homeless Prevention and Assistance Program Guide*, 2021):

- Direct financial assistance in the form of rent payment and subsidy management, assistance with rental deposits, utility bills, transportation expenses, and emergency assistance;
- Case management activities such as assessment of strengths and barriers, developing service plan and goals, connecting to other services, coordination, and integration of multiple providers, monitoring and advocacy;
- Client-specific activities such as proactive outreach, direct services like budget counseling; and
- Housing navigation, which is likely concentrated in efforts leading up to move-in but may also include educating Veteran and their family on landlord-tenant rights & responsibilities.

### *Theory of Change*

This section presents the underlying assumptions for how the social impact theory of action will lead to outcomes associated with the program. Several areas of vulnerability within the PSH model are addressed by both this model and the supportive services ecosystem in which it operates. MACV, as a leader in housing Veterans, has a continuum of housing in which their involvement in Y-HELP is situated. They operate transitional housing, and they also do outreach to private landlords to create housing pipelines for Veterans. They provide a highly Veteran-centric form of case management and filter client participants to the best-suited opportunities. By providing proactive case management and inserting a lease provision around sustaining case management, there is a mechanism to ensure ongoing service engagement. Other facets of the experience of Veterans experiencing homelessness are further addressed by the availability of community-based services and outreach that start before and aim to continue beyond a particular housing setting.

**Attracting Hosts to the program.** The Y-HELP has identified multiple avenues for identifying sites to develop. The first two ADUs were added to residential homes owned and operated by MACV as Veterans’ housing, and the program has incorporated a strategic expansion to Veteran Villages where vacant land is obtained through public disposition or leased. However, the core of the model resolves around identifying homeowners to open their backyards for development and serve as Neighborhood Hosts for the Veterans who will move in.

Homeowners represent the greatest source of sites made available by changes in zoning laws, otherwise, the program would be limited by the smaller number of homes owned by a non-profit housing provider. YardHomes maintains a significant list of interested homeowners and argues that there is an inherent appeal to assisting Veterans.

**Stabilizing Veterans with an experience of homelessness.** The partnership with an established supportive service provider like MACV at the outset of the program ensures that there is a roster of veterans already identified to be considered for the subsequent housing opportunities created by the real estate process. The program operates a permanent supportive housing model whereby a participant takes on a traditional rental lease agreement, instead of an emergency or transitional housing model.

**Providing housing in high-opportunity neighborhoods.** Because of land availability, NIMBYism, and zoning ordinances, multifamily housing opportunities for which MACV's Landlord Engagement program has been successful frequently do not identify housing opportunities in traditional residential neighborhoods where participants in Y-HELP are located. With larger homes with ample backyard space in more prosperous residential neighborhoods, there is an increased chance that the new housing will both be in residential neighborhoods that are considered "high opportunity" neighborhoods.

**Providing Housing for BIPOC & justice-involved Veterans.** As highlighted in the state homelessness advocacy research, there is a particular challenge around racially disparate outcomes of Veterans experiencing homelessness which is partially linked to and independent of challenges facing Veterans with negative interactions with the criminal justice system. Traditional Veteran-initiated efforts to secure a rental apartment through traditional market means require confronting rental screening mechanisms (which are even greater in tighter rental markets) and establishing one's reliability as an unknown quantity. MACV's involvement serves as a mediating role by lending credibility and their ongoing involvement with rental agreements.

**Establishing explicit standards for the shared living among veterans, families, and hosts.** Veterans who have experienced homelessness (particularly chronic forms) may have a series of expectations around the place of habitation that conflicts with those of a homeowner offering land for an ADU in their backyard. In most corners of homelessness response, it has fallen out of favor to promote housing readiness through explicit behavioral instruction, but this does not negate the fact that misalignment of expectations can come at the Veteran's expense given the power dynamic. The use of the social contract between the Veteran and the Host serves to create explicit expectations around various aspects of the living environment. As described by YardHomes and MACV, the act of creating a social contract is the first step in relationship building. How it is created is left to the discretion of the Host and the Veteran, but its establishment is a core requirement of the program. It can create a shared understanding around sharing of household chores like yard work and trash management, and it can establish social rituals like weekly meals.

**Greater match between Veteran preferences/needs and affordable housing stock.** Increased research and thought have gone into the design of programs that emphasize the agency of participants in trying to set a foundation for realizing desired outcomes. Though the provision of any housing to someone who has experienced homelessness can be considered a positive outcome, qualitative differences in the appropriate housing can result from the program. This may include units that have more universal-design features and are more accessible for Veterans with such physical impairments, but it can also include the setting in a more stable residential

community and the involvement of a nurturing Host or Host Family drawn to the Y-HELP program by the opportunity to make a difference in the lives of Veterans.

### **Y-HELP Logic Model**

This section provides a narrative overview of the resulting program logic models provided in Appendix I-II. It centers on Y-HELP's theory and design, seeking to distill the core features of what types of outcomes are linked to the program's resources and processes. In doing so, it references the existing formal and informal assessment of the needs around Veteran homelessness completed by YardHomes, MACV, and the state's homelessness advocacy community. Program logic models, as introduced by the W.K. Kellogg Foundation Evaluation Handbook in 1998, are defined as the following:

“[A] picture of how your organization does its work – the theory and assumptions underlying the program. A program logic model links outcomes (both short-and long-term) with program activities/processes and the theoretical assumptions/principles of the program” (W.K. Kellogg Foundation, 2004).

Rossi et al (2019) identify five domains of evaluation questions methods, analyzing the need for the program, the program theory and design, along with its processes, impact, cost and cost-effectiveness. An evaluation can take on one or more of these domains, but generally, they must be completed in sequence. Because of the complicated nature of a dual real estate program and the set of outcomes existing alongside social service programs with purely social impact outcomes, the logic model is presented in a similarly dual fashion.

#### *Problem*

There are several connected problems that Y-HELP is attempting to address. There is a generally insufficient amount of affordable & supportive housing for low-income veterans and their families who are at risk of or currently experiencing homelessness. Traditional development costs and timelines associated with affordable housing create a lag time between the urgency of the current need, which often leads to forms of rental assistance that rely on traditional market participation. Veterans (especially those who are the hardest to house) have persistent barriers to participating in the private rental market and locating housing without any form of assistance and there is a mismatch between the Veterans and the available housing. This view of the underlying problem is further informed and contextualized by the goals of the state's 2018-2020 Action Plan addressing homelessness which includes:

- “Preventing veterans from becoming homeless,”
- “Making veteran homelessness rare, brief and one-time,” and
- “Increasing equitable outcomes for households who are disparately impacted by homelessness.” (Minnesota Interagency Council on Homelessness, 2018)

#### *Factors*

Factors are “resources and/or barriers, which potentially enable or limit program effectiveness” (W.K. Kellogg Foundation, 2004).

**Homeowner Neighborhood Hosts & Non-Profit Property Owners.** The primary approach to Y-HELP depends on the solicitation and ongoing participation of residential landowners, whether they are owner-occupied or non-profit-owned.



**Leased Backyard Land & Additional Land Parcels.** Without the availability of land through leases or acquisition, there is nowhere for Y-HELP ADUs (or for Veteran Villages) to be developed and the program would not exist.

**Asset & Property Management Capabilities.** Y-HELP produces permanent housing with ongoing day-to-day property management and broader asset management needs. YardHomes is currently performing those duties in-house, with additional oversight of the properties provided by the partnering case managers.

**Case Managers/Social Workers.** Though Y-HELP may appear to be primarily about housing production, case managers and social workers play an integral role in the selection of Veteran residents, in the successful move-in process, and in the creation of critical norms that maximize the chance of success of the Host-Veteran pairing that should ultimately decrease residential vacancies. In most if not all instances, the Veterans will be part of MACV's caseload.

**Venn Foundation & Drake Bank.** The relationship with the Venn Foundation affords Y-HELP access to a Program-Related Investment funding vehicle that provides flexible loans/equity for the project. Drake Bank, in addition, provides YardHomes with a unique leasehold mortgage that is used to finance approximately 75% of the development costs associated with units developed under Y-HELP.

**Structural Insulated Panel Providers (Extreme Panel & Eco-Panels), Volumetric Modular Builders (Northstar Systembuilt) & Other Construction Material Providers.** YardHomes has developed relationships that facilitate the use of two alternatives to on-site stick-built construction: two companies facilitating the use of Structural Insulated Panels (SIPs) and another facilitating the use of full Volumetric Modular buildings. SIPs are relatively easy to transport across longer distances, while Volumetric Modular must be located much to the construction site to minimize shipping expenses.

**Government Rental Assistance Funding.** Y-HELP relies on private market loan financing to augment resident incomes with rental subsidies as a form of ongoing operating subsidy. Individual units rarely receive longer-term project-based rental assistance, so the availability of various tenant-based subsidy programs (through HUD-VASH, or other targeted Continuum of Care programs) is an important resource for the program.

**Additional Enabling & Limiting Factors.** Y-HELP is aided by ADU ordinances that permit by-right construction of ADUs in at least 19 cities across the Twin Cities and nearby metropolitan areas. The Minnesota Homeless Veteran Registry (of which MACV is an active partner) maintains a "by name" list of Veterans and helps target new housing resources to the Veterans with the greatest need. The national federal policy directive to end Veteran homelessness bolsters the energy and attention to this sub-population in addition to the "rally around the flag" effect (U.S. Interagency Council on Homelessness, 2015). There are also state-wide incentives and dialogue around inducing additional landlord cooperation in housing Veterans who have experienced homeless (Minnesota Interagency Council on Homelessness, 2018). Lastly, Neighborhood Host preferences for whom to share their property with and the presence of bias and prejudice (which are well-documented in the state's Action Plan) still present a limiting factor on any effort to house Veterans experiencing homelessness who are disproportionately African American and Native American, have weaker credit scores and poor (or no local) rental histories (Minnesota Interagency Council on Homelessness, 2018).

### *Real Estate Component*

The real estate component within the program aligns most closely with the aspect of the program model that is performed by YardHomes. They consist of activities (processes, tools, actions, etc. of the planned program), outputs (direct results of program activities), Outcomes (second-order changes in “attitudes, behaviors, knowledge, skills, status, or level of functioning” generally at the individual level), and assumptions on which the model depends (W.K. Kellogg Foundation, 2004). In the real estate context, some translation of program theory is required. In contrast to traditional social intervention where outcomes center on the individual, real estate outcomes center on various market interactions (leasing of housing in the consumer market, production of housing in the supplier market, etc.).

**Activities & Outputs.** The activities associated with this component deal with three general categories. With regards to the sites & landowners, there is their initial site identification and the work towards establishing the necessary zoning to construct the ADU. These activities lead to the outputs of 10-year land leases, development sites in residential neighborhoods, and zoning approval for dwelling unit construction. The traditional domain of finance & development is characterized by processes of financing units through a combination of bank financing and Program-Related Investments, designing and constructing the units, and continually improving the design & construction. These activities lead to leasehold ADU mortgages, Venn PRI investments, licensed designs for compact dwelling units, building permits for panelized and volumetric modular dwelling units, and completed pre-fabricated dwelling units. The subsequent operations & maintenance include managing units under the Y-HELP which lead to professionally managed units (even when they are in a homeowners’ backyard), rental leases, attached supportive service riders, and rental assistance contracts.

**Assumptions.** A key assumption within this component is that YardHomes can scale up unit production to the point of sustainability, which entails including sufficient owners and sites and maintaining the program approach as more units are produced. The decision to shift a portion of the program to “Veteran villages,” 4- to 8-unit villages consisting of largely identical units to their other ADUs, is a recognition of the importance of a scalable model. If not for this modification, each additional unit would mean an additional development site and an additional local zoning engagement.

**Short-Term Outcomes.** Within real estate, they include greater availability of affordable units produced outside of the dominant LIHTC program, faster and lower cost of production, and improved housing opportunities in residential neighborhoods. The program is also purported to result in expanded choice through an improved match between Veteran preferences and needs and the stock of affordable housing.

### *Social Impact Component*

The social impact component within Y-HELP aligns more closely with the function best exemplified by the role played by the Minnesota Assistance Council of Veterans (MACV). Though other service providers may soon be involved alongside MACV, there is little question as to their instrumental role in the design of the program, and early and ongoing implementation.

**Activities & Outputs.** The activities associated with this component deal with the dual objective of obtaining supporting housing and maintaining housing for Veterans. In the first part, housing navigation services are provided to Veteran clients, landlords' preference information is solicited, a matching of the Host of the Veteran is performed and rental assistance for the Veteran is arranged. This leads to a new identity of landlords as Neighborhood Hosts, the

previously identified rental leases and supportive service riders, rental assistance contracts, and social contracts entered between the Veteran and Neighborhood Host. Beyond the initial establishment of housing for a Veteran, MACV provides ongoing case management and supportive services and complements the oversight needed for the scattered site portfolio. This leads to subsequent meetings between the case manager and both the Veteran and the Neighborhood Host.

**Assumptions.** The assumption for this component of the program is that the Veterans will continue services even with the rider to the contract, which would otherwise lead to disharmony between the real estate outputs and the social impact outputs. This would likely lead to a lack of cohesion between the Neighborhood Host and the Veteran, a decline in the positivity of the experience of the Neighborhood Host, and eventually increased turnover which would impact the financial picture of the housing assets. There is an additional assumption that the program model (including what could be construed as non-voluntary nature of participation in services) could be deemed inconsistent with Housing First, which could impact the ability to garner support and subsequently scale the model.

**Short-Term Outcomes.** Short-term outcomes include the housing stabilization of Veterans & families with opportunities in potentially higher-opportunity residential neighborhoods. There may also be improvement in the housing status for BIPOC and justice-involved Veterans who face disproportionate barriers in obtaining and sustaining housing. Lastly, the program would create shared expectations between the Veteran and the Neighborhood Host.

#### *Intermediate and Long-Term Outcomes*

Across the real estate and social impact components, there are a shared set of intermediate outcomes: improved physical and mental health of the Veterans; more social and community connections in which the Veterans benefit; increased overall housing stability; and satisfaction in participation with the housing and program on the part of Veterans and Hosts. Longer-term impacts include lowering Veteran homelessness and improving the social & economic integration of neighborhoods. YardHomes also intends to inspire greater deployment of construction innovation within real estate, affordable and supportive housing ecosystems. Additional derived long-term goals include reduce public fiscal costs associated with homelessness, greater “missing middle” (lower-density) housing, and greater citizen awareness, investment, and capacity to end homelessness among Veterans and all populations.

## **Discussion**

### *Summary of Findings*

The design of the program shows significant responsiveness to the localized context of how the social problem of Veteran homelessness is defined in Minnesota, namely that there is difficulty in veterans accessing the private rental market in part due to significant scrutiny (that arguably amounts to discrimination) that they face. There is significant harmony between the strategy of the program (landlord engagement in particular) and the state’s recent homelessness Action Plan’s identification of the key barriers to the program. There is also the opportunity presented by zoning changes that create new opportunities to increase density in communities. The problem is not, however, simply one of scarcity and efforts to expand the housing supply (indeed significant supply would be needed for the most vulnerable to not be faced with

difficulty), it also recognizes there is both a need to shape the market and modify seller behavior (even if subtly) to make housing more accessible to the needs Veterans and also empower them to succeed in the market through housing navigation and ongoing services.

There are several key precedents on which the program runs. MACV's Landlord Engagement program, though designed around commercial landlords, positions a supportive service provider as a trusted entity to mediate the role of bias and uncertainty in the rental transaction. Accessory Dwelling Unit ordinances have spread through the Minneapolis-St. Paul Metro Area, creating a mismatch between the potential deployment of ADUs and the technical capacity of homeowners and non-profit housing providers alike. At both a large institutional level and a smaller neighborhood investor level, the use of pre-fabrication in designing and constructing housing units is growing in the US because of the demand for "missing middle" smaller scale housing and industry concerns over long-term labor supply. The use of the existing Program-Related Investments model creates a way to mobilize institutional and private giving as social impact investing. Though these precedents were not created by YardHomes and the Y-HELP program, the recognition of a strategic landscape for supporting an entrepreneurial endeavor is a hallmark of successful private and social entrepreneurship.

Y-HELP is a distinct program, however, because there are unique sources of modifications and innovations particular to its design and execution. The value of synergistic partnerships is evident in both the program's design and supply chain management. The dual real estate and social impact component of the program would not exist without the partnership of YardHomes and MACV. The partnerships with local pre-fabricating builders and other building materials have helped to enable preliminary success in the real estate component. Even if not permanent in the case of homeowners, the use of the land lease and leasehold mortgage presents a way to erect a professionally managed income-producing real estate asset on existing land without imposing more complicated ADU financing schemes. The use of standardized unit designs helps keep design costs lower and develops distinct products that can be deployed more quickly in suitable site contexts. This applies to individual ADUs, or to the program's evolution to Veteran Villages where additional zoning actions can yield additional dwelling units.

The final instance of innovation lies in the ability to underwrite rents based on tenant-based rental assistance. The robust shift in the supportive (and affordable) housing landscape that delivers increased amounts of funds as rental payments for tenant-negotiated leases in contrast to capital subsidies or project-based subsidies creates a robust pool of Veterans who can rely on their eligibility for rental assistance. Without an increasingly competitive and otherwise limited project-based contract (either through a Housing Authority or through the HUD Multifamily Office), housing for homeless populations must adhere to deep-income targeting of 30% of Area Median Income to ensure affordability. In the case of the Low-Income Housing Tax Credit, significant effort is applied to the balancing of the number of 30% AMI units, 60% AMI units that increase the LIHTC subsidy, and market-rate units that help cover the debt on which the entire project rests. Y-HELP's ability to obtain market rents based on the promise of tenant-based rental assistance is a significant instance of how the industry could evolve to create more housing in the established context of financial resources.

Lastly, it is worth noting that the program is not without its risks in terms of scaling up to reach more Veterans, reaching other target populations, and expanding to other providers. First, there has been a significant shift within the supportive housing environment to Housing First, and that includes the commitment to the availability of voluntary services (McDonald, 2019; Young & Smits, 2019). In particular, the use of a lease rider to compel ongoing Veteran

participation in services (an important aspect of the operating model) may prove to be a divisive practice as the program gains increased scrutiny. Second, the program relies on a reduction in the cost to deliver an individual unit of housing which introduces several risk factors. There is a high number of sites for every unit produced, which likely increases the cost-risk associated with site selection and zoning in contrast to a larger multifamily site. Increases in costs have gripped the construction industry, and a series of individually scheduled and constructed units may be more susceptible to this cost risk. That overall cost structure may change as regulation on labor standards evolves in response to the shift to off-site construction approaches.

#### *Limitations & Further Research*

The primary limitation of this study could be the context in which the data was collected and analyzed. Despite that fact that the research analyst is not directly employed by the organizations administering the program, they are both subject to a partnership agreement premised on both the delivery of the program's real estate outputs and generating insight into the innovative site selection and construction technologies utilized. There is not the appearance of objectivity that a true outside evaluator would have, and which Rossi (2019) indicates that some experienced evaluators strongly prefer. This limitation would be most pronounced for a later stage exploration of the program's success in meeting the theorized outcomes and the practical observation of the program theory.

Given the focus on identifying the program theory, additional research should seek to validate that program is being implemented in accordance with how it is designed, assess whether it successfully leads to the real estate and social impact outcomes, and pinpoint the most salient reasons for the outcomes observed. For the first part, this includes collecting data on the Neighborhood Hosts, Veterans, and case managers to document the matching, leasing and move-in process and also the financing partners to better document the financial components. For the second part, this could include conducting a final accounting of finished projects to understand their complete costs, collecting qualitative data on Veterans' experience participating in the program, and collecting representative baseline for other supportive housing programs or housing developments for comparison purposes.

#### **Conclusion**

The original research questions will be revisited as a concluding point. Y-HELP consists of both a real estate and social impact component which matches how it was the outcome of collaboration between both YardHomes and MACV. Their collective expertise, involvement in the local real estate, and supportive services landscape undoubtedly can be viewed in the program's alignment with broader strategy and tactics. Y-HELP reflects distinct instances of innovation in real estate financing, land use, construction techniques, human services, and property operations. The program reduces supply costs, transaction costs, and information costs in the development of ADUs through these strategies. In addition, the program theory for enhancing housing stability rests on the mediation of market and social interactions between homeowners, landlords, and Veterans by the specific practices and strategies of the partnering service provider—a critically important link in the program logic. In addition, there are discrete aspects of the program that can be reasonably believed to ameliorate racial inequity within Veteran homelessness that renders even worse outcomes for African American and Indigenous populations.

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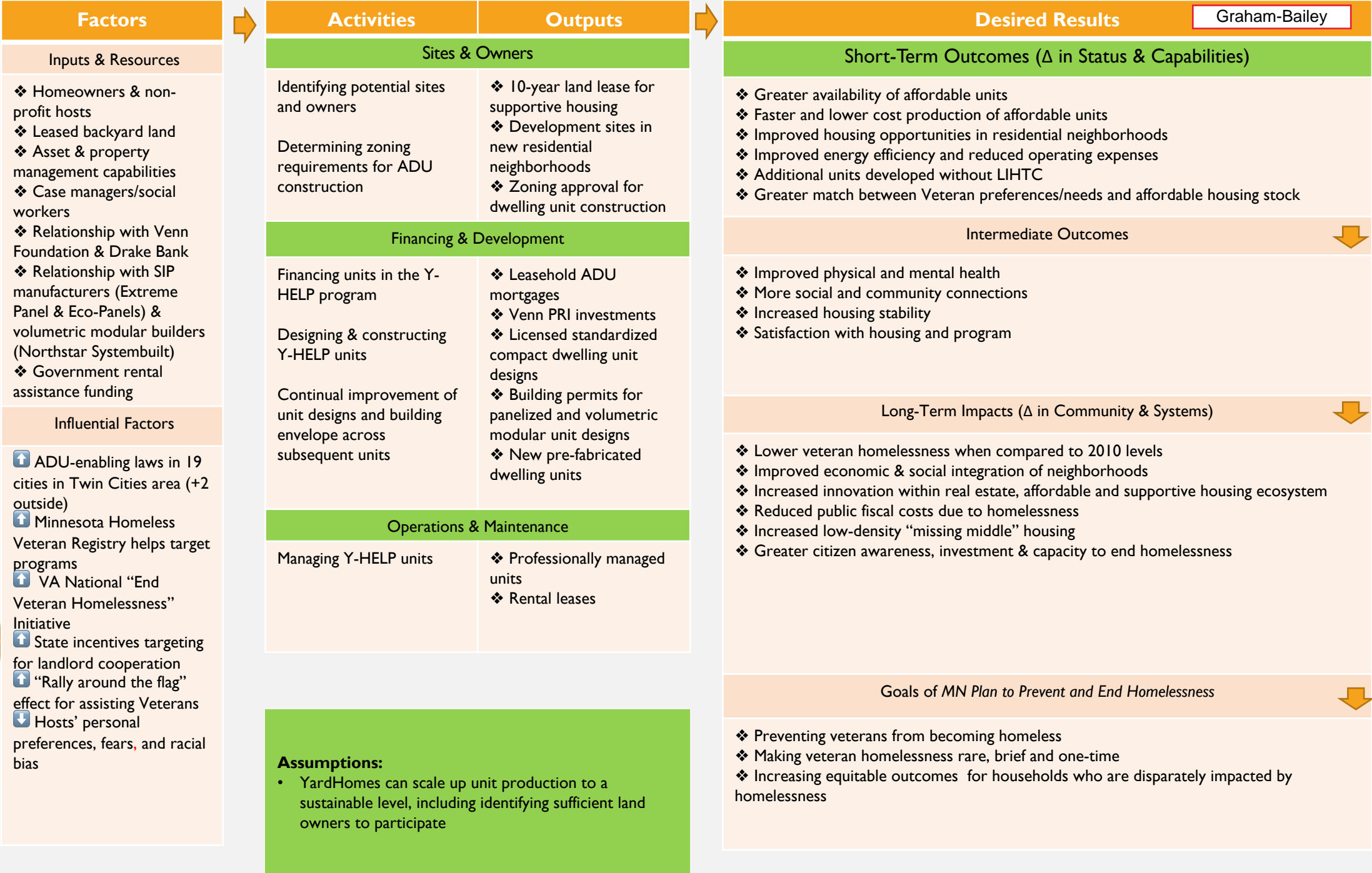
## **Appendix 1-2: Y-HELP Logic Models**



# Appendix I. Y-HELP Real Estate Logic Model

**Problem**

- ❖ Insufficient affordable & supportive housing for low-income veterans and their families at risk or currently experiencing homelessness.
- ❖ Ongoing barriers to their participation in the rental market.
- ❖ Traditional development costs and timelines that create barriers to housing.
- ❖ Available housing not tailored to needs



# Appendix II.

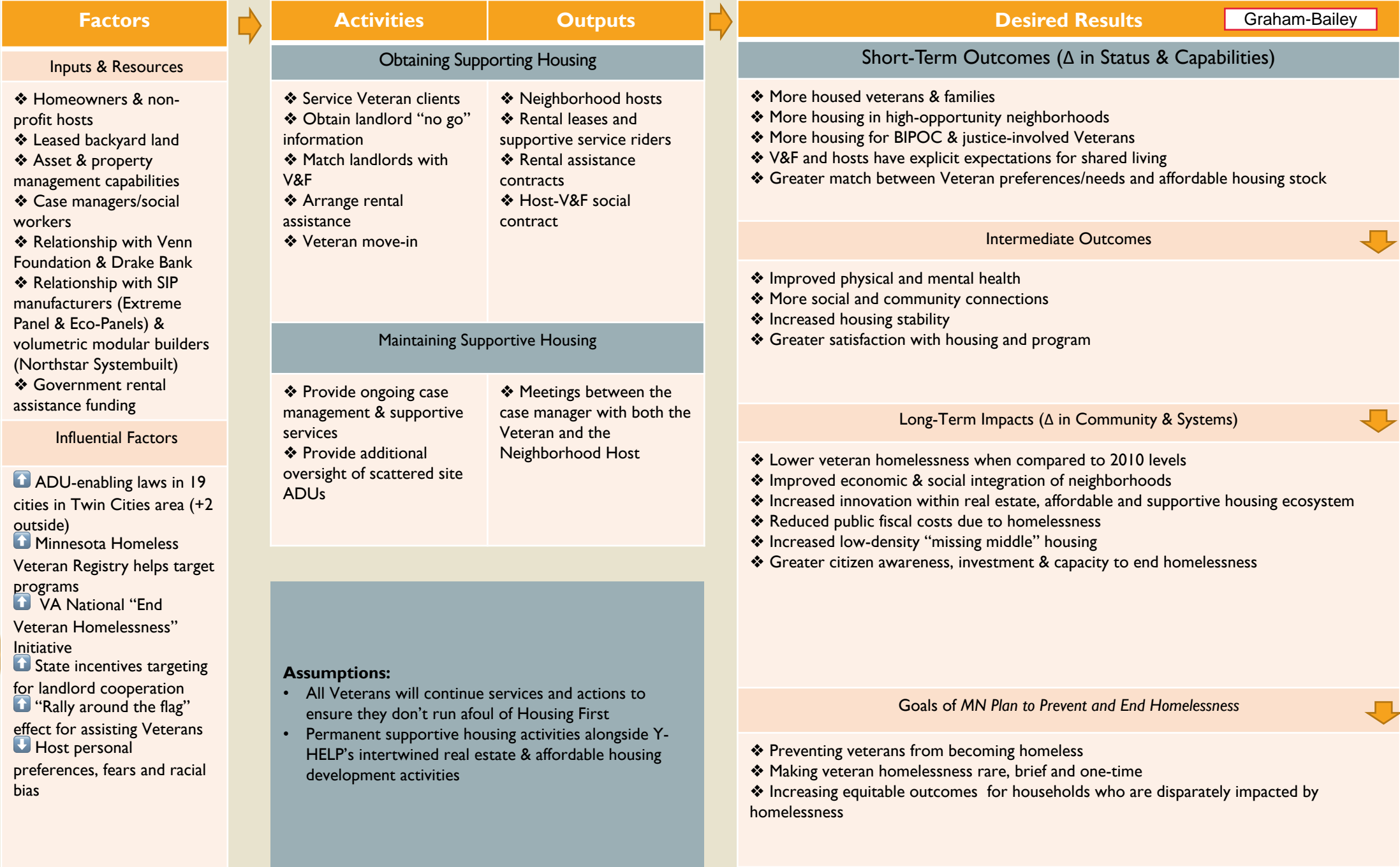
## Y-HELP

### Social Impact

### Logic Mode

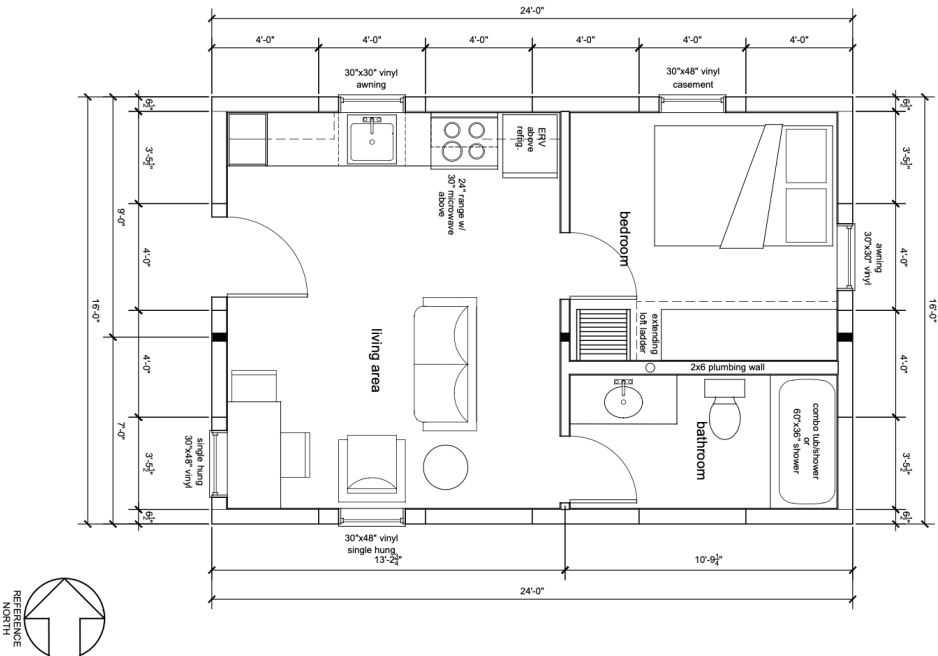
**Problem**

- ❖ Insufficient affordable & supportive housing for low-income veterans and their families at risk or currently experiencing homelessness.
- ❖ Ongoing barriers to their participation in the rental market.
- ❖ Traditional development costs and timelines that create barriers to housing.
- ❖ Available housing not tailored to needs



Appendix 3: Y-HELP Unit Designs

CitiCabin Model (24x16 ft = 384 sf)



Y-HELP Model (33x15 ft = 495 sf)

