

Our Path Home Supportive Housing Plan



Our Path Home

Summary report and recommendations: five-year
Supportive Housing Pipeline: November 2021



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01



Project Purpose & Objectives

In its role as the lead agency for Our Path Home (OPH), the City of Boise engaged CSH in early 2021 to help determine the need for Supportive Housing in Boise City/Ada County and to create a five-year Supportive Housing Plan.

The primary goals of the Supportive Housing Plan are to identify the need for supportive housing units (how many are needed and for which populations), to establish a set of housing unit creation goals over a five-year period and define priorities for implementation.

Central to this project is the objective to align funding sources in order to create a “pipeline” of new supportive housing projects, coordinate resources, and share goals. This will shift OPH, the City, and its partners from the current piecemeal project-by-project approach to transformational change planning for Supportive Housing.

OPH and the City are interested in setting aspirational goals for the creation of new supportive housing unit goals. In order to do so, the Supportive Housing Plan:

- Clarifies need;
- Defines goals;
- Sets clear priorities, including policy changes needed to create more Supportive Housing; and
- Coordinates the funding approach

Objectives:

1. **Conduct stakeholder landscape assessment**
2. **Complete Supportive Housing needs assessment and unit creation goals**
3. **Codify recommendations into a five-year Supportive Housing Plan**

This perspective of shifting from a project-level approach to a system-level approach will drive our primary goals, including establishing sustainable fund sources for new Supportive Housing units in Boise City/Ada County.



SUPPORTIVE HOUSING PLAN: METHODOLOGY



Environmental Scan *February-March 2021*

CSH conducted seventeen structured phone and video conference conversations with stakeholders from a wide range of organizations to understand the Supportive Housing policy and funding landscape. The environmental scan included conversations with the following:

- Governmental organizations and non-profit service providers
 - Health sector funding partners
 - Housing developers
 - Local elected officials



Steering Committee Meetings *May-September 2021*

At the outset of planning, in partnership with OPH and the City, CSH created a Steering Committee to advise findings and recommendations. CSH and Agnew::Beck convened the steering committee every 2-3 months to inform the final recommendations as well as to clarify implementation roles and priorities for the Supportive Housing Plan.

Follow-up & Policy/System Priorities

September-October 2021

- In September 2021, the City of Boise put forward its five-year goal to create 750 new units of Supportive Housing
- CSH is recommending two key priorities for follow up: 1) the establishment of a well-funded, flexible Supportive Housing Investment Fund and 2) additional advocacy and policy work for Medicaid Supportive Housing benefit

Supportive Housing Gaps Analysis

April-May 2021

Utilizing homeless-system and other locally requested data, CSH created a 5-year gaps analysis and financial model for new units of Supportive Housing both developed and leased.



POLICY BACKGROUND



With two successfully operating PSH projects, OPH and the City have a clear understanding of funding and quality standards. The current funding model for Supportive Housing is to secure land, capital sources, and vouchers for operating funding. Like so many communities, a dedicated, sustainable source of supportive services funding has been the hardest piece of the puzzle to create a pipeline of new PSH projects. There are several factors impacting the policy and funding environment for this Supportive Housing Plan, including:

- **Annual allocation of services funding for existing PSH.** The New Path Supportive Housing project in Boise relies upon annual commitments of services funding, historically from Ada County and philanthropic partners. This funding model has proven risky in that it is viewed as discretionary spending and exposes the funding to political whims, funding partner priorities and annual budget cuts.

- **City investment considered to address homelessness.** City of Boise leadership (City Council and the Mayor's Office) has committed to making a \$10M investment toward ending homelessness through Supportive Housing. This Supportive Housing Plan will inform opportunities to leverage that funding strategically for maximum impact.

- **Land.** The City of Boise has significant land assets that its willing to leverage for new affordable and supportive housing project development.

- **Role of funding partners.** The Supportive Housing Plan will include recommendations on how OPH and the City can partner with other funders to create a five-year pipeline. Creating such a pipeline, rather than trying to piece together funding for individual projects, will require funders to function differently in Boise City/Ada County than they have before; these funders include public housing authorities, state partners, and philanthropy.



Summary of Stakeholder Interviews

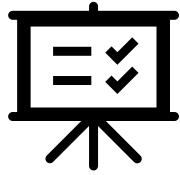
02



Stakeholder interviews and Environmental Scan



The consequence of the system-level and CoC-level challenges are felt in real terms by providers in the community and impact their ability to deliver services.



Fidelity to Supportive Housing Model

Because of the work and partnerships that went in to creating the two existing PSH projects in Boise, community partners have a strong understanding of the target population, services needs, and quality standards. There is also an understanding of how to fund a PSH model among developers and stakeholders including establishing a budget for capital, operating and supportive services. This can, at times, lead stakeholders to the conclusion that there is only one way to fund new PSH which includes very limited resources such as low-income housing tax credits.



Strong Existing Partnerships = opportunity to create more PSH

Stakeholders across sectors expressed that they see opportunity for the City of Boise to leverage its existing resources and partnerships to create more PSH. Several stakeholders mentioned the City's land assets and the funding the hospital systems are providing to pay for supportive services at New Path. Funders included in the stakeholder interviews noted that they would be interested in funding an overall vision/strategy versus a specific project. Stakeholders interviewed were interested in exploring ways in which philanthropy could play a bigger, more strategic funding role. Stakeholders also commented on the need to create more supportive housing directly connected to the shelter system so that people can transition into permanent housing.



Gap in Permanent Housing Resources & Scarcity

Without exception, stakeholders expressed in interviews that the resources in Idaho are extremely limited (or, in the case of supportive services, non-existent). There was a common theme expressed that dedicating capital, vouchers, or services funding to one purpose meant taking it away from another. Many stakeholders interviewed were skeptical that Boise would be able to secure funding needed for one supportive housing project per year and even that would be the absolute maximum possible in the current state and local funding environment.

Supportive Housing Need

- + Supportive Housing Gaps analysis: Individuals*
- + Supportive Housing Gaps analysis: Families*
- + Five-year Housing & Unit Goals*
- + PSH Development Feasibility*

03



SUPPORTIVE HOUSING GAPS ANALYSIS - INDIVIDUALS

Below is an overview of the supportive housing gaps analysis for single individuals. CSH requested data from OPH's Homeless Management Information System (HMIS), the OPH coordinated entry system, and OPH's Campaign to End Family Homelessness. Data was also received from other local systems and institutions that impact the "inflow" of individuals into the homeless system including the justice system, the substance-use treatment (detox) facility, and the child welfare system. CSH analyzed these data, including the number of individuals and families experiencing homelessness annually AND annual exits into homelessness from other systems. The analysis included assumptions regarding households needing a supportive housing intervention versus other less intensive interventions like rental assistance or Rapid-Rehousing (RRH), or one-time emergency assistance to resolve an experience of homelessness. The annual supportive housing need was then compared with the existing supportive housing inventory in Boise City/Ada County to produce the gaps analysis which is broken out by families and individuals. CSH also completed some preliminary financial modeling which utilized local cost data to project development and leasing costs (gaps) per unit.

| Population Need and Total Costs - Individuals | | | |
|--|------------------|----------------------------|---------------------|
| | Unit Need | Total Cost per Unit | Total Cost |
| PSH - Developed: | 260 | \$198,200 | \$51,611,280 |
| PSH - Leased: | 174 | \$15,396 | \$2,672,746 |
| Rapid Rehousing: | 107 | \$86,400 | \$9,253,440 |
| Diversion: | 155 | \$1,366 | \$211,184 |
| Total: | 696 | | \$63,748,649 |

SUPPORTIVE HOUSING GAPS ANALYSIS – FAMILIES

Utilizing HMIS data as well as annual need (demand) data from OPH's Campaign to End Family Homelessness, CSH completed a gaps analysis for family households as well. The larger gap for families in Boise City/Ada County is for a RRH intervention which includes rental assistance paired with robust services. OPH plans to include RRH goals in it's five-year supportive housing plan in addition to PSH unit goals.

| Population Need and Total Costs - Families | | | |
|---|------------------|----------------------------|---------------------|
| | Unit Need | Total Cost per Unit | Total Cost |
| PSH - developed: | 42 | \$302,250 | \$12,543,375 |
| PSH - Leased: | 42 | \$8,000 | \$332,000 |
| Rapid Rehousing: | 157 | \$86,400 | \$13,547,520 |
| Diversion: | 153 | \$1,366 | \$208,452 |
| Total: | 392 | | \$26,631,347 |

FIVE- YEAR HOUSING AND UNIT GOALS

Taking into account the PSH housing unit need for both families and individuals in Boise City / Ada County, the total need for supportive housing includes a total of **517 new supportive housing units** through new construction and scattered site leasing (rental assistance) strategies.

| Population Need and Total Costs | | | |
|---------------------------------|-------------|---------------------|---------------------|
| | Unit Need | Total Cost per Unit | Total Cost |
| PSH - Developed: | 302 | N/A | \$64,154,655 |
| PSH - Leased: | 215 | N/A | \$3,004,746 |
| Rapid Rehousing: | 264 | N/A | \$22,800,960 |
| Diversion: | 307 | N/A | \$419,635 |
| Total: | 1088 | | \$90,379,996 |

CSH has modeled total PSH unit need broken down evenly over a five-year period with the goal of **103 new PSH units annually**; however, the City is exploring the opportunity to create more units in the first 1-2 years based on new funding availability. Projections also include RRH housing goals.

| Unit/Slot Production | | Five Year Projections ¹ | | | |
|--|--------------|------------------------------------|------------|------------|------------|
| | | 2022 | 2023 | 2024 | 2025 |
| Supportive Housing Units (Developed and Leased): | 517 | 103 | 103 | 103 | 103 |
| Rapid Rehousing: | 264 | 53 | 53 | 53 | 53 |
| Diversion: | 307 | 61 | 61 | 61 | 61 |
| Total: | 1,088 | 218 | 218 | 218 | 218 |

CITY OF BOISE: FIVE-YEAR OPH SUPPORTIVE HOUSING GOALS

The City of Boise used the supportive housing gaps analysis and unit projections as well as an analysis completed by Agnew::Beck on five-year affordable housing production goals to inform overall production and pipeline goals. Working closely with CSH and through iterations of the possible development and leasing strategies with the OPH Supportive Housing Steering Committee, in September 2021 the City of Boise put forth the bold goal to **create 750 new units of supportive housing**. The overall production goals are summarized below.

750

- *Supportive Housing Units*
- *500 existing/scattered site units*

500

- *Existing/scattered site Supportive Housing*
- *300 families, 200 individuals*

250

- *New Construction PSH units (5 projects in Pipeline)*
- *Family/individual breakdown tbd*

DEVELOPMENT FEASIBILITY: FUNDING NEW PSH UNITS

CSH and Agnew::Beck worked with OPH and funding partners to understand current land assets and funding commitments and opportunities to put forward a new framework for funding a five-year Supportive Housing Pipeline:

Capital Funding Sources:

Explore creative financing solutions with state and local funding sources to **make non-competitive 4% tax-credit deals feasible**

- HOME-ARP (city and state) through 2030
- State Housing Trust Fund
- Housing Bonds (local and state)

Operating Funds:

City is working closely with the Boise City/Ada County Housing Authorities (BCACHA) to **establish a five-year project-based voucher commitment** attached to the PSH pipeline.

- CSH continues to provide technical assistance and examples of other city/county multi-year PSH voucher commitments

Supportive Services Funding

Establish a **sustainable, dedicated source of funding** that is flexible enough to adapt to short and long-term solutions for Supportive Housing in Boise City/Ada County.

- Explore leveraging flexible local funds to address the services funding gaps
- Continue making the business case to IDHW for Medicaid policy change that creates a supportive housing benefit which will create long-term

DEVELOPMENT FEASIBILITY: PSH PIPELINE

Below is an example of possible financing scenarios put forth by CSH and Agnew::Beck to the Supportive Housing Plan Steering Committee that illustrates the feasibility of creating up to five new PSH projects within a new funding framework:

| | Development 1 | | Development 2 | | Development 3 | | Development 4 | | Development 5 | |
|--|------------------------|------------|----------------------------|------------|--------------------|------------|----------------------|------------|--------------------|------------|
| Development Working Name | SuppHou 1 (New Path 2) | | SuppHou 2 (Fire Station 5) | | SuppHou 3 | | SuppHou 4 (ACQREHAB) | | SuppHou 5 | |
| Bond Sources | | | | | | | | | | |
| Housing Bond (TYPE YES or NO) | Yes | | Yes | | Yes | | Yes | | No | |
| (IHFA/BCACHA Bond - 50% of TDC) | \$8,553,034 | 50% | \$6,555,162 | 50% | \$3,294,176 | 50% | \$5,491,921 | 50% | \$0 | 0% |
| Tax Credit Sources | | | | | | | | | | |
| LIHTC (4% credits - TYPE YES or NO) | Yes | | Yes | | Yes | | Yes | | No | |
| (4% credits - 31.5% of TDC) | \$5,388,411 | 32% | \$4,129,752 | 32% | \$2,075,331 | 32% | \$3,459,910 | 32% | \$0 | 0% |
| LIHTC (9% credits - TYPE YES or NO) | No | | No | | No | | No | | Yes | |
| (9% credits - 70% of TDC) | \$0 | 0% | \$0 | 0% | \$0 | 0% | \$0 | 0% | \$6,199,279 | 70% |
| subtotal of bond and tax credit sources | \$13,941,445 | 82% | \$10,684,915 | 82% | \$5,369,506 | 82% | \$8,951,831 | 82% | \$6,199,279 | 70% |
| Total Secured Financing | \$13,941,445 | 82% | \$10,684,915 | 82% | \$5,369,506 | 82% | \$8,951,831 | 82% | \$8,449,038 | 95% |
| Gap Financing Needed | \$3,164,622 | 19% | \$2,425,410 | 19% | \$1,218,845 | 19% | \$2,032,011 | 19% | \$407,075 | 5% |
| <i>per unit gap financing needed</i> | <i>\$49,447</i> | | <i>\$37,897</i> | | <i>\$33,857</i> | | <i>\$47,256</i> | | <i>\$10,713</i> | |

Key system shifts: creative financing solutions with **Federal Housing Trust Fund, HOME-ARP funds, and other sources.**

Financing options are responsive to the supportive services funding. **Dedicated services funding increases likelihood of capital investments.**

Supportive Housing Plan Recommendations

+ *Recommendations Summary*

+ *Key Roles and Issue Areas*

04



| <i>Recommendation</i> | <i>Details</i> | <i>Potential Timeline</i> |
|--|--|---|
| <p>1. Create Supportive Housing Investment Fund</p> | <p>OPH should establish a Supportive Housing Investment Fund that will be a source of flexible funding to address critical PSH funding gaps. Initially, the biggest identified funding gap for new PSH project feasibility is dedicated, long-term supportive services funding. In creating a Supportive Housing Investment Fund, OPH is creating a vehicle for other local funders to invest in the PSH pipeline versus single projects. This has been proven as a model nationally to attract additional investment partnerships, especially philanthropic and impact investments from health sector partners.</p> | <p>The comprehensive investment fund setup and planning will take 6-12 months which includes:</p> <ul style="list-style-type: none"> • Achieve fundraising goals through securing additional investments (including local governments, state, philanthropic/health partners). • OPH selects a local partner to manage the fund (formal procurement process may be needed). • Draft policies and procedures for the fund, including drafting and execution of operating agreements • Define fund operating guidelines with funding partners based on modeling to project the needed amount of revenue in the Supportive Housing Investment Fund to sustain projected PSH pipeline units. |



RECOMMENDATIONS SUMMARY, pt.2

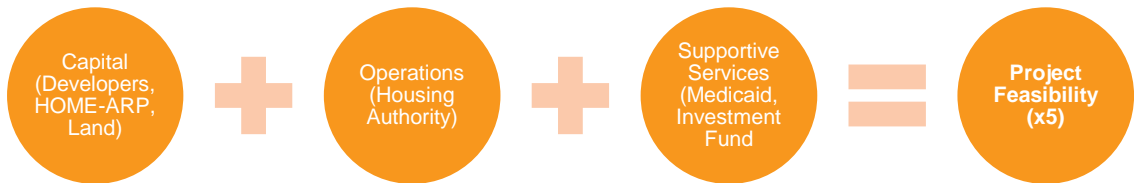


| <i>Recommendation</i> | <i>Details</i> | <i>Potential Timeline</i> |
|---|--|--|
| <p>2. Create advocacy path and timeline for Medicaid policy change</p> | <p>Although the Supportive Housing Investment Fund can be leveraged to create new units of PSH in the short-term and create a funding bridge, the long-term sustainability of the pipeline is tied to securing more ongoing services funding from Medicaid. With Medicaid expansion now implemented in Idaho, there is a big opportunity and willingness from IDHW to explore adding pre-tenancy and tenancy supportive services to the state Medicaid Plan so that providers can bill Medicaid for services regularly provided to supportive housing tenants that are necessary to keep them housed (which leads to improved health outcomes). The City and OPH are working to build a statewide coalition of policy advocates and technical assistance to support IDHW in pursuing a critical Medicaid policy change in the form of a Medicaid Waiver or State Plan Amendment (SPA).</p> | <p>Medicaid policy change takes time and concentrated effort; adoption of a Waiver or SPA will take up to 24 months, including:</p> <ul style="list-style-type: none"> • IDHW feasibility and financial analysis (may include developing the “Business Case” for a supportive housing benefit) • IDHW to apply for and be approved for policy change to the Centers for Medicare and Medicaid services (CMS) • Training and capacity building for providers on supportive housing quality standards |
| <p>3. Continue to work with BCACHA to formalize voucher commitment</p> | <p>Based on its current funding portfolio, BCACHA has the ability to project base 200-250 vouchers as part of the PSH pipeline over the next five-years. OPH (in partnership with the City) and BCACHA should pursue a formal partnership (e.g., MOU) in which the housing authority makes a multi-year voucher commitment to new PSH units contingent upon the commitment of capital and services funding</p> | <p>A formal MOU executed between the City and BCACHA will take up to 6 months. CSH has provided other local partnership/voucher commitment examples to guide the process and is available to provide additional technical assistance for this recommendation.</p> |



| <i>Recommendation</i> | <i>Details</i> | <i>Potential Timeline</i> |
|--|---|--|
| <p>4. Establish Permanent Supportive Housing Sub-Committee to own PSH pipeline implementation</p> | <p>Current PSH pipeline feasibility is contingent upon the stacking of capital, operational and services funding for both individual projects and the overall pipeline to ensure that overall unit goals are reached sustainably. This team will be charged with overseeing the entire pipeline to achieve goals and managing individual projects for feasibility.</p> <p>Several funding assumptions including the use of flexible state funds and 4% LIHTC in ways that have not yet been tested in Idaho for PSH. It is critical that the implementation team has a process established to come together regularly to iterate over and update funding assumptions, as the funding landscape is constantly evolving and changing, to inform their financing work and inform OPH Supportive Housing Investment Fund fundraising goals.</p> | <p>The primary roles of this sub-committee are to:</p> <ul style="list-style-type: none"> • Oversee the Permanent Supportive Housing Plan implementation, which includes defining total funding gaps that translate to public and private fundraising goals for the OPH Supportive Housing Investment Fund • Manage individual project feasibility, defining and securing sustainable funding from relevant sources for each project • Update the existing PSH pipeline assumptions and modeling to inform OPH of progress towards unit and funding goals |





OPH Supportive Housing Sub-Committee

Supportive Housing Plan Implementation (overall unit and funding goals)

Project Management & Feasibility (Funding Stack for Capital, Operating, Services)

OPH Supportive Housing Investment Fund

Public and Private Fundraising

Project Funding Recommendations

- Local Governments
- State Funding
- Philanthropy

About

- + *About CSH*
- + *Acknowledgements*
- + *Questions & Feedback*

05



ABOUT CSH



CSH is a national non-profit that works across four lines of business, including training and education, lending, consulting and assistance, and policy reform.

*Building on 30 years of success developing multi and cross-sector partnerships, CSH engages broader systems to fully invest in solutions that drive equity, help people thrive, and harness data to generate concrete and sustainable results. By aligning affordable housing with services and other sectors, CSH helps communities move away from crisis, optimize their public resources, and ensure a better future for everyone. More information at **csh.org**.*



ABOUT AGNEW::BECK



Agnew::Beck Consulting is an award-winning, multidisciplinary consulting firm based in Boise, Idaho, and Anchorage, Alaska. Agnew::Beck has deep experience in working with communities on crafting housing solutions and ending homelessness. Our team supports clients through data collection and analysis, fundraising and financial pro formas, partnership development and community engagement, and strategy, project and action planning. Since 2002, we have helped our clients strategically respond to challenges and opportunities to achieve their goals. Our team is committed to effective and efficient project management. We work to build healthy communities locally, regionally and statewide.

“Engage, Plan, Implement” is our approach to helping people, places and organizations get beyond ideas and issues, and get into making things happen. Learn more at our website: <http://agnewbeck.com/>



Acknowledgements



Thank you to Our Path Home and the City of Boise for its leadership, and to all the partners, stakeholders, and colleagues who gave their time and insight to this project.

Our Path Home

City of Boise

Boise City/Ada County Housing Authorities

Idaho Housing & Finance Agency

The Pacific Companies

Terry Reilly Health Services

Idaho Department of Health and Welfare

CATCH, Inc

St. Luke's Health System



QUESTIONS & FEEDBACK



Questions, concerns, and feedback about this project can be directed to Annie Bacci (annie.bacci@csh.org), Director, Mountain West



Appendix

SERVICES FUNDING ASSUMPTIONS - DETAIL

| | Development 1 | Development 2 | Development 3 | Development 4 | Development 5 |
|--|---------------------------|---------------------------|----------------------------|-------------------------|----------------------------|
| Development Working Name | SuppHou 1 (NEW PATH 2) | SuppHou 2 (INDIVIDUAL) | SuppHou 3 (INDIVIDUALS) | SuppHou 4 (ACQREHAB) | SuppHou 5 (INDIVIDUALS) |
| Total Number of Units | 64 | 64 | 36 | 43 | 38 |
| Number of Supportive Housing Units | 64 | 64 | 36 | 43 | 38 |
| Intensity of Services (Use the Drop down menu to select intensity) | Medium Intensity | Medium Intensity | Medium Intensity | Medium Intensity | Medium Intensity |
| Supportive Service Cost Per Unit | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Annual Supportive Services Cost | \$ 640,000 | \$ 640,000 | \$ 360,000 | \$ 430,000 | \$ 380,000 |

Supportive Housing Investment Fund

Investing \$10M in such a fund would support the pipeline for 7 years without additional contribution or an ability to bill Medicaid.

Medicaid: by defraying costs 50% through Medicaid, the Supportive Housing Investment Fund supports all 5 projects for 15 years.

Key Informant/Stakeholder Interviews



As part of the Environmental Scan, CSH interviewed representatives from the following organizations:

Idaho Housing and Finance Association

Boise City/Ada County Housing Authority

CATCH

The Pacific Companies

Northwest Real Estate Capitol Corp.

The City of Boise

Idaho Department of Health and Welfare

Boise City Council Members: Lisa Sánchez and Elaine Clegg

Capitol City Development Corporation

Boise State University

Terry Reilly Health Services

St. Luke's Health System

Boise Rescue Mission

