Regional Supportive Housing Impact Fund

Strategic Framework

Tri-county Region – April 2019

(Portland Area)

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Acknowledgements

The following entities were essential for providing information, insight and expertise that helped form this strategic framework.

Collaborative members (referenced throughout the report as the "Collaborative")

- Cambia Health
- CareOregon
- Central City Concern
- Collins Foundation
- Kaiser Permanente
- Legacy Health
- Meyer Memorial Trust
- Oregon Community Foundation
- OHSU (and Adventist, an OHSU partner)
- Providence Health and Services

Survey Participants

- Cascadia Behavioral Healthcare
- Central City Concern
- CODA
- Luke-Dorf
- Native American Rehabilitation Association (NARA)
- Clackamas County – Choice Program
- Multnomah County – Choice Program
- Washington County – Choice Program
- Project Access NOW
- Kaiser Permanente (Mental Health and Addiction Medicine – Brookside Center)
- Providence Health and Services (Inpatient Psychiatric Care)
- Unity Center for Behavioral Health
- Prestige Health Choice
- Sequoia Mental Health Services
- Transition Projects Inc.

Jurisdictional Partners from the following Agencies

Clackamas County

- Behavioral Health Services
- Health Centers
- Housing Policy
- Social Services

Multnomah County/City of Portland

- Elected Officials' Staff
- Health Department
- Joint Office on Homeless Services
- Portland Housing Bureau

Washington County

- Health and Human Services (including Behavioral Health)
- Homeless Programs
- Housing Services

Non-profits and Direct Service Providers

- Cascadia Behavioral Healthcare (Housing and Health Services)
- Catholic Charities (Housing)
- Central City Concern (Housing and Health Services)
- Clackamas, Multnomah and Washington County ACT programs
- Community Partners for Affordable Housing (Housing)
- Home Forward (Housing)
- Housing Development Center (Housing)
- Human Solutions, Inc. (Housing and Services)
- Innovative Housing (Housing)
- JOIN (Housing and Homeless Services)
- Luke-Dorf (Housing and Health Services)
- Native American Rehabilitation Association (NARA) (Services)
- Northwest Housing Alternatives (Housing)
- PCRI (Housing)
- Project Access NOW (Services and Other Supportive Functions for the System)
- Prestige Health Choice (Skilled Nursing Facilities)
- REACH CDC (Housing)
- Sequoia Mental Health Services (Services)
- Transition Projects, Inc. (Homeless Services)

Others:

- HereTogether (Center for Homeless Research) Founders and Staff
- Portland Business Alliance Staff and Members

About the Project Team

CSH is a national nonprofit organization and Community Development Financial Institution that transforms how communities use housing solutions to improve the lives of the most vulnerable people. CSH offers capital, expertise, information and innovation that allows our partners to use supportive housing to achieve stability, strength and success for the people most in need. CSH has over 25 years of experience, making us the source for housing solutions.

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ECONorthwest is the Pacific Northwest's largest economics consulting firm. It specializes in the application of economic and financial principles, and the methods for evaluating public policies and investments. Since its incorporation in 1974, ECONorthwest has completed more than 2,500 projects for public and private clients. Its staff of 40 people has decades of experience in economics, planning, development, finance, and public policy, which allows it to build specialized teams to meet clients' needs. ECONorthwest's projects range from strategy to implementation in a variety of services, including strategic planning, financial analysis, affordable housing pro forma and policy analysis and economic forecasting.

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CORE is a policy and health services research shop that focuses on health transformation and the social determinants of health. Based out of Providence St. Joseph Health System in Portland, CORE does research, evaluation, and data science work in service to improving health and health equity.

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Ed Blackburn

Ed Blackburn is the former CEO of Central City Concern (CCC), a non-profit dedicated to innovative, outcome-based strategies, which support personal and community transformation through housing, healthcare and employment services. During his tenure, CCC increased its portfolio of affordable and supportive housing units by 60%, with an addition of 815 total units, 379 of which were made possible partly by an unprecedented donation of $21.5 million from six health systems in the Portland region, a donation that Ed facilitated. A new, two-story clinic operation will open in one of the buildings, the Blackburn Center, located at 122nd and Burnside Avenue. Also under his leadership, CCC's total annual revenue grew from $32.3 million to $90.5 million. Ed is also a founding board member of Health Share of Oregon, a coordinated care organization that formed in 2012 and was key to the implementation of the Affordable Care Act in Oregon.

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Foreword

In 2016, the *Housing is Health Initiative* saw several area health systems and foundations, including Adventist Health Portland, CareOregon, Collins Foundation, Kaiser Permanente, Legacy Health, Meyer Memorial Trust, Oregon Community Foundation, OHSU, and Providence Health and Services, come together to provide $22.6 million in funding toward the creation of 379 new units of supportive housing in the Portland area.

Building on that initial success and with a desire to continue collaborating, these same partners, along with Cambia Health Foundation, commissioned the development of this strategic framework to guide the next phase of the *Housing is Health Initiative.*

The Collaborative established several important parameters to guide this strategic framework:

- **Focus the Effort.** Focus on people who are experiencing homelessness *and* have complex health challenges, including serious mental health and addiction issues. These issues are themselves a major contributing factor to homelessness, and represent a subset of the homeless population that has a very high impact on social systems, neighborhoods and businesses across the Tri-county area (Clackamas, Multnomah and Washington counties).

- **Address Equity.** Address racial equity and disparities during all phases of the process, including the strategic planning, fund development, implementation and evaluation phases. Work to foster equitable outcomes across race, ethnicity and other aspects of personal identity.

- **Think Regionally.** Utilize a Tri-county approach to produce the best possible outcomes, recognizing that some current housing efforts have not yet achieved the same metro-wide systems advances seen in the physical and behavioral health care domains over the last few years.

- **Align with Other Efforts.** Recognize the critical need to leverage potential collaborative investments with current efforts by local government jurisdictions. Advance their supportive housing goals, with a particular focus on the 0-30% Area Median Income (AMI) population, which was $0-$17,000 annual income per individual for the Tri-county region in 2018.

- **Engage the Business Community.** Engage business leaders to bring them into the collaboration. Early outreach to the business community highlighted a common interest in collaborating with health systems and other partners to address the challenges relating to and interacting with homelessness. Work to actualize this potential and create true cross-systems collaboration.

- **Build a Sustainable Effort.** Work to ensure the collaborative approach is sustainable over time. While community benefit funds and philanthropic investments can be very important catalysts for transformation, especially in the startup phase, the strategic framework should work toward a reliable funding source that can help it scale and sustain over time.

This strategic framework takes a systems approach to addressing homelessness, with a special focus on those who experience both homelessness and complex health challenges and whose impact on community systems and resources is most keenly felt across sectors. At a glance, the framework primarily recommends:

1. **Establish a Flexible Fund.** Establishing the *Regional Supportive Housing Impact Fund (the RSHIF),* a flexible funding pool would leverage and enhance existing community funding efforts in the housing space by providing services, rent subsidies, or rent assistance tailored to fill critical gaps in the current models.

2. **Target Investments at Critical Gaps.** The RSHIF should focus its efforts on addressing racial equity, persons who are homeless, have complex health challenges and are transitioning out of settings where they have received services designed to stabilize their health. This approach will combine investments to *increase supportive housing availability* in the community with a *care transitions* approach desired to ensure direct access to supportive housing for those served in intensive health and behavioral health facilities and services.

3. **Use Data to Target Investments for Maximum Impact.** Finally, the RSHIF should have a dedicated data collection and analytics capacity, which will ensure effective allocation of resources, support continuous quality improvement and allow for rigorous evaluation of the impacts of shared investments across sectors.

This strategic framework represents months of conversations with many partners around the community. Through the process of preparing it, the partners made a compelling cases for a flexible solution that can nimbly align with other regional efforts and funding sources, fill critical systems gaps, meet people where they are and support solutions that improve outcomes for the most vulnerable people they serve while positively impacting systems across the community.

--Ed Blackburn

Executive Summary

Overview

To address homelessness using a systems approach, this strategic framework recommends establishing the *Regional Supportive Housing Impact Fund (the RSHIF)*. The RSHIF would be a flexible fund aimed at expanding supportive housing capacity and coordinating transitions into supportive housing from key settings. It is designed to address one of the most significant Social Determinants of Health, safe and stable housing. It would also deploy a data collections and analytics capacity designed to help target investments for optimal impact, monitor and support the work and evaluate the impact of these investments, all focused on a goal of reducing homelessness in the Tri-county region. Aligning with other housing efforts and operating through an equity approach, the RSHIF is designed to support the health care Triple Aim (better health, better care and lower costs), maximize positive impacts for other community partners and show that supportive housing is an investment that saves money and lives. This combination makes the RSHIF a unique model creating a strong business case.

The Business Case

A viable business case engages other partners, including members of the business community, to become supporters of the RSHIF. Supportive housing models, already operating across the region, are a research-backed method to increase housing stability and healthcare outcomes for residents. In addition, supportive housing has been evaluated as significantly more cost effective than repeated cycling through different care settings (e.g. emergency departments, psychiatric beds, residential treatment programs, etc.). Based on a survey conducted as part of preparing the framework, many of those who are stabilized in these settings risk being discharged to homelessness that likely put them right back into crisis. The significant resources applied to providing services in these settings are far more likely to return better community outcomes if they are followed with access to supportive housing that ensures a continued stabilization and recovery. Similarly, the need exists for an accurate data analytics capacity that would ensure the reliable performance data, effective resource allocation and coordination of services that are essential for making a sound business case and achieving sustainability.

Operating Principles

The RSHIF will be built on five operating principles that will guide decision-making and ensure fidelity to a shared vision:

Flexible	Stay nimble and invest in ways that maximize impact.
Leveraged	Work with other efforts to enhance and reinforce impact.
Data Driven	Use data to optimize and measure impact.
Equitable	Ensure impacts address racial equity.
Catalyzing	Sustain and spread for broad community impact.

Primary Population

The RSHIF will focus on people who experience homelessness and have complex health challenges, including serious mental health and addiction issues. Housing and healthcare operators know that these populations often use intensive, high cost stabilization services and can be frequent users of these facilities and care settings. In the absence of a resource like the RSHIF, they are among the least likely to access existing housing in the region and are the most likely to be discharged into homelessness, including camps on the streets and in the parks of the region. A regional response is essential, as people experiencing homelessness are often

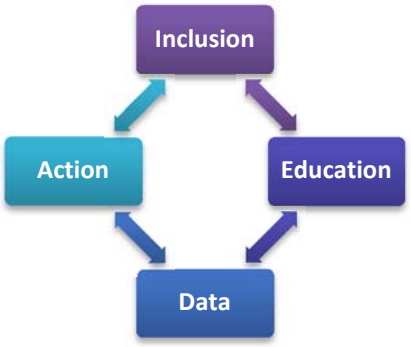
offered and access services in more than one county based on movement, need and availability. Additionally, people of color and other historically marginalized populations are disproportionately affected by homelessness and are often in need of crisis intervention. The RSHIF will collaborate with culturally responsive organizations and programs to ensure these populations are served. It will also strive to advocate for systems changes in response to institutionalized racism.

Filling Funding Gaps & Leveraging Other Efforts

The RSHIF is designed to enhance and supplement a number of other housing efforts in the region, including the recently funded Portland and Metro affordable housing bonds. Due to structural challenges in the largest affordable housing development funding sources, many of these new funding initiatives will struggle to meet their supportive housing and deeply affordable housing goals without supplemental, flexible funding. The RSHIF can complement these efforts by filling four critical gaps that are not otherwise addressed in the region:

- **The Racial Equity Gap.** The Tri-county Equitable Housing Strategy to Expand Supportive Housing for People Experiencing Chronic Homelessness states, "Institutional racism is a primary driver that disproportionately increases the risk for people of color to end up experiencing homelessness in addition to reduced access to needed services." Actively addressing this racism by holding the RSHIF accountable to governing and operating with an equity lens is a critical component of this framework.
- **The Deeply Affordable Housing Gap.** The largest funding sources currently used to develop affordable housing (e.g. the Low-Income Housing Tax Credit) often fail to serve households at the 0-30% AMI levels, or only do so with the addition of operating subsidies. However, operating and rent subsidies are very limited and the future of many federal sources is uncertain. These limits in the availability of funding translate to a severe shortage of housing affordable to extremely low-income households.
- **The Services Gap.** Current funding sources are also severely limited in their ability to provide flexible funds dedicated to providing tenancy support services. Affordable housing operators contacted during this strategic framework development process discuss the need for more flexible funding sources to reimburse critical operating services supporting extremely low-income households with complex health needs.
- **The Transitions Gap.** An inability to get people into supportive housing at the moment of maximum potential impact, as they are stabilizing and transitioning out of facility based settings. With the lack of enough housing comes long wait lists for deeply affordable and supportive housing, creating gaps in service provision that contribute to the cycle in and out of homelessness and facilities and other care settings.

Equity Framework

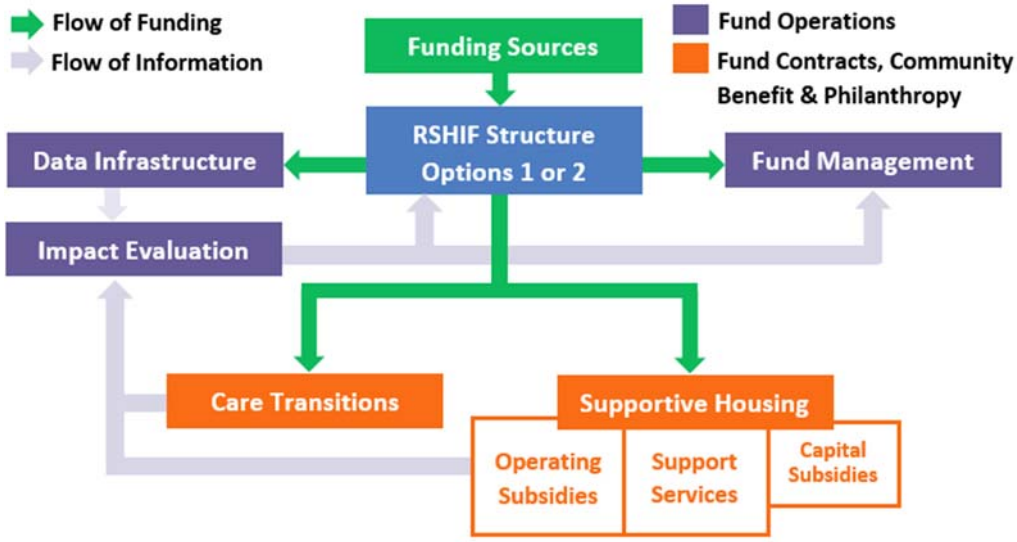


Unequal access to housing is a profound equity challenge, and it is important to recognize homelessness as an entrenched social problem that disproportionately affects people of color. The RSHIF has an opportunity to highlight and help to address key racial equity issues within and across the systems in our community. The RSHIF will be built to operate with equity at the center of its work through a four-pronged strategy; *inclusion* in decision making and governance, the use of *data* to illuminate and understand how inequities play out in the community, *education* about how best to address challenges with a collective community response and *action* to implement key strategies and practices necessary to fill gaps in order to be responsive to equity issues. As part of the planning phase, the Project Team approached several agencies, informed them of the RSHIF process and solicited ideas related to equity for this work. Additionally, many members of the Collaborative provided feedback on the draft framework to help solidify an equity approach in the formation of the RSHIF.

The RSHIF Operating Structure

The proposed operating structure for the RSHIF is designed to aggregate and deploy funding in a nimble manner, allowing the fund to flexibly respond to changing needs in the community and to complement and boost the reach of other healthcare and affordable housing efforts for the primary population. The Collaborative looked at examples from across supportive housing, healthcare, and other efforts to inform the operating structure, though it is likely that the RSHIF would be the first entity of its kind. As the following diagram describes, the RSHIF would receive funding from a variety of sources and invest in care transitions and supportive housing as described above. The fund's operations would include fund management (e.g. administration, negotiating terms and investments and allocating funds), as well as overseeing the data infrastructure and carrying out impact evaluations.

Overview of Proposed Operating Structure



Two primary options exist for the RSHIF to establish an operating structure to oversee the fund management, data infrastructure and impact evaluation processes. It is important that both options include diverse decision makers that embrace the equity framework and standards at all levels of the operating structure as set forth by the RSHIF.

- **A Coordinated Care Organization (CCO) Strategic Fund**. A CCO contracted by the Oregon Health Authority, could fulfill the characteristics of the RSHIF's strategy and approach. A CCO, through an Administrative Services Organization (ASO) could set up a 501(c)3 that could also receive and braid community benefit and philanthropy dollars, *if structured appropriately*. A local example is Health Share of Oregon's contractual relationship with CareOregon. It is important that the entity would be formed in collaboration with major CCO partners and community stakeholders.
    - **This model can also allow for individual grants to go to non-profits directly, as long as it is coordinated with the RSHIF fund investments to show collective impact and ensure combined data analysis**

- **Stand-alone Entity.** In a stand-alone entity model, collaborators would structure a new entity or establish a new structure within an existing agency, which could be a non-profit 501(c)3 or a non-profit LLC to be governed collectively by its members. This new entity, or part of an existing entity, could hold funding agreements with multiple funders and could deliver on contracts for services. If it were part of an existing entity, it would need to be enhanced and adapted to fulfill the purpose of the RSHIF.

The members would serve as an oversight body to agree on operating terms and conditions, where and how to allocate funds, and how to scale operations over time.

- **As stated in the option above, this model can also allow for individual grants to go to non-profits directly, as long as it is coordinated through the RSHIF structure to show collective impact and ensure combined data analysis**

Data and Evaluation Infrastructure

The RSHIF data infrastructure will collect and integrate essential data from across the community to support decision-making and assess the total community impact of the RSHIF's investments. This data-driven approach contributes to the uniqueness of the RSHIF. The data will be used to fulfill four key functions:

Key Functions to Support the RSHIF Data & Evaluation Strategy

Inform	Using data to inform RSHIF investment and optimize community impact.
Monitor	Using data to monitor progress and drive real-time improvement efforts.
Evaluate	Using data to capture the impact of RSHIF investments in the community.
Innovate	Using data to develop more advanced ways to address homelessness.

To support all four functions of the data strategy, the RSHIF will need to build a data infrastructure that integrates data from across multiple sectors and partners in the community. While building that infrastructure will require some up-front investment, it will position the RSHIF to act strategically and maximize its impact across the community.

Investments to Establish the RSHIF

Based on data collected during the strategic planning phase, the RSHIF should have a goal of transitioning 600 – 800 people in supportive housing over three years. This is intended to jump-start a project while also allowing enough time to analyze data against performance measures and cost offsets. Should the project prove successful, the goal is that the RSHIF would continue as an ongoing support for the primary population in order to sustain and increase supportive housing, care transitions and evaluation. All of which support an important aspect of the Social Determinants of Health, safe and stable housing.

To reach this goal, the RSHIF would need approximately a total of $17 million in financial support, over three years. This amount would include startup costs to stand up the data and administrative infrastructures, evaluation and the balance fund activities. Fund activities include investment in supportive housing capacity, a care transitions strategy designed to provide direct access to supportive housing for persons transitioning out of key facilities, and operational costs. These include annual fund administration costs, as well as data infrastructure and evaluation costs to support the rigorous assessment of the RSHIF's community impacts. One structure option, as stated earlier, is designed to use resources available through a CCO as well as philanthropy and community benefit dollars. It is important to note that the RSHIF may substantially pay for itself by reducing overall costs due to recidivism and avoidable admissions to costly facilities.

Next Steps to Move the RSHIF Forward

This strategic framework outlines a significant body of work required to bring the RSHIF to full implementation. To keep the momentum going, the project team recommends that the Collaborative prioritize the following four key steps:

1 Designate a lead entity and start build team.

Designate a lead entity to put together a build team to lead phase 2 of the work plan – *organizing for implementation*. Invest in protecting time from this team's members to continue to advance the work.

2 Invest in the data infrastructure.

Invest now to begin building the essential data infrastructure, including exploration of data agreements and acquisition from at least a few "pilot partners." Expand later, but start now.

3 Design and pilot key strategies.

Develop and plan pilot program for key RSHIF investment strategies, including care transitions and supportive housing. Find partners already in these spaces to partner with early on.

4 Continue to engage other stakeholders.

Ongoing outreach to community stakeholders in jurisdictions, the business community, practitioners/care management directors, and other sectors is essential for coordination and resources.

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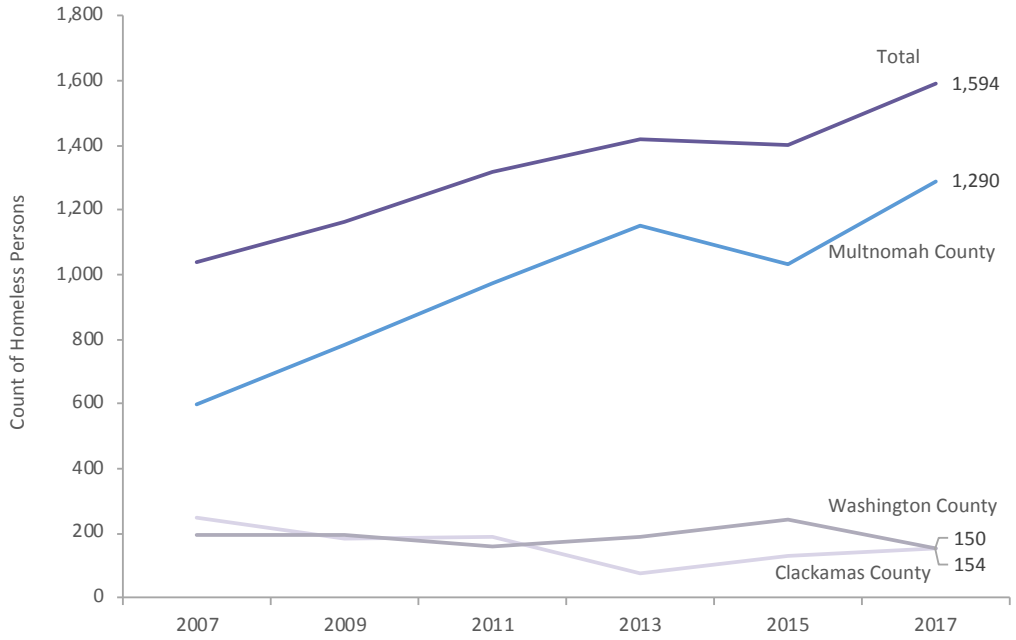
Part 1. The Need for the RSHIF

A Community Challenge

The Portland Tri-county region is experiencing a very visible and acute homelessness challenge. This crisis is seen in hospital emergency rooms, the justice involved system and on the streets. Despite new funding sources as well as significant public and private sector attention, the issue persists and the number of people experiencing chronic or longer-term homelessness has grown in the region. While an imperfect approximation for the populations in supportive housing, biannual HUD Point-in-Time data estimates the minimum number in need, and demonstrates that the population has grown meaningfully over time. In 2007, the HUD data estimates that 1,036 people were experiencing chronic homelessness in the Tri-county area. In 2017, this figure was 1,594 – a 54% increase.



Source: ECONorthwest analysis of HUD 2007-2017 Point-In-Time counts of people experiencing chronic homelessness.
Note: These data come from the HUD Continuums of Care (CoCs): Portland-Gresham-Multnomah County CoC, Clackamas County CoC and the Hillsboro-Beaverton-Washington County CoC.

Homelessness is a pervasive issue that crosses many areas. From the healthcare sector to the housing market, from the business community to social services, from high-income to those most vulnerable, this issue affects the entire community. Homelessness is:

- **A health care challenge.** Homelessness is a major driver of health care outcomes, including cost and quality of care. Health systems that do not consider housing are fighting for the Triple Aim with one hand tied behind their back.
- **A housing challenge.** Everyone deserves a safe place to sleep at night. A significant shortage of affordable housing options, and housing with supportive services contributes to the homelessness crisis.
- **An equity challenge.** Housing shortages affect people of color disproportionately. A city that does not prioritize and address the challenge of racial equity will not live up to its values as a just and equitable place to live.

- **A public safety challenge.** People experiencing homelessness often interact with safety officers (and other first responders) due to public concerns. These can create arrest records, fines, fees and backlogs in court systems. These expensive interventions can perpetuate a cycle through the justice system, are inefficient and ineffective at addressing homelessness and create additional barriers to employment and housing.
- **A social services challenge.** People experiencing homelessness face many complex challenges that place a significant strain on some mainstream social services systems, and at times may create extra barriers for people to access benefits such as SSI/SSDI, TANF, Medicaid/Medicare, employment programs and more.
- **A neighborhood challenge**. Unhoused people may experience very public crises resulting from untreated or undertreated mental illness and addictions. This affects people across the region and housed neighbors often feel overwhelmed and helpless.
- **A human challenge.** People experiencing homelessness face increased risks for toxic stress, personal harm, economic stability and mental and physical health challenges. These issues can compound and perpetuate the cycle of hopelessness. Every person deserves a chance to break that cycle.

Homelessness as a "Hub" Community Challenge

No single system holds the key to addressing homelessness – it is a "hub" issue, whose impact ripples across nearly every sector in the region. It is a community problem, and it requires a community solution.

CONSULTATION DURING PROCESS. For this strategic framework, the Project Team consulted with many organizations and entities (see acknowledgements) about the community need and challenges in serving and housing people with special needs experiencing long-term homelessness who may also cycle through facilities and other care settings. These conversations confirmed the need for a response that includes supportive housing, care transitions, equity approaches and the need for improved data capacity to help with analysis and quality improvement. Additionally, CORE assessed gaps among a set of facilities and programs that confirmed this need.

SURVEY. To understand the extent of the need for transitions care and supportive housing for the primary population (described in the executive summary), CORE conducted a survey of 14 key organizations in the area that provide inpatient care or operate residential treatment programs for persons with mental health or substance use challenges. CORE additionally surveyed the region's largest emergency shelter operator. The survey captured organizational perspectives on the need for and readiness to address care transitions and the supportive housing gap.

Each organization was asked to roughly estimate their population served annually and the percent of that population who might benefit from access to supportive housing. While the resulting data are approximate estimates and do not represent unique client counts, they demonstrate a widespread agreement among organizations serving this population that the transitions gap and a lack of supportive housing represents a challenge to their work. Results are grouped by service provider type and the range of estimates provided represents the range reported by one or more of those provider types.

Results from a Survey of Care Organizations in the Metro Area

Service Provider Type	Approximately what percent of your cases ("people served")... …would benefit from supportive housing	…likely end up homeless	…stay longer in program because nowhere else to go
Outpatient, Emergency, Inpatient MH Care (approx. 9,300 cases/yr.)	15-85%	30-40%	25-90%
County Choice Model Programs (approx. 255 cases/yr.)	15-30%	10%	25%
ACT / ACT-Like Teams (approx. 920 cases/yr.)	40-80%	20-80%	80%
Residential Treatment Facilities (approx. 533 cases/yr.)	85-100%	35-40%	30-90%
Skilled Nursing Facilities (approx. 1,666 cases/yr.)	10-50%	10-50%	10-50%
Emergency Shelter Provider (approx. 3,000 cases/yr.)	40-85%	30-40%	25-90%

KEY TAKEAWAY AND NEED FOR BETTER DATA. A clear need to focus on these settings exists as critical places to transition people to supportive housing. If care transitions and dedicated supportive housing focused on just a subset of organizations surveyed[1], using the low-end range of estimates, there are as many as 1,188 individuals in those programs and settings that providers indicated would benefit from supportive housing. Note that the cases per year are reported by only the organizations that responded to the survey – so they are not representative of the region's total settings and programs and are likely underrepresenting regional demand. In addition, this prioritized health care subset could also include inpatient settings, but estimates on that population (separated out from the outpatient and emergency) did not come in. Additionally, several hundred people were identified as being 55 or older in this survey. Though this is only a rough estimate based on the nature of the assessment, it indicates a need for a special focus on this population.

A major finding in the survey process is that many of these facilities and programs do not collect data on housing status. Therefore, interpreting these estimates to arrive at a single estimate of demand for supportive housing within these settings is very challenging. To create accurate estimates of demand the analysis should be able to de-duplicate people across organizations and use a standardized definition when designating the housing need. Again, these numbers also only represent organizations that responded to the survey, so they cannot be interpreted as representing estimates across all relevant settings in the Tri-county region. The lack of data regarding the housing status of people in these programs and facilities helps confirm the need for comprehensive data collection and analytics recommended as part of the RSHIF strategic framework.

[1] starting with County Choice Programs, ACT (Assertive Community Treatment)/ ACT-Like Teams, Residential Treatment Facilities, the Recuperative Care Program (RCP), and Skilled Nursing Facilities - where demand for supportive housing is greatest and investment to stabilize has been significant.

A Community Response

A COLLECTIVE IMPACT APPROACH. The RSHIF proposes a collective impact approach in the form of a flexible, aligned, data-driven, equitable, and catalyzing fund designed to invest in Tri-county efforts to reduce homelessness in ways that enhance and complement other community and state efforts. The fund intends to empirically capture the full-spectrum impact of these investments across the community to help ensure the fund's success and sustainability.

COORDINATION WITH RELATED EFFORTS. In September 2018, the City of Portland and Multnomah County adopted a plan to create 2,000 units of supportive housing. Additionally, in February 2019, a report was issued to determine the needs, estimated costs and systems change recommendations required in order to create 3,121 units of supportive housing for the Tri-county area. The State of Oregon has prioritized supportive housing as part of its overall housing agenda. Finally, both Multnomah and Clackamas Counties are engaged in FUSE (Frequent Users, Systems Engagement) efforts, which seek to align data across the three sectors of health, justice and homelessness. These efforts will identify those who are cycling through these systems, engaging a cross-sector response in ending these individuals' participation in the "institutional circuit." FUSE has particular significance with the RSHIF as they potentially share primary populations, they both use data to inform systems approaches and they mutually agree on supportive housing as the appropriate intervention.

OTHER HOUSING EFFORTS. Since the initial *Housing is Health* investment, several other complementary efforts to address the housing crisis have emerged. Locally, the Portland Housing Bond and the Metro Affordable Housing Bond provide capital to develop more affordable housing capacity in the region. At the state level, the Governor's budget includes $54 million in capital for supportive housing to be matched with rental subsidies and services from the Oregon Health Authority (OHA). The State's Coordinated Care Organization 2.0 priorities place a strong emphasis on housing and other Social Determinants of Health as a cornerstone of the State's health transformation strategy.

SUPPORTIVE HOUSING APPROACH. Supportive housing is a proven solution for the primary population, combining stable housing with support services. The goal of supportive housing is to ensure housing stability for individuals with multiple, chronic, complex needs, thus helping these individuals move from highly tenuous situations (including homelessness) to conditions that promote stability, autonomy and dignity. A number of key characteristics define supportive housing:

- **Deeply Affordable.** Designed for people with incomes at 0-30% of AMI.
- **Low Barrier.** People are actively screened in and not out due to their backgrounds.
- **Participatory.** Residents hold leases that set the terms of their engagement with supportive housing.
- **Flexible.** The services provided are flexible, person centered, and designed to help ensure long-term tenancy.
- **Permanent or Shorter-term.** Some individuals may always require supportive housing, but others eventually reach a point where they are better served in a less intensive environment and can move on.

Supportive Housing

The RSHIF: Part of a Larger Community Response

The RSHIF is envisioned as a flexible community fund designed to target gaps and align with other efforts to address homelessness in the Tri-county region. The fund will be built around five primary operating principles:

Flexible	Rather than focusing on a single strategy, RSHIF will maintain a flexible approach and use a variety of levers to address the housing problem for its target population.
Leveraged	RSHIF will be designed specifically to address gaps in existing strategies, and to invest in ways that align with and enhance the impact of other state and local efforts.
Data Driven	RSHIF will rely on a comprehensive data strategy designed to target investments for optimal impact and empirically measure those impacts across the community.
Equitable	RSHIF's governance and operational model will be built from the ground up to acknowledge that our community's housing challenge is also an equity challenge.
Catalyzing	RSHIF will be designed from the start with a clear plan for sustainability, and to help catalyze and spread other collective impact work across the community.

The RSHIF is rooted in the *Housing is Health* initiative, but represents a new way of working together. Through the RSHIF, the Collaborative and other partners can effectively address critical gaps in the community's current array of housing strategies through investments directed toward people who experience chronic or long-term homelessness and cycle through care settings.

HOW THE RSHIF FITS. The existing housing efforts are an important piece of the puzzle, but several critical and interconnected gaps may act as a limit on their potential effectiveness. The RSHIF is designed to address these gaps:

- **The Racial Equity Gap.** The Tri-county Equitable Housing Strategy to Expand Supportive Housing for People Experiencing Chronic Homelessness states, "Institutional racism is a primary driver that disproportionately increases the risk for people of color to end up experiencing homelessness in addition to reduced access to needed services." Actively addressing this racism by holding RSHIF accountable to governing and operating with an equity lens is a critical component of this framework.
- **The Deeply Affordable Housing Gap.** There is not enough housing for the lowest income individuals and families (those earning 0-30% of AMI). Mainstream programs providing funding and incentives for affordable housing construction are not well designed to help households at this income level.
- **The Services Gap.** Vulnerable populations with complex health needs, including mental illness and addictions, need more than treatment. Tenancy support services are critical to maintain housing, and should include services such as housekeeping, skill building assistance, transportation to clinical appointments, assistance for determining eligibility and applying for social services, as well as support for tenants to build community and make connections with their neighbors. Another gap includes providing services to those who may have insurance.
- **The Transitions Gap.** Even when housing exists, connecting individuals with the type of housing they will most benefit from- and at the right moment- is extremely challenging. People in crisis often stabilize in these care settings at great personal expense, only to discharge to the streets or other settings where they are very likely to spiral back into crisis. Breaking this cycle must be a critical community priority.

The Racial Equity Gap: Addressing Institutional Racism in Housing and Services

As a community, it is imperative to recognize that unequal access to housing is a primary form of inequity, and achieving race equity is a fundamental element of needed social change across issues related to homelessness. Race equity is a condition wherein one's racial identity has no influence on how one fares in society[2]. It is important to not use color-blind strategies to solve an entrenched social problem that, according to data, affects people of color in disproportionate ways.

People of color fare worse than their white counterparts across every age and income level when it comes to societal outcomes. An analysis of the 2017 HUD point-in-time counts by ECONorthwest, for example, shows that in 2017, African Americans accounted for only 3% of Portland's population, but 12.6% of its homeless population; American Indians or Alaskan Natives made up 1.2% of the population but 5.2% of the homeless population. These trends mirror national data on disparities in homeless prevalence and it is important that as a community, racial equity be embraced as a framework and approach to addressing homelessness.[3]

While naming racial equity in homelessness as a priority, the RSHIF represents an opportunity to do better by actively seeking to address homelessness and related outcomes through a racial equity approach. By continuing a learning journey to understand the history and structural issues that cause and create racial inequities within homelessness, the RSHIF has an opportunity to highlight key racial equity issues within the health care system that can then be used to impact other systems' knowledge of the issue, including justice, child welfare, employment, education, and homelessness. This will be achieved by putting data analysis and education into action by having constant consultation and coordination with organizations and programs that are experienced in addressing racial equity, particularly with the above-mentioned systems.

The data and evaluation components of the RSHIF will embed an awareness of racial inequities in all of the processes involved in designing, developing, and administering the RSHIF. Data will not merely extract knowledge from communities of color; instead, it is highly recommended that the RSHIF include and work in partnership with historically marginalized groups to establish new priorities, innovative approaches and insights to address the crisis of homelessness for people of color.

HOW THE RSHIF COULD HELP ADDRESS RACIAL EQUITY

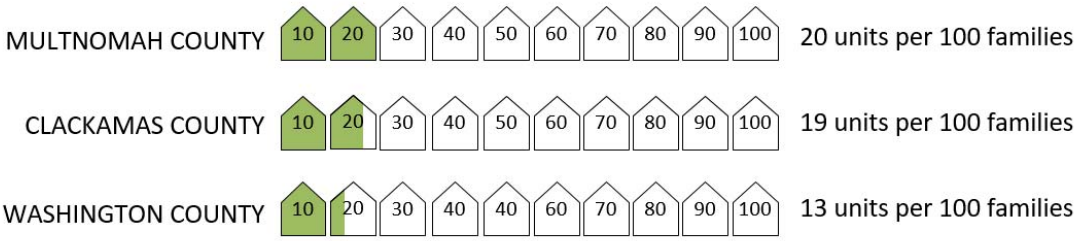
- Deploy a strategy designed to ensure that equity remains at the center of both the way it does its work and the outcomes it seeks to generate.
- Engage in authentic conversations with partners and community members to build a shared understanding of the dynamics that perpetuate disparities in homelessness and related outcomes.
- Create forums for community conversations that include individuals with a range of lived experiences and use those forums to learn, grow, report on the development and implementation of the RSHIF work as well as improve decision-making processes.
- Analyze data to understand the scope of various ethnic and racial groups made up of the RSHIF's primary population, evaluate the needs of these groups and determine strategies to fund the need.
- Conduct qualitative data collection to better understand the complicated dynamics that drive inflow and outflow for people of color in health care, housing and other service settings.

[2] ProInspire Equity in the Center: Awake to Woke to Work: Building a Race Equity Culture www.equityinthecenter.org
[3] National Alliance to End Homelessness, "Racial Disparities in Homelessness in the United States," June 6, 2018, https://endhomelessness.org/resource/racial-disparities-homelessness-united-states/.

The Deeply Affordable Housing Gap: The Shortage for Very Low-Income Households

The Tri-county region faces an acute shortage of housing that is both available and affordable[4] for households with very low income: those earning 0-30% of AMI (Area Median Income). A recent *ECONorthwest* study for the Oregon Housing and Community Services (OHCS) Statewide Housing Plan found dramatic shortages in all three Metro area counties:

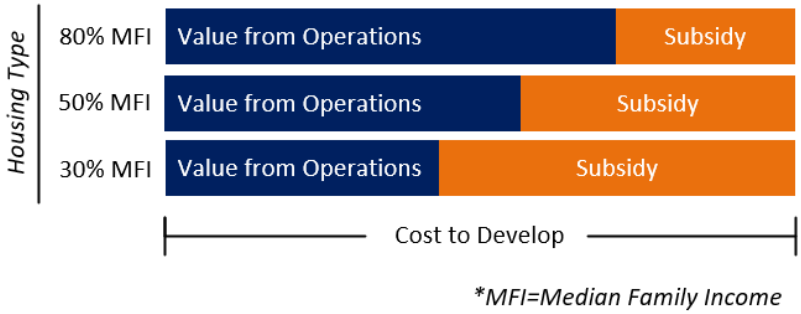
Available and Affordable[1] Housing Units per 100 Families Earning 0-30% AMI



Source: OHCS Statewide Housing Plan Appendix. ECONorthwest calculations; U.S. Census Bureau, American Community Survey, 2011–2015 5-year estimates; IPUMS-USA, University of Minnesota.

WHY THE GAP EXISTS. This gap exists because affordable housing programs often do not reach 0-30% income households. Major HUD programs serving 0-30% AMI households -- public housing programs, Housing Choice Vouchers, and the Project-Based Section 8 program – are chronically underfunded, and other funding sources such as the Low Income Housing Tax Credit (LIHTC) program, HOME Investment Partnerships Program, and Federal Home Loan Bank Affordable Housing Program often only serve 0-30% households under specific conditions.[5]

Illustrative Example of the 0-30% Gap



**MFI=Median Family Income*

This represents a structural barrier to impacting homelessness. The cost of developing affordable housing is greater than the value generated from operating the completed building, making it difficult to cover development and construction costs for housing aimed at very low-income tenants. As a result, many of the new "affordable" units being built focus on households with higher income levels – above 30% AMI – where it is easier to achieve economic viability. While this kind of housing is needed in the community, it often does not work for very low-income households.

This is not just a matter of developers not complying with the spirit of the policies. Affordability restrictions lower the revenues that a property generates from rents, which reduces net operating income. This effectively limits the amount of debt a property can sustain for construction, making it more difficult to develop housing targeted at the 0-30% income range and resulting in restricted supply. As a result, many programs only target rent levels to households at 0-30% MFI if additional operating subsidies, such as rent assistance or project-based vouchers, are available.

[4] "Affordable" means that a household spends no more than 30% of their gross monthly income on housing and utilities. "Available" means that the housing unit is affordable to, and occupied by, a household in this income range.

[5] Bolton, Bravve and Crowley. 2014. *The Alignment Project: Aligning Federal Low Income Housing Programs with Housing Need.*

HOW THE RSHIF COULD HELP FILL THE GAP

The RSHIF will specifically focus on households in the 0-30% AMI range, working in tandem with other efforts, like Housing Bonds and 811 Mainstream Vouchers, to provide subsidies that ensure more of the affordable housing built under those efforts is specifically targeted to those income levels. The RSHIF could also work directly with tenants or housing providers to make more units accessible to people with incomes in the targeted range.

The Services Gap: A Need for More than Just a Place to Stay

While many people struggle with housing stability, those facing homelessness are often from the poorest (0-30% AMI) households. This population is not only without housing. They often face mental health, substance use disorder or other complex challenges- including trauma- that make maintaining housing extremely challenging. They also interact heavily with a range of community health, human service and public safety agencies, and often struggle to remain housed in the absence of intensive and sustained supportive services.[6]

WHY THE GAP EXISTS. This critical gap shows that the homelessness crisis is not just economic, and is not just about building more affordable units. Policies to build more units or improve affordability are an important piece of the puzzle, but their impact for those experiencing homelessness may be limited. A more specialized approach that matches services to housing acknowledges that addressing the specific needs and circumstances of this population will be necessary in order to maintain housing and not over utilize hospitals, jails and emergency service settings. A recent multi-city study of homelessness[7] found that while housing availability and affordability were highly significant drivers of community homelessness, a level of homelessness also exists that is not connected to or explained by economic factors.

ABOUT TENANCY SUPPORT SERVICES. Core services needed in supportive housing, which require flexible funding (i.e., they are largely not billable to Medicaid), are tenancy supports services, which help people access and remain in housing. Tenancy Support Specialists can be responsible for assisting with the following:

- Housing search, documentation, and subsidy applications;
- Helping to acquire furnishings, cleaning supplies, and household items;
- Ensuring rent is paid and re-certifications are completed;
- Safeguarding so that lease obligations are met, and tenancy rights are upheld;
- Providing conflict resolution and supporting moves to different apartments when necessary; and
- Helping tenants make connections in their communities.

Tenancy support services can also include varying degrees of transportation to appointments, as well as assistance with medication adherence, health and safety education, substance use disorder supports, nutritional counseling, and money management. Tenancy Support Specialists help tenants access other community-based services that are usually covered by Medicaid, such as peer supports, outpatient behavioral health services (mental health or substance use disorder services), and primary care. For people with severe and persistent mental illness who are clients of ACT (Assertive Community Treatment) teams, Medicaid covers these services.

Additionally, flexible funding can provide supportive services for those populations that are not eligible for or may not be enrolled in Medicaid to help them gain access.

HOW THE RSHIF COULD HELP FILL THE GAP

[6] Ellen, Ingrid Gould and Brendan O'Flaherty. 2010. How to House the Homeless. Russell Sage Foundation.

[7] ECONorthwest. 2018. "Homelessness in the Portland Region: A Review of Trends, Causes, and the Outlook Ahead."

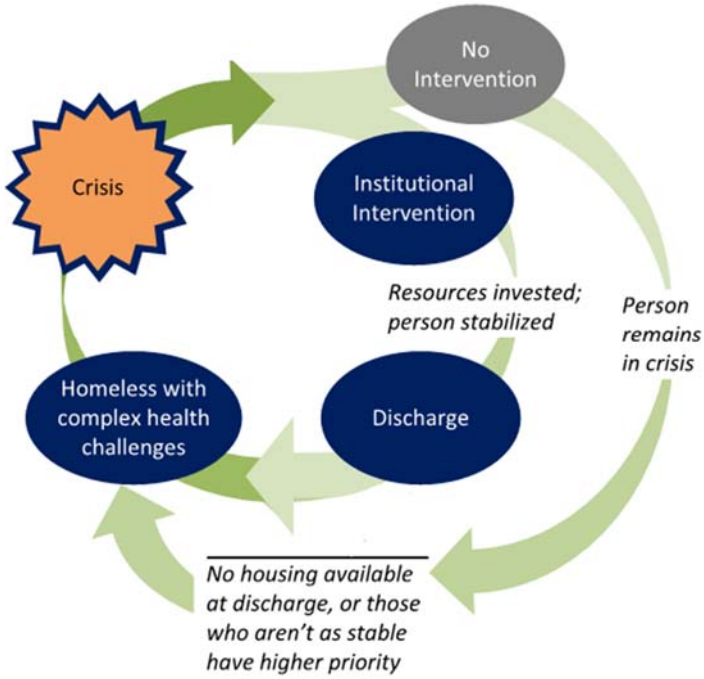
Flexible funds support services that are necessary for tenants, service providers and housing entities. While Medicaid funds a significant amount of clinical support for a population that benefits from supportive housing, there is little support to help people remain stable in that housing. Tenancy support services provided by the RSHIF can fill that gap. These services may be tied to a unit or to a person, and are designed to ensure that a tenant has access to the right clinical and other community based service they may need, including supportive employment. Tenancy support services often cross over into property management when, for example, a person needs housekeeping assistance in order to maintain a safe unit. Flexible funds can also support those who are uninsured to help them become insured and have access to a greater array of services.

The Transitions Gap: The Right Housing at the Right Moment

People experiencing long-term homelessness often have complex health needs that often lead to spending a substantial amount of time in care settings where considerable resources are deployed in order to achieve stability. When a person is finally stable enough to leave, they often find themselves with no suitable place to go. Homeless systems, through Coordinated Access, aim to prioritize those with the greatest need; ironically, spending time in such a setting and moving from active crisis to stability results in a decreased risk assessment score. This score is used to determine housing priority- and a decreased score results in individuals no longer being able to demonstrate that they are among those with the highest needs. One result is that they often end up homeless again where they are more likely to cycle back into crisis. They may also remain in these settings beyond their care needs, increasing costs for unnecessary care.

Many good reasons exist to prioritize supportive housing based on acuity of need when the supply is scarce. However, in the absence of at least some supportive housing supply for those who are transitioning out of intensive care settings, the community invests significant resources to stabilize someone only to send the person back into the same conditions that generated their crisis in the first place. Few possibilities exist for a better outcome for the person or for a "return" on the investment of resources used to help the individual stabilize.

The Transitions Gap & the Cycle of Crisis



HOW THE RSHIF COULD HELP FILL THE GAP

The RSHIF can work toward increasing the availability of supportive housing, ensuring that at least some of that housing is available to fill the transitions gap out of the settings that have the greatest demand. This can

be accomplished by working those settings and developing an in-reach strategy with housing partners. The RSHIF can grant subsidies or incentives that increase the availability of supportive housing and, in return, secure some portion of that housing for its partner systems to use to transition out of high-cost settings.

Why Now is the Time

While much research exists on the healthcare and justice links to homelessness, research into the housing market is more limited. Recently, economists have found a strong link between rates of homelessness and a tight, undersupplied or expensive housing market.[8] When considering overall homelessness, rents and vacancy rates are key factors in explaining some of the variation across cities and regions in the U.S. while controlling for numerous factors (e.g. weather, unemployment rates or disability rates). However, these factors do not explain all the variation in homelessness – across major U.S. cities, a smaller segment of the population experiencing homelessness exists no matter what the rents are, no matter what the January temperature is, and no matter how strong the economy is.[9]

This means that traditional housing policy solutions aimed at encouraging development will fall short of meeting the needs of a critical population. This includes the recent $900 million in funding initiatives launching in the Tri-county region. Due to limitations on affordable housing development feasibility, many of these initiatives cannot meet their supportive housing and deeply affordable unit goals without additional flexible funding and operating subsidies.

The RSHIF is poised to make significant contributions at a moment when the community has focused its attention and funding on the challenges of homelessness and supportive housing as an appropriate intervention for many.

ALIGN WITH AND ENHANCE OTHER EFFORTS. The RSHIF is positioned to align with and enhance the work already underway at the state and local levels to address the housing crisis, including the Portland and Metro housing bonds and state investments designed to improve the supply of affordable housing.

Major Housing Initiatives & Policy Frameworks at the Local and State Level

	Amount	Units Targeting 0-30% Goal	Supportive Housing Units Goal
2016 Portland Affordable Housing Bond	$258 M	600	300
2018 Metro Affordable Housing Bond	$650 M	1,600	N/A
Tri-County Equitable Supportive Housing Strategy	N/A	N/A	3,121
Portland / Multnomah County Supportive Housing Plan	N/A	N/A	2,000
Governor Brown's 2019-2021 Budget	$54 M	N/A	500
OHCS Statewide Housing Plan	N/A	N/A	1,000

[8] Quigley, John M. and Steven Raphael. 2001. "The Economics of Homelessness: The Evidence from North America." European Journal of Housing Policy 1 (3): 323-336.
[9] Ellen & Floherty 2010.

The RSHIF will align with these efforts to ensure the highest possible impact on homelessness in the Tri-county area:

- **Increasing the Right Kind of Capacity.** Where new units are being built, the RSHIF can step in with subsidies or incentives to ensure that more of those units target the critical 0-30% income range.
- **Ensuring Access to Affordable Supportive Housing.** The RSHIF can help ensure that more supportive housing units are available by creating new supportive housing units, creating incentives for the redevelopment of existing units or providing operational subsidies that allow services to be provided in more settings.
- **Ensuring Access at the Moment of Maximum Impact**. As the RSHIF provides needed subsidies to help ensure critical capacity growth, it can also collaborate with systems to ensure that at least some of that capacity is available to support persons discharging from care facilities. This focused approach will ensure that a person's stability is not threatened because they are discharged to homelessness, and preserving the progress made and community resources invested in stability.

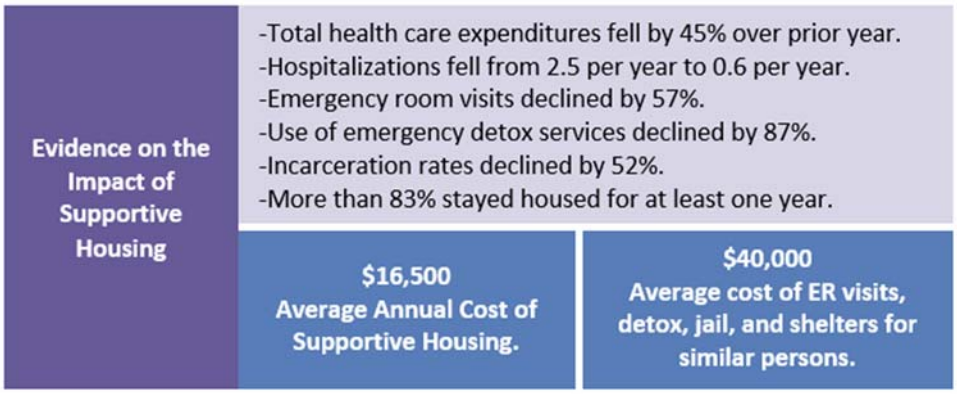
More affordable housing would still be built without the RSHIF, and that is a good thing for the community. However, without the RSHIF, existing patterns and problematic trends are likely to continue: more units are built, yet too many people with debilitating conditions, such as mental illness and addictions, remain on the streets. The economics of building affordable housing for the specific needs of people experiencing homelessness- that also have very low incomes and complex health and social challenges- simply do not add up for most developers and operators who can instead meet access requirements by building units designed for those with slightly higher incomes and less acute service needs.

As described earlier, additional work is happening regarding planning and implementation of supportive housing at the local county, regional and state levels. The RSHIF can supplement these efforts with added information on people who need supportive housing beyond people experiencing homelessness. It can also help leverage much needed services and subsidy resources to make supportive housing sustainable and responsive to multiple populations that benefit from this intervention.

Maximizing the Health & Cost Impacts of Housing: The Business Case

Supportive housing is a proven solution for improving health outcomes and reducing health care and other community costs for people experiencing long-term homelessness. Since 2015, CORE has published studies showing significant reductions in health care expenditures and improvements in health care outcomes associated with supportive housing[10]. This research, and more across the country, demonstrates that supportive housing can be a cost effective community intervention[11][12][13].

[10] Wright b, Vartanian K, et al. Formerly Homeless People had lower health care expenditures after moving into supportive housing. Health Affairs, 35:1, 20-27.
[11] Martinez, T. & Burt, M. (2006). Impact of supportive housing on the use of acute care services by homeless adults. *Psychiatric Services, 57*, 992-999;
[12] Larimer, M.E., Malone, D.K., Garner, M.D., et al. (2009). Health care and public service use and costs before and after provision of housing for chronically homeless persons with severe alcohol problems. *The Journal of the American Medical Association, 301(13)*, 1349-1357.
[13] Barrow, S., Soto, G., & Cordova, P. (2004). Final report on the evaluation of the closer to home initiative.



Supportive housing is not only a cost saving proposition; it is also an intervention for frequent or cyclical use of crisis healthcare and justice settings. A person experiencing disabling conditions and long-term homelessness may reside for lengthy periods in emergency shelters, psychiatric beds, skilled nursing facilities and other care facilities and programs. A person experiencing homelessness, on average, costs $40,000 annually[14]. In contrast, supportive housing costs modeled for the RSHIF are, on average, $16,500[15] per person per year, or $45 per day. Supportive housing is more immediately cost effective when compared to the daily costs of crisis care as alternatives to housing.

Cost of Supportive Housing Per Day	Cost of Crisis Care Per Day	
$45.20	In-patient stay in Oregon State Hospital	$1,364
	Emergency Department	$500 per visit
	Clackamas County Jail	$107
	Multnomah County Jail	$252*
	Washington County Jail	$145*
	Average Jail in Metro Region	$168

*Includes medical costs

Every dollar spent on high-cost, short term, crisis treatments is a dollar that cannot be spent elsewhere on approaches with proven records of accomplishment for long-term, improved outcomes. With very limited resources in the affordable housing and flexible services for highly vulnerable people, it is imperative that funding is spent as wisely and as effectively as possible. Additionally, with major initiatives focused on bending the cost curves, communities need long-term solutions.

[14] National Alliance to End Homelessness 2015 https://endhomelessness.org/resource/ending-chronic-homelessness-saves-taxpayers-money/ & adjusting for inflation to 2018 dollars http://www.in2013dollars.com/2015-dollars-in-2018?amount=35578

[15] In other local financial models, this is documented at $22,500 a year. It is modeled differently for RSHIF based on a more involved analysis of how Medicaid funded resources leverage tenancy support services costs.

Part 2. The RSHIF Strategic Framework

The RSHIF Operating Principles

The RSHIF's strategic framework is built from the ground up, and centers around five core operating principles. As the RSHIF moves from planning into implementation and operation, these principles will guide decision-making and ensure fidelity to the shared vision.

Flexible	Stay nimble and invest in ways that maximize impact.
Leveraged	Work with other efforts to enhance and reinforce impact.
Data Driven	Use data to optimize and measure impact.
Equitable	Ensure impacts address racial equity.
Catalyzing	Sustain and spread for broad community impact.

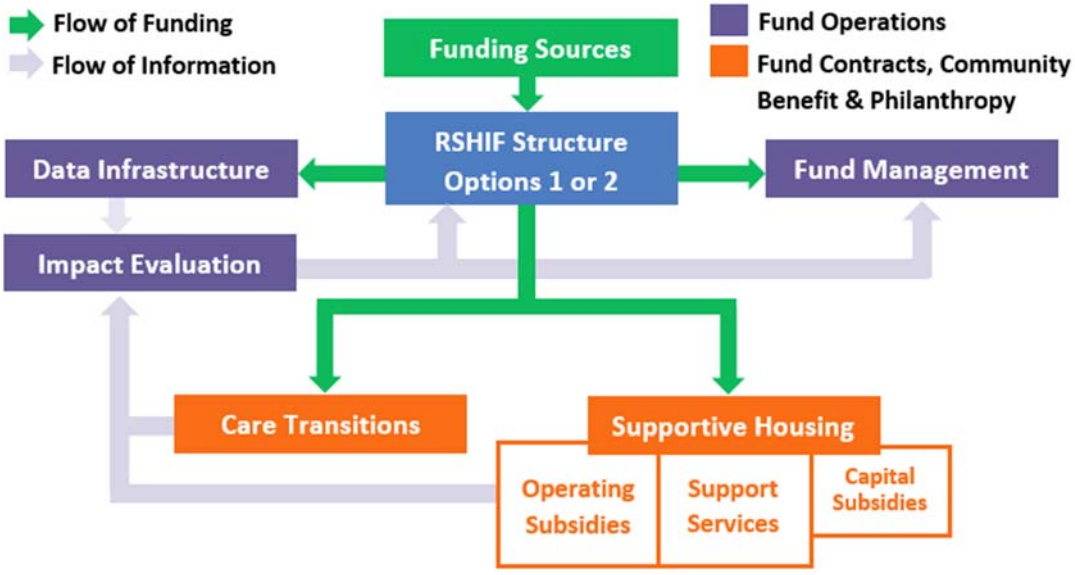
The RSHIF Primary Population

The RSHIF will focus on people experiencing long-term homelessness who are usually in the 0-30% income range, have complex health needs and often cycle through the "institutional circuit" of facilities, generating very high costs for the community while experiencing very poor personal outcomes. Even when the primary population stabilizes in these settings, they often discharge to situations that make it difficult to maintain their progress and avoid cycling back into crisis. Particularly vulnerable people are those who are in this target population and aged 55 or older. Additionally, racial equity will be addressed through service provision by culturally specific programs that can provide community based supports to help ensure that people of color have the access they need to housing and services.

Overview of Proposed the RSHIF Operational Structure

The operational structure proposed for the RSHIF is designed to aggregate and deploy funding in a nimble manner, which allows the fund to flexibly respond to changing needs in the community and act to complement or boost the reach of other affordable housing efforts. Examples from supportive housing, healthcare and other collaborative funding efforts have provided best practices and informed the shape of the RSHIF, but ultimately, the RSHIF would be the first entity of its kind.

Overview of Proposed the RSHIF Operational Structure



The RSHIF Structure

Governance and the operations of the RSHIF are the mechanisms by which the implementation of the flow of funding and information will occur. To ensure the flow holds true to the operating principle of equitability, good governance must incorporate the demographic diversity of the region and the primary population it intends to serve. This will require the RSHIF structure and decision making body to be similarly diverse and demographically representative of the community as a whole.

Although diversity is not the only driver to support racial equity, it is a critical component. Prioritizing the diversity of the decision making body is one aspect of the process to mitigate the effects of institutional racism by observing equity practices through the governance and operations of the RSHIF. The RSHIF will ensure that the structure supports equity in its operational and governance models to best reflect the full range of the region's diversity as well as the disproportionate representation of people of color in the primary population.

The RSHIF's core strategy and approach must drive decisions regarding its operating and legal structure. As a collaborative effort, the RSHIF would provide direct access to supportive housing from targeted facilities and programs through more effective care transitions. It would also cover the Tri-county area, adhere to data-driven decision-making and analytics and benefit from a sustainable funding source that supports the addition of grants and philanthropy. The RSHIF's structure should be consistent with these aims.

Various models for structuring and administering supportive housing and behavioral healthcare funds have been developed. Two prominent examples include the City of Philadelphia's non-profit human services company The Philadelphia Mental Health Care Corporation (PMHCC) and the Los Angeles Flexible Housing Subsidy Pool.

- The City of Philadelphia established a nonprofit organization called PMHCC to realize the vision of a unified mental health system offering affordable housing, effective case management and support programs for individuals living with mental illness. PMHCC started with a grant from a private foundation and has since become an umbrella organization that is contracted with the city to deliver outcomes and administer pass through funding.

- In Los Angeles County, the Flexible Housing Subsidy Pool funds rental subsidies, that are committed for up to 15 years and paired with county services to support individuals with complex physical and behavioral health conditions into supportive housing. Los Angeles County is the program's fiscal and administrative agent, and Brilliant Corners (a nonprofit organization) is contracted to administer the fund.

Option 1. A Coordinated Care Organization (CCO) Strategic Fund

The RSHIF's strategy and approach could potentially be fulfilled by a CCO contracted by OHA. A CCO, through an Administrative Services Organization (ASO) could set up a 501(c)3 (as described below) that could also receive and braid community benefit and philanthropy dollars, if structured appropriately. A local example is Health Share of Oregon's contractual relationship with CareOregon. It is important that the entity would be formed in collaboration with major CCO partners and community stakeholders. The majority of the RSHIF functions could be funded by the CCO's social determinants investment fund established by the CCO under CCO 2.0. It is important to note that some of primary population may not be members of the CCO plan. However, the fund could ensure that they would have priority based on other, more flexible, funder agreements and expectations. This fund would be financed by dedicating a fraction of the CCO contract with OHA. Over time, there is a real potential for the RSHIF to significantly reduce overall expenditures by reducing recidivism and lengths of stays in more expensive settings. It would be important to align and work with or through local entities engaged in allocating and managing rent subsidies in the metro area.

A benefit of this approach is that it furthers a local vision for the integration of housing, care coordination, and healthcare on a community level within the Tri-county area. A CCO may be able to sustainably fund the RSHIF to further the coordination of its members between care facilities and housing. It is also likely to have the capacity to support the Fund Management and Data Infrastructure roles within its own organization.

Option 2. Stand Alone Non-Profit Entity

In this model, collaborators could structure a new entity or engage an existing entity (other than a CCO) to develop infrastructure and oversight to administer the RSHIF. This could be a non-profit 501(c)3 or perhaps a non-profit LLC, which is designed and governed collectively by its members. This new entity, or part of an existing entity, could hold funding agreements with multiple funders and could deliver on contracts for services. As in Option 1, it would be important to align with other organizations supporting similar efforts. A drawback of this approach is the lack of a sustainable funding source. Additionally, there would be legal and administrative burdens of creating a new entity.

Participation of Community Benefit, Foundations and Philanthropy

Both options would benefit from contributions from these sectors and both can be structured to be able to accept them. Additionally, even for Option 1, significant numbers of the primary population may not be covered by Medicaid insurance and will need these sources to enhance flexibility to provide services. These funds can also be an important source for start-up and transitioning to long-term implementation for both options.

For either option, contributors from these sectors may prefer to make direct contributions to the non-profit organizations that provide the housing and services in coordination with the RSHIF flexible fund investments. Both approaches could fulfill the intent of collaborative effort, as long as the direct grants are made in coordination with the RSHIF by focusing on the primary population and interventions, sharing data and using other methods to ensure the funds have the desired collective impact. Option 2 would be highly reliant on these sectors as funding sources, which do not historically sustain longer-term programming.

Equity

To support transparency, community participation and accountability to the equity approaches in this framework should be included in all aspects of this structure, from governance to funders to those who will benefit from the RSHIF. A governing body should be comprised of specific seats for stakeholder members with seats dedicated proportionally to the diversity of the homeless community to include race, gender identity and other factors. Members could include local leaders of health and housing sectors, culturally specific organizations, local social service agencies, grantees and those with lived experiences of homelessness, particularly people of color. Funders should follow an adopted equity approach, include communities of color in their decision making and ensure that those entities that are funded provide services that engage and support successful outcomes for people disproportionately represented in the primary population.

THE RSHIF STRUCTURE RECOMMENDATIONS

Structuring the RSHIF within a local CCO would deepen the connections between healthcare, coordinated care, and transitions to supportive housing in a highly beneficial way. It would enable the CCO to understand the benefits of supportive housing for its members and would raise the potential for renewable healthcare funding that sustains the RSHIF more effectively than philanthropic and community benefit dollars alone. The entity could still be structured in a way to make use of those dollars as part of its braided funding model. Additionally, it would strengthen the Tri-county's existing unique healthcare collaborations.

Option 1 presents a clear sustainability opportunity as the payer realizes the cost savings and better outcomes for their members as the central mission. In the case of CCO's the achievement of the Triple Aim is included in the fundamental contract with the Oregon Health Authority. This connection of benefit to payer is often lacking in social investment concepts. As stated, the RSHIF has great potential to pay for itself or greatly reduce costs over time. The CCO could realize a strong motivation to sustain and perhaps grow the RSHIF investment.

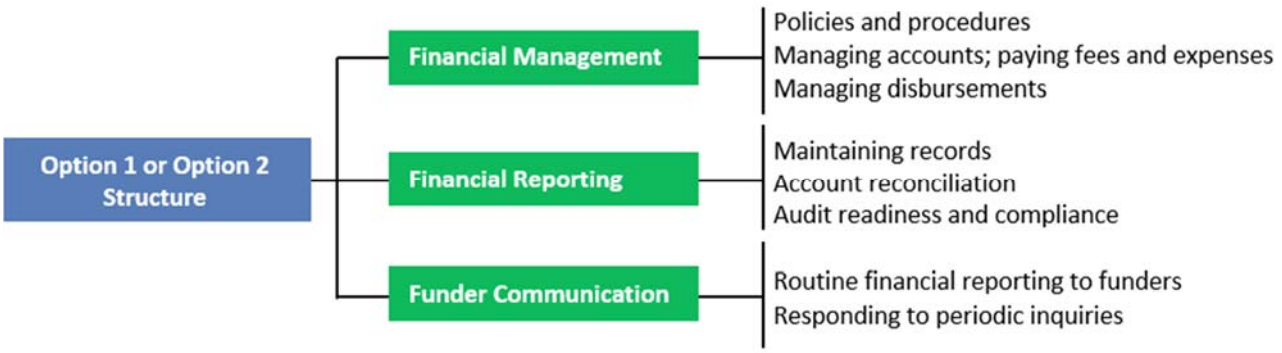
Fund Management

Fund Management is a central operational element of the RSHIF and refers to the governance and daily operational decisions necessary to administer the RSHIF on behalf of funders or contributors. This function is particularly relevant since the RSHIF is intended to have multiple revenue streams to fulfill its community mission. Fund management involves at least three major elements:

Key Elements of Fund Management

Fiscal Management	The administrative tasks related to pooling and deploying funds used by RSHIF.
Decisions about Funds Disbursement	Decisions about fund deployment, including due diligence and recommendations in accordance with policies and procedures.
Performance Management	Monitoring and improving the performance of deployed funding; actively managing funded projects and outcomes.

Responsibilities related to fund management fall into at least three broad areas:



Financial Management responsibilities include:

- Policies & Procedures: Cash management, receipts, disbursements, account administration and reporting.
- Managing accounts: Establishing & maintaining operating accounts, paying fees and expenses.
- Managing Disbursements: Moving money into or out of the fund in pursuit of its objectives.

Financial Reporting responsibilities include regulatory and compliance concerns related to the funds, such as:

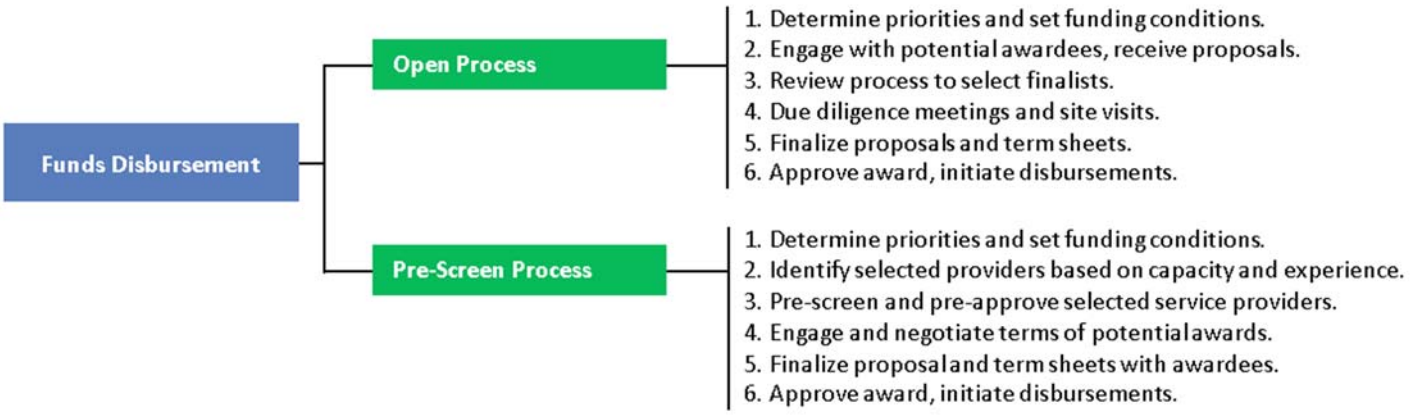
- Maintaining records: As required under contracts and funding documents.
- Account reconciliations: Preparing reconciliations of actual expenditures to the anticipated expenditures.
- Compliance: Retaining and overseeing external auditors; overseeing preparation of financial statements, if the RSHIF is structured as a separate legal entity.

Funder Communication responsibilities include routine and ad hoc communication with funders, including:

- Routine reporting: Providing notice to funders of account disbursements and the RSHIF financial operations.
- Periodic Inquiries: Responding to inquiries from funders regarding balances, deposits and disbursements.

Funds Disbursement

The second key element of fund management is funds disbursement: making decisions about where funding should be invested to maximize the total positive impact for the community. The nature of this decision-making will rely on policies and procedures agreed upon by the diverse stakeholder group designated to govern the fund. That said, in general, there are two basic pathways for funds disbursement: an *open* process and a *pre-screen* process, both of which can be deployed separately or in conjunction with one another to deploy the RSHIF resources into the community.



GOVERNANCE & APPROVAL OF DISBURSEMENTS. Regardless of which process is involved, a Board of Directors or a committee of stakeholders that form a governing body depending on the infrastructure set-up of the RSHIF will give final approval for disbursements. Whatever the model, it would include membership from across the continuum of stakeholders, representative of the diversity of the community and primary population and would be convened periodically to assess proposals and determine awards. The flexibility that is unique to the RSHIF's design might require several different decision making processes to be developed. The governance and decision-making process need to be further developed as the fund settles on its potential investment structures.

Performance Management

Performance management refers to the analysis of data in order to monitor and improve the performance of a program or initiative the RSHIF is supporting. It is intended to help all partners, including the recipients of the funding or other program providers, to solve challenges that may arise during implementation or delivery. As with the financial management piece, the performance management role can be contracted out in part or completely by the RSHIF entity.

The RSHIF's performance management system will be built around three types of questions:

- **Is the program identifying and enrolling appropriate individuals in housing and services?** Are the enrolled populations representative of the RSHIF's strategic priorities? Are they being selected with an eye toward maximizing the impact of interventions across the outcomes that matter most in the community? Are they equitable by race, language, gender, age and other characteristics?
- **Are participants receiving appropriate and timely housing & services once they are enrolled?** What strategies expedite the process for locating good candidates for supported programs and linking them to a provider? What contributes to variations in the amount of time it takes to locate, engage and house a candidate, and how can that information be used to improve performance?
- **Does the program appear to be generating the anticipated outcomes?** If not, what are the main reasons why, and how can the program be changed to improve the odds of achieving those outcomes? Are the support needs of individuals being addressed? And if not- how can this happen more effectively?

DATA INFRASTRUCTURE. This function will rely heavily on the RSHIF data infrastructure, which will regularly provide reporting and metrics to support performance management. In addition to monitoring process, measures like the examples below, the data system will also be used to evaluate program impacts.

Sample Metrics for Monitoring & Assessing the RSHIF Program Performance

HOUSING

- # of tenants housed; # referred but not housed
- # of tenants exiting; reasons for exiting housing
- Length of time btw referral and housing start date
- Demographic distribution of housing portfolio

HEALTH

- Recidivism back into care facilities
- Health and behavioral health outcomes
- Health care utilization by type of care
- Health and SDOH profile of population

DATA & ACTION TEAMS. Monitoring performance requires more than just looking at data; someone in the governance structure must curate the information, interpret it and channel it into appropriate channels for action. This might include channeling data for use within partners' existing *Quality Improvement* infrastructures or directly sharing data with awardees and stakeholders to help generate and drive improvement activities. This should also include engagement of communities of color and people with lived experience in better understanding, interpreting, and translating the data.

Data Infrastructure & Evaluation

Data Infrastructure & Evaluation is essential to fulfilling the RSHIF's objectives. The RSHIF data infrastructure will collect and integrate essential data from across the community to support decision-making and assess the *total community impact* of the RSHIF's investments. Data will be used to fulfill four key functions that differentiate the RSHIF's approach from existing housing efforts:

Key Functions to Support the RSHIF Data & Evaluation Strategy

Inform	Using data to inform RSHIF investment and optimize community impact.
Monitor	Using data to monitor progress and drive real-time improvement efforts.
Evaluate	Using data to capture the impact of RSHIF investments in the community.
Innovate	Using data to develop more advanced ways to address homelessness.

A "TOTAL COMMUNITY" AFFECT LENS. The RSHIF data strategy will strive to assess the impact of the RSHIF's investments holistically and comprehensively. Because housing instability is a "hub" issue whose impacts ripple across sectors such as health care, social services, and public safety, the impacts of an the RSHIF investment cannot be understood through the lens of a single system's key outcomes. Placement in supportive housing may reduce health care expenditures or decrease hospital readmissions for those who are placed, but that same investment might also result in fewer 911 calls, lower recidivism, reduced jail stays and fewer complaints that are usually related to homelessness. The RSHIF is designed to benefit the community, and it is important to measure this benefit as holistically as possible. To accomplish this, the RSHIF will collect and integrate data from across multiple sectors and partners in the community.

A PHASED APPROACH. Building a data infrastructure that can support all four of these functions is a large undertaking. The RSHIF data strategy outlines phases of development for each of the four functions, beginning with things that would be relatively quick to stand up, and then building toward increasingly complex and sophisticated data solutions. It is important to note that the purpose of the data infrastructure is not to support real-time information exchange between sectors and partners. Though real-time information exchange is often a vital component of providing services across sectors and settings, they are not a part of the scope of this effort. Once the initial investment is made to stand up the data infrastructure and build out the basic capabilities within each of the four main functions, additional development could occur relatively inexpensively or be supported via external grant dollars from national funders interested in studying or replicating the RSHIF model.

Inform: Using Data to Invest for Optimal Impact

The first essential function of the RSHIF data infrastructure is to *inform decision making* about where the RSHIF investments can have the greatest possible impact on community outcomes. With this function, when the RSHIF governing body meets to set funding priorities or make decisions about grant distributions, they have ready access to data that helps them make the best possible decisions for the community, "smart targeting" investments in ways that are most likely to optimize their impact. Under this function, the RSHIF will develop increasingly sophisticated tools to support data-driven decision making in its investment strategy.

Short, Medium & Long-Term Tools to Support the "Inform" Data Function

Short Term Segmentation and Hotspotting	Mid Term Micro-Targeting Models	Long Term Impact Simulation Models
Build out population segmentation and geospatial analytics to help identify cohorts of the population most likely to benefit from supportive housing. Target efforts at the maximum leverage points.	Build models to understand variation in effectiveness – what works for who, and under what circumstances. Identify effect moderatos and design strategies and interventions to circumvent them.	Use Systems Science modeling approaches to understand the interaction of supportive housing outcomes across sectors. Build a simulation tool that predicts outcomes and cost savings of potential investments. Use it to assess whether ideas "pencil out" before implementation.

Monitor: Using Data to Monitor Progress & Drive Improvement

The second essential function of the RSHIF data infrastructure is to *monitor progress* and *drive improvement.* The goal of the monitoring function is not just to measure potential impact; the RSHIF's data strategy is designed to use data to help *create* desired impacts. The performance management piece of this activity was described in the Funds Management section; this section describes the data infrastructure and capabilities that will support that function. With this function, the RSHIF's performance management capabilities will include the ability to monitor and track key process and outcomes metrics over time and put that data in the hands of partners, stakeholders and quality improvement teams in time to drive meaningful action. Over time, the RSHIF will develop increasingly sophisticated tools to support this function:

Short, Medium, & Long-Term Tools to Support the "Monitor & Drive Improvement" Data Function

Short Term Manual Dashboards	Mid Term Periodic Automated Feeds	Long Term Shared Real-Time Alerts System
Use the data in the RSHIF data system to periodically create dashboard of key measures and distribute them to partners' existing quality improvement infrastructure.	Build an integrated data platform that connects partners' data and can produce periodic automated feeds of key metrics; feed that data to stakeholders to drive quality improvement.	Connect key data elements across sectors in a real-time system with automated alerts that tell partners how they are performing on metrics and let them explore the composition of those scores with actionable data.

Note on Shared Real-Time Alerts: As mentioned, it is not currently in the scope of this effort to build out a real-time information exchange infrastructure among relevant partners. Any future need or desire for this capacity could be assessed later.

Evaluate: Using Data to Capture the Impact of the RSHIF Investments

The third essential function is evaluation. The RSHIF is intended to be a *community benefit;* careful and systematic evaluation of the impacts of the RSHIF investments in the community is critical. Evaluation can support a variety of important priorities for the RSHIF:

- **Accountability.** Are the investments having the desired impact that was hoped for?
- **Learning.** What can be learned to increase the impact of future investments?
- **Equity.** Are the impacts equitably shared across populations? Are disparities being reduced?
- **Sustainability.** What is the total value created by the RSHIF investments in the community?

With this function, the RSHIF's evaluation capabilities will include an increasingly sophisticated set of tools, starting with the ability to confidently attribute impacts to the RSHIF investments and building toward a comprehensive assessment of the total value and "return on investment" of the RSHIF investments across all sectors of the community.

Short Term Assess Discrete Impacts	Mid Term Quantify Cumulative Impacts	Long Term Valuation and Shared Savings
Use the data infrastructure to track and quantify the discrete impacts of select investments. Create comparison groups in the data to understand counterfactuals and improve effect attribution.	Build models that quantify the cumulative impact of RHSIF investment as a collective portfolio. Understand how investments complement one another, use results to build a portfolio optimized for maximum community impact.	Develop a community approach to valuation of impacts across sector, connect that valuation process to shared savings, social impact investing, or other sustainability models to help sustain and grow the RSHIF work.

Innovate: Using Data to Advance Our Community Toolkit

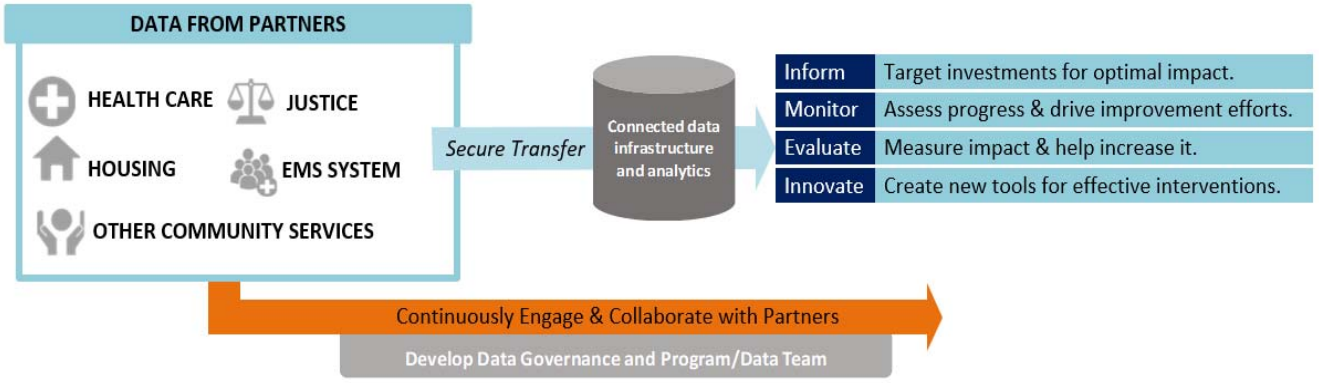
Finally, the RSHIF data infrastructure will represent a rich, connected and integrated data platform that holds enormous potential for data-driven innovation through scientific investigation and other empirical work. Some of these advancements in "state of the art" strategies could be supported by the RSHIF investments in their own right. Others could be supported simply by making the data available, with appropriate privacy protections, to scientists who are able to leverage external grant dollars to support their work in exchange for actionable information that can be used to improve our future strategies. Using this data, systems can advance the understanding of how outcomes across sectors are interrelated and interdependent, uncover leverage points or root causes that predict poor outcomes and target them for new investment strategies that intervene earlier to prevent crisis, and create new architectures for cross-sector collaboration. Examples of projects this data could support that would advance our toolkit might include:

Short Term Predictive Analytics	Mid Term Understand Total Risk	Long Term Effect Pathways Modeling
Use the data infrastructure to help us understand what predicts the kinds of crisis that generate huge costs and poor outcomes; improve our ability to detect "rising risk" and intervene earlier to prevent crisis.	Build models that help us understand risk more comprehensively, including the role medical, social, and behavioral factors play in generating poor health and high costs. Create algorithms to predict risk more accurately.	Create data models that reveal not just the effects of intervention, but the specific effect pathways by which interventions produce outcomes. Develop customized approaches that are tailored to succeed given each person's circumstances.

Building an Integrated Data Platform to Support the RSHIF

The RSHIF will need to build a data infrastructure that can support all four elements of the Fund's data strategy. While building that infrastructure will require some up-front investment, it will position the RSHIF to act strategically – avoiding duplication of other efforts and instead aligning and enhancing their effectiveness. This would lead to investing in ways that are deliberately designed to maximize impact across the community, and empirically capturing those impacts to demonstrate the value of the investments made to all stakeholders and sustain the effort over time.

The RSHIF Data Infrastructure



DATA FROM PARTNERS. The data infrastructure will be built on data acquired from key partners via a series of data sharing agreements that allow it to be connected and used in support of the RSHIF strategy. Data collected will cut across multiple systems to represent distinct dimensions of the RSHIF value proposition:

- **Health Care:** This dimension might include key data elements from the CCO (Medicaid claims data, including costs of care), from the regional EDIE system (tracking ED and inpatient encounters across the region), and data from partnering providers who are engaged in the potential RSHIF care transitions work.
- **Housing:** This dimension might include data elements from the Homeless Management Information System, the coordinated access list and housing operators participating in the RSHIF backed projects.
- **Justice:** This dimension might include booking data, other jail data, court data and information from the probation system. It could also include policing data on arrests and other neighborhood quality indicators.
- **EMS System:** This dimension might include data from regional first responders, including 911 response data.
- **Other Services:** Eventually, the RSHIF data infrastructure might grow to encompass data from other community agencies, allowing the impacts of the RSHIF investments to be measured and tracked through these systems.

The RSHIF would not collect all data from every partner's respective data systems. Rather, a *minimum necessary* standard would be employed wherein key indicators or outcomes important to each sector are identified, and the data that are collected represent the minimum necessary data to create or compute those key indicators.

CONNECTED DATA INFRASTRUCTURE & ANALYTICS. Once collected, data would be aggregated and integrated across sectors to support a "total community impact" lens on outcomes assessment. A series of data sharing or *Business Associate Agreements* between partners would outline the specific terms and conditions of use, data management and protection plans to ensure compliance with relevant regulatory structures, and data would be periodically refreshed with new extracts from each participating partner. Once initial parameters have been established and the data architecture built out, regular data feeds, along with the processing of data to produce key indicators for each sector, would be pre-defined and automated to the extent possible to keep data management costs low.

USING THE DATA: The integrated data platform would contain the most relevant information about individuals who touch the participating systems, connected in such a way that experiences and outcomes in one system can be understood in the context of experiences and outcomes in another. The integrated data would support all four major the RSHIF data functions: informing new investments, monitoring performance, evaluating impact, and innovating to develop new approaches and interventions.

A NEW APPROACH TO COLLECTIVE ACTION: The RSHIF data infrastructure is designed to allow us to act differently as a community in pursuit of common solutions to shared challenges. Using the integrated data, the RSHIF can take a sophisticated approach to planning and investing its resources for optimal impact. This includes the ability to do the following:

- **Ensure an Equity Lens:** Intentionally examine outcomes by key populations that experience inequities in access and engagement of key systems and inform our approach through this lens.
- **Identify Shared Populations:** See who the people are that frequently engage within and across sectors, and target investments to get the right resources in place for those people.
- **Understand Interconnected Outcomes:** Measure how outcomes in one sector are driven by things that happen in another. Build collaborative, cross-sector investments that maximize everyone's outcomes.
- **Identify Common Root Causes:** Identify the common root causes driving poor outcomes across multiple sectors. Invest at these key leverage points to maximize the benefits for all partners participating in the fund.

Using the RSHIF Data to Identify Optimal Investment Points

DATA INFRASTRUCTURE RECOMMENDATIONS

The vision for the RSHIF data structure is innovative and important for the fund to be able to act in a data-driven way that aligns with other efforts and maximizes the community good it creates. However, the strategy can also start small, acquiring data from just a few critical systems to support the initial build and then growing over time to encompass more partners. The work should begin right away with a few key partners in the Healthcare and Housing sectors, then adding more in future years. An initial investment by philanthropy, foundations and community benefit in the coming year to build out the basic data infrastructure, using data from these early partners, would help create the architecture for what will eventually become a transformative data system; a shared community asset that can support the RSHIF and other collective action initiatives in the community.

Supportive Housing

Supportive Housing is a critical component of the RSHIF investment strategy because it focuses on the distinct needs of the people experiencing long-term homelessness, with rent levels appropriate for 0-30% median income and services targeted at the complex medical and social needs of the population. As a flexible fund, the RSHIF should consider three distinct types of supportive housing investments:

Key the RSHIF Investment Strategies around Supportive Housing

Operating Subsidies / Rent Assistance	**Operating subsidies to reduce rents in affordable properties as well as rent assistance in the private market.**
Support Services	**Ongoing grants to fund services at supportive housing properties.**
Capital Subsidies	**One-time grants to fill gaps in supportive housing property development.**

While additional types of investments can be explored, our interviews with the development community resulted in a clearly expressed need for these three types of investments to help increase the supply of supportive housing. These different investments will likely have different outcomes and serve different policy or funding goals, but all provide much needed funding to make supportive housing development and operation more feasible.

Ideally, these investments are envisioned to be tied to the supportive housing properties, rather than to individuals who may live in the properties. This is an important distinction, as it allows property operators additional certainty around their funding. Once the RSHIF is operational, these subsidies can be useful as strengthening a property's application for other funding awards. Should the resources be required to be attached to the client/tenant, housing based assistance can be secured by ensuring that a tenant who may leave the unit is immediately replaced with another tenant with the same supports. Additionally, a master leasing option could be explored. Master leasing means that providers, with flexible funding, could lease a block of units in a building, ensuring the property remains financially stable and that the desired primary population has access to those units.

Care Transitions

Care Transitions is another key investment strategy for the RSHIF because it addresses the critical need to develop pathways between high-cost settings where individuals experiencing homelessness or at high-risk of experiencing homelessness are stabilized and the supportive housing they need to realize the full benefits of that stabilization. To address this challenge, the RSHIF could support a system-wide approach for providing direct access to supportive housing from critical care transition points where its primary population receives care, including behavioral health inpatient and residential programs and other care settings and facilities. Rather than acting as a simple referral mechanism or attempting to replicate the many existing care coordination resources in the community, the RSHIF would focus on ensuring supportive housing placement is synchronized with the enrollment and discharge of patients from facilities, shelters, and other relevant high-cost care sites and intensive programs.

This work could take a variety of forms. In some cases, patients may have housing but do not have adequate support services. In other cases, patients or clients may have access to supportive services, such as ACT or other forms of intensive case management, but not have access to housing. The RSHIF's flexibility would allow it to meet patients where they are and ensure that those leaving facilities have a home with the amount and type of services they need to maintain their home and avoid further crisis.

Invest in Local Approaches

If the RSHIF chooses to invest in this strategy, it could pilot this work in a small initial group of 12-15 providers in order to learn the best ways to build a direct access system between care settings and supportive housing. There are various transition care models in operation across the country. They often share common functions and methods including multi-disciplinary teams that are designed to ensure effective transitions between systems and programs.

The *Recuperative Care Program (RCP),* operated by Central City Concern, is funded collaboratively by all health care systems in the metro area and has served thousands of clients since its inception in 2007. Its focus has been ensuring effective transitions for homeless persons in hospital settings to immediate housing placement, case management and medical and behavioral services. RCP works cooperatively with hospital discharge staff, conducts joint assessments and provides transportation to and from hospital to housing units, and ensures clients can access services they need for daily living.

In 2019, RCP will begin offering access to clients discharging from psychiatric hospitals settings. Currently RCP has been successful in achieving medical stability for over 70% of its clients and housing stability for about 55%. The most significant barrier to achieving even higher success rates is a shortage of access to rent subsidies and supportive housing services. The RSHIF could help RCP achieve optimal outcomes but would cast a wider net to an array of facilities and programs in the metro area including low income housing providers, social work and community health/behavioral services. RCP is an effective program response while the RSHIF aims to be an effective systems approach.

ACT, or Assertive Community Treatment, is an evidence-based model designed to provide intensive case management and other service for highly vulnerable populations. Housing is a key component of success for the ACT model. In a recent survey, fully 68% of ACT clients lack stable housing in Multnomah County. In Clackamas and Washington Counties, that percentage is 43% and 30%, respectively. ACT teams are designed to help step down people in facilities and other care settings into the community, which includes housing. While housing operators are constantly looking for services resources to help provide supportive housing, the ACT teams in the tri-county area is constantly looking for housing for their clients. This represents a major gap that can be remedied through additional care transitions as well as systems engagement to ensure that the housing and services are matched for these clients and potential tenants.

Additional interest exists in serving and housing vulnerable populations over 55 years old. Unfortunately, much of the data that came from the surveys indicated that plenty of people meet this definition and fall in the primary population that the RSHIF seeks to support. Aging adults who have been homeless experience chronic illnesses and geriatric conditions 15-20 years earlier than the general population and are more vulnerable when living unsheltered, subject to isolation, rapidly deteriorating health and premature mortality. Additionally, although many are eligible for health insurance benefits like Medicare and Medicaid, many vulnerable elders have difficulty accessing these benefits and may seek care in emergency departments to treat their many health conditions. Housing and services for this population are unique and need to be tailored to meet the needs associated with aging including physical structure as well as appropriate services that help with activities of daily living, geriatric conditions, special legal challenges and even palliative care.

Additional Care Transitions-Related Investments

The RSHIF could support a variety of strategies to further address the transitions gap and support the development of a system-wide approach for coordinating access to supportive housing. Through the survey the care organizations and programs provided information about current challenges and barriers they are experiencing, as well as recommendations for investments and policy / systems changes that might be needed, noting that a system-wide approach would likely require the following:

- Assessing and documenting the housing status of clients/patients
- Collecting key data points for monitoring (e.g. client info, referrals, follow-ups, contacts)
- Making regular referrals and/or sharing identifiable information with agencies that coordinate "warm-handoff" access to housing (which may include adopting a new platform for information exchange)

Ideas gleaned from our survey of organizations and programs in the Metro area that provide inpatient care or operate one or more residential programs for people with mental health conditions or addictions include the following:

Potential RSHIF Investment Strategies around Care Transitions

Partnership Building	**Cultivate active partnership between institutional settings and supportive housing operators to facilitate direct access.**
Standards, Tools, and Trainings	**Provide trainings and tools for assessments. Support trauma-informed assessments and referrals between settings.**
Support More Robust Staffing	**Invest to help alleviate chronic understaffing at critical points in the system where people tend to fall through the gaps.**
Information Exchange and Data Sharing	**Invest in technology and knowledge needed to track and exchange information between key settings.**

PARTNERSHIP BUILDING & CLIENT ENGAGEMENT. The RSHIF could fund the cultivation of partnerships between care settings in facilities and supportive housing/community-based care, especially to establish active "in reach" by supportive housing providers and community-based services into these settings. Ideally, the RSHIF's partnership building and client engagement strategy would recruit clients in a broad array of settings – including hospitals, shelters, jails, treatment programs, and so on – so anyone doing client engagement or care coordination within those settings could benefit from these enriched partnerships.

STANDARDS, TOOLS & TRAINING. Multiple respondents noted that staff turnover makes training a challenge, as high turnover rates requires continual training and some training is more complex than others (e.g. training staff to use a vulnerability assessment tool can be time consuming). The RSHIF could fund the design and implementation of trainings needed to support the system wide approach across participating organizations. Ideally, these would include trauma-informed approaches to client engagement with a "low demand" orientation that reduces client resistance. The RSHIF could also fund the development and implementation of a community-wide assessment tool to determine need for supportive housing. Many groups have cited the widely used Vulnerability Index - Service Prioritization Decision Assistance Tool (VI-SPDAT) as a weak tool to assess potential risk. This is because clients transitioning out of facilities and other settings have stabilized to the point that they do not necessarily assess as high risk on the VI-SPDAT compared to persons still in crisis, putting them behind in terms of priority and making it more likely they will discharge to homelessness.

SUPPORT MORE ROBUST STAFFING. Understaffing creates a chronic challenge to determine housing status and find the right support for all clients. The RSHIF grants could add staff dedicated to finding a way for clients to get the right housing at discharge, with the right level of services.

INFORMATION EXCHANGE & DATA SHARING. Organizations (and even departments within the same organization) are not on the same technology platforms, and coordination and communication between technology platforms is a common challenge. Operating different platforms leads to additional inefficiencies and dissatisfaction. Most organizations would need additional funding to address technology barriers. The RSHIF could leverage its data infrastructure to help fill some information gaps for entities wanting to engage in data sharing but unable to move forward with direct agreements. This type of undertaking is costly and complex and has had decades of attention and consideration among the organizations that would benefit from it. This work could also be enhanced by a relationship with regional FUSE efforts, as described in other parts of this framework.

Financial Modeling for Supportive Housing, Care Transitions and Overall Costs

The financial modeling assesses the potential costs of supportive housing specifically for the RSHIF investment strategy, using the following cost estimates:

Publicly Funded Units	
Services (per person per year)	$6,000
Operating Subsidies (per person per year)	$7,000

Private Market Units	
Services (per person per year)	$6,000
Rental Assistance (per person per year)	$13,000

Our models estimate costs based on the known operating costs of current projects, which vary depending on whether the supportive housing is being provided in dedicated affordable, publicly funded housing units or by leasing units on the private rental market. Approximately 70% of placements will be in publicly funded units and 30% in leased units in the private, for-profit market. Service cost estimates reflect the cost of tenancy support services (including supportive employment) based on the Washington State Medicaid Waiver that estimates that these services would cost $6,000 per person per year[16].

This results in an average cost of $45 per person per day in supportive housing.

It is important to note that a significant portion of supporting housing services will be eligible for Medicaid coverage including services for mental health, addictions and some primary care. These costs would not be funded through a flexible fund. A more in-depth analysis, beyond the scope of strategic planning, may result in an increased or reduced average service cost per person charged to the fund. However, the need for a flexible fund cannot be restated enough. While Medicaid can cover many costs, barriers to accessing Medicaid exist for both providers and clients/tenants, especially those who are not yet enrolled or eligible.

[16] In other local financial models, $10,000 per person/per year is used as an estimate for services. This cost was estimated without considering the Medicaid benefit as full leverage for services resources. This report focuses on a population that is very likely to have Medicaid; therefore, the service costs only reflect tenancy support services, including employment support, generally not funded under Medicaid.

The modeling does not include the one-time capital cost of acquiring land or building units, as these costs are assumed to be covered from other related efforts (such as the local housing bonds and State resources). However, the RSHIF should remain flexible enough that it could consider supporting housing developers with these costs if necessary. Once the fund is implemented, more detailed cost analysis should inform future modeling to more accurately reflect changes in costs per person on services and operations/rent assistance. Based on this modeling, funding for rent assistance, tenancy support services, plus costs for care transitions over three years would cost approximately $17 million. This includes ongoing administrative costs including data collection and analytics. This model supports a three-year ramp up to house and serve up to 800 people. This does not include what the ongoing costs would be following year three.

Example of Modeling for the RSHIF Proposed Costs

	Supportive Housing	Care Transitions	Start-up & Evaluation	**Total**
Year 1	$ 1,444,500	$ 280,000	$ 300,000	$ 2,024,500
Year 2	$ 4,519,680	$ 356,000	$ 270,000	$ 5,145,680
Year 3	$ 9,419,167	$ 370,000	$ 270,000	$ 10,059,167
Total	$ 15,383,347	$ 1,006,000	$ 840,000	$ 17,229,347

Example of Modeling for the RSHIF - Proposed Contributions

	CCO*	Philanthropy & Foundations**	Community Benefit	**Total**
Year 1	$ 1,175,000	$ 500,000	$ 349,500	$ 2,024,500
Year 2	$ 4,200,000	$ 525,000	$ 420,680	$ 5,145,680
Year 3	$ 9,250,000	$ 465,000	$ 344,167	$ 10,059,167
Total	$ 14,625,000	$ 1,490,000	$ 1,114,347	$ 17,229,347

**Percent of CCO contract budget by year 1 is .07%, year 2 is .24%, and year 3 is .51%*
***Includes business & individual support*

Funding Sources

The RSHIF is designed to be a shared community good and should be built around a blended approach to funding rather than a strict reliance on any single partner.

That said, philanthropic, foundation and community benefit funders *could* opt to fund independently of the RSHIF pooled resources as long as the investment is coordinated with the efforts (including the data analysis and evaluation) to ensure that there is collective impact on reducing homelessness and other community outcomes by providing supportive housing and care transitions for the primary population.

Potential Sources of Funding

START-UP COSTS & SEEDING THE FUND. The RSHIF's initial start-up costs could be supported through a variety of potential funding mechanisms, but would mostly likely be characterized by initial grants or gifts from participating partners. These "one time" investments would be used to stand up fund operations, build out the fund data infrastructure, and seed the fund itself in preparation for its first cycle of distributions. Potential sources include:

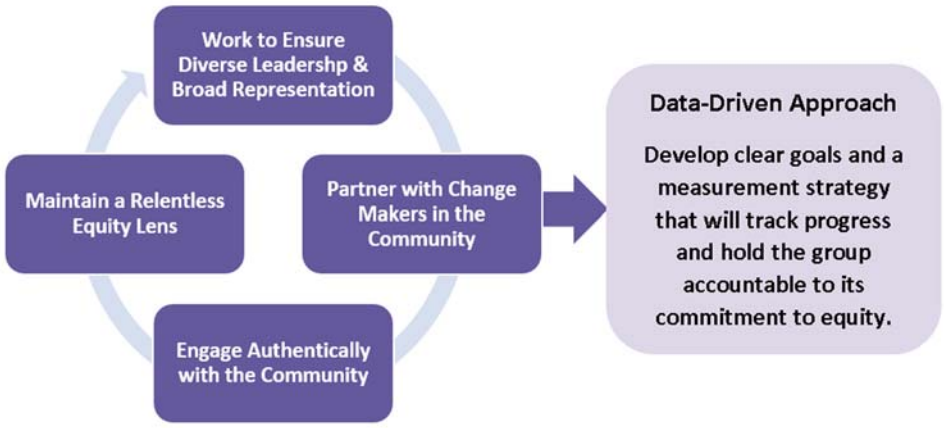
Healthcare Dollars from CCOs or Other Partners	Health system investments could support creating units in exchange for access to units for critical care transitions.
Community Benefit Dollars	Hospital community benefit dollars could help support some stand-up costs or provide initial seed money to the grant fund.
Philanthropic Donations and Grants	Grants from foundations or private donors could help support the initial start-up costs, especially the data and governance structures.
"Up Front" Investments from Business Community	The business community could invest in RSHIF for the community good, to boost economic development, and support new, ongoing revenue.

STRATEGIES TO SUSTAIN THE FUND. A fund that relies on one-time gifts and grants will not be sustainable over the long term. To sustain the RSHIF over time, the fund work should develop ongoing revenue sources that can provide annual or periodic influxes of funding over time. A sophisticated sustainability strategy would explore all of these and other options in combination to ensure the RSHIF's work in the community continues.

CCO 2.0 Funds Flow	A portion of CCO annual administrative dollars could be used to help sustain the fund's operations under CCO 2.0 rules.
New Ongoing Revenue Source	A broad based measure supported by voters could leverage resources provided by RSHIF.
Healthcare Payment Reform	Healthcare payment reform might make more services directly billable, increasing RSHIF's financial sustainability.
Shared Savings or Similar Models	Cost savings captured via the data and evaluation system could be shared between the benefitting partner and the RHSIF fund.

The RSHIF Community Engagement & Equity Plans

The homelessness challenge is an equity challenge, and the RSHIF will operate with a racial equity approach. Following the recommendations of the United States Interagency Council on Homelessness, the RSHIF will develop a strong community engagement plan, an equity plan and a discernment process for ensuring that Fund operations and decision making adhere to those plans in terms of both *how the work is done* and the *outcomes the work seeks to generate*. The RSHIF's equity plan will include the following key elements:



DIVERSE LEADERSHIP & BROAD REPRESENTATION. The RSHIF will actively work to ensure that people of color are in leadership positions, and are part of the implementation and oversight of the fund. The RSHIF will ensure that its governance body, its awardees and the populations served by its investments reflect the full range of the region's diversity.

AUTHENTIC COMMUNITY ENGAGEMENT. The RSHIF will engage in authentic conversations guided by the International Association from Public Participation's (IAP2) Principles of Community Engagement with partners and community members to build a shared understanding of the dynamics that perpetuate disparities in homelessness and related outcomes. Through regular reporting and review of its staffing and committee members, partners, awardees and populations served, RSHIF will ensure its investments reflect the full range of the region's diversity. The RSHIF will actively seek to create forums for community conversations that include individuals with a range of lived experiences and use those forums to learn, grow, report on the development and implementation of the RSHIF as well as improve decision-making processes.

PARTNERSHIPS WITH CHANGE MAKERS. The RSHIF will map local stakeholders who seek to turn the tide on disparities in homelessness and related outcomes, including local leaders, culturally-specific organizations, religious and faith-based groups, local social service agencies, landlords, housing providers, grantees, and most importantly, people of color with lived experiences of homelessness. The RSHIF will collaborate with an advisory group of these change-makers on key aspects of the development and implementation phases of the work in order to ensure its investments are aligned with the communities' other efforts to address disparities.

A RELENTLESS EQUITY & DISPARITIES LENS. The RSHIF will use its data structure and community engagement systems in tandem to understand the scope of disparities in outcomes by race, ethnicity, and other aspects of personal identity, and play a role in dismantling the systemic and structural factors that shape those disparities. RSHIF will ensure that its investments redress those systemic and structural factors.

DATA-DRIVEN MEASUREMENT. Finally, data driven goals and metrics will be developed to assess and reduce disparities in both process and outcomes of the RSHIF's work. These measures will be collectively decided as part of the community engagement process and used to regularly assess progress toward equity, and the RSHIF stakeholders will receive a regular equity report detailing progress toward the initiative's equity goals.

Part 3. Recommendations & Next Steps

Key Recommendations

The central recommendation of the Strategic Planning Team is the establishment of a Regional Supportive Housing Investment Fund, the RSHIF, that would provide funding for rent assistance and operational subsidies, tenancy support services, care transitions and operational and administrative costs, including data analytics and evaluation. The Team recommends a goal of providing Supportive Housing for up to 800 persons over a three-year period. The fund and its operations are estimated to cost approximately $17 million over three years, which includes investments in expansion of supportive housing capacity, care transitions from care settings, ongoing operational and administrative costs and costs for evaluation of the fund's impact across the community.

This Strategic Framework represents the first step in creating the RSHIF, a flexible fund to advance the *Housing is Health* initiative to the next stage of community impact. Next, a number of additional conversations and decisions need to happen as the Fund moves from idea to actual. To keep the RSHIF moving toward implementation, the following steps should happen:

Step 1. Complete Strategic Framework	**Step 2. Organize Implementation**	**Step 3. Establish Fund Partnerships and Structure**	**Step 4. Launch Fund**
Outline of RSHIF organizing principles, mission, and operational framework.	1. Select lead entity and create a "build team." 2. Refine concept, write implementation plan. 3. Design and pilot key fund products. 4. Begin data infrastructure work.	1. Select administrator. 2. Build connections to other efforts. 3. Secure catalyst funding to stand up operations structure. 4. Draft operating guidelines.	1. Secure resources to seed the fund. 2. Finalize operating agreements and MOUs. 3. Close planning and begin fund operations.

Step 1: The Strategic Framework (Completed)

Pending final presentation to the Collaborative and key partners, this part of the RSHIF work is done. The strategic framework answers the questions posed in the original proposal:

1. What more do we need to know about the contributing factors and solutions to homelessness and unnecessary institutionalization?
2. How can this effort support the metro area governmental jurisdictions to achieve their supportive housing goals for people in the 0-30% median family income level who have disabilities including; chronic medical conditions, mental illness and addictions?
3. How can we fill the gap in perspective, shared data analytics and learning infrastructure related to health and behavioral health to ensure regional planning is as comprehensive as needed?
4. How can we best engage the business community and other potential contributors as active partners in the development and implementation of the strategic fund plan in order to ensure sustainability over time?
5. How could the collaborative funding strategy be implemented, and how could it align and support other government, nonprofit and business initiatives?

Step 2: Organize Implementation (The Next Step)

CREATE A BUILD TEAM. To advance the RSHIF vision past strategic planning, the collaborative will need to designate a *lead entity* empowered to make the decisions necessary to create the fund, and create a *Build Team* responsible for staging decisions, continued collaborative coordination and advancing toward Fund implementation. The *Build Team* should consist of a diverse small group of persons, including staff from the lead entity and representatives from other partners, who have expertise in building the collaborative and key operational structures the RSHIF will require to launch (Fund Management & Data Infrastructure).

REFINE CONCEPT & WRITE IMPLEMENTATION PLAN. The *Build Team* will create and run a detailed implementation plan describing the key aspects of the Fund's structure, including:

- A workgroup structure with charters and proposed membership of groups needed within the governance and decision making structure;
- Plans for management of the financial portfolio and administration of Fund overhead expenses;
- Proposed staffing or purchased service models for the two key operational needs --Fund Management and Data Infrastructure & Support;
- A community engagement and equity plan;
- Proposed processes for solicitation and assessment of potential awards, due diligence, and disbursement; and
- Other implementation details as needed.

DESIGN & FUND INITIAL PRODUCTS. The Build Team could also work to produce more detailed design specifications for fund products, including the design of potential pilot programs that align with the RSHIF priorities and would be a way to test key operational functions in advance of a full-scale RSHIF launch. Potential pilot programs might include:

- **FUSE Integration Pilot.** Two *Frequent Users of Systems Engagement* initiatives in the region are already working on integrating data and systems change across sectors to identify homeless individuals who intensively use multiple systems in ways that drive total costs. The idea behind the effort is to prioritize identified individuals for supportive housing whose impacts on the community's various systems is greatest. As the RSHIF builds out its data infrastructure, it could align with and support FUSE efforts by supporting identification and creation of these priority lists and using those lists as part of its targeting strategy for supportive housing and systems change when the Fund launches. Once names are identified, this could turn into an initial care transitions project that could be resourced as part of the fund launch.

BEGIN DATA INFRASTRUCTURE WORK. In order to operate as a flexible, data-driven investment engine for maximum community benefit, the RSHIF will require a data infrastructure that can support four key data functions: informing investments, monitoring progress, evaluating impact, and innovating to improve the community's housing intervention toolkit. While maintaining this data infrastructure will eventually be part of the fund's annual operating expenses, the initial data build will require some front-end investment. No data system exists that captures all of the elements necessary to fulfill the RSHIF vision. Because this kind of data work takes time, the RSHIF partners should contract with someone to begin the process of building the data infrastructure, including:

- Securing data use agreements from key partners in the initiative;
- Developing data management and security processes that ensure compliance with all regulatory requirements;
- Identifying solutions for the hosting and management of the RSHIF data infrastructure, including web-based solutions with access controls that meet compliance requirements;
- Acquiring the necessary data elements from each partner, including historical data that can be used to establish community baselines and support population segmentation and other important capabilities;

- Connecting and integrating necessary data elements into a single data platform that can be used to support the four key RSHIF data functions;
- Developing and building out the production of key metrics that can support monitoring and evaluation of outcomes important to all partners and stakeholders;
- Identifying data use cases for each partner and designing shared reporting and data distribution pipelines that put the right data into each partners hands at the right moment;
- Developing data request processes to support access to data for deeper exploration or research use cases while protecting individual confidentiality; and
- Automating processes where possible to create a streamlined system that is inexpensive to operate once it is stood up and operating.

Step 3: Establish Fund Partnership & Structure

SELECT FUND ADMINISTRATOR. Whatever structure the RSHIF adopts, an entity will need to be identified to administer the fund. This agency will need deep knowledge of the Oregon healthcare system, supportive housing, fund management, and performance metrics. The fund administrator should expect to dedicate staff to execute the Strategic Framework and operate or oversee the Fund when development closes and the fund launches. Ideally, this agency would sit at the center of the multi-disciplinary sector that currently manages care for populations experiencing homelessness.

Because the RSHIF is designed to use braided funding, a key responsibility of the Fund administrator will be to ensure that resources identified for the fund are allocated based on regulations regarding that resource. For example, community benefit dollars invested into the fund may have restrictions that allow them to be used to support some kinds of fund activities but not others. Overseeing acquisition of funds, tracking requirements associated with their use, and documenting how funds were used in compliance with those requirements will be a key accountability for the entity designated as Fund Administrator.

BUILD & FORMALIZE CONNECTIONS TO OTHER EFFORTS. The RSHIF model is most powerful when it works in tandem with other efforts. For example, the Portland and Metro housing bonds may act as a primary source of capital to create more affordable housing, while the RSHIF dollars are used to provide gap funding or subsidies that encourage more of that housing to be targeted at the 0-30% range and include supportive services. Collaboration with housing authorities could secure more permanent housing subsidies such as 811 Mainstream Vouchers. Partnerships with the business community help with their interests in reducing homelessness while engaging them in efforts to support systems change and potentially increase resources for supportive housing. Connections should also occur between current jurisdictional plans for increasing supportive housing, and community based groups that are looking at this work from an “on the ground” level. To achieve this alignment of efforts, a formal coordinating structure between the RSHIF and other efforts should be established, with regular meetings of key partners, routine exchange of information, and intentional alignment of operational goals.

SECURE CATALYST FUNDING TO STAND UP OPERATIONAL INFRASTRUCTURE. The RSHIF is designed to have a light administrative and operational structure, allowing contributed resources to flow directly into the community to the greatest extent possible. However, operational infrastructure will be required to support the Fund Management and Data Strategy, and some seed funding will be required to stand these systems up. Once they are built and established, these systems can likely be maintained via a modest percentage derived from contributed funds or, eventually, through shared savings models or the other potential sustainability mechanisms.

DRAFT FUND OPERATING GUIDELINES. The operating guidelines will include detailed specifications on how the fund will operate day-to-day, including fiscal management, expense tracking, proposal management, assessment and due diligence, monitoring and tracking functions, partner feedback and communications, performance measurement and other essential functions.

Step 4: Launch the Fund

SECURE RESOURCES TO SEED THE FUND. At this stage, the fund will need to secure commitments from partners and investors willing to commit resources to seed the fund itself in preparation for funding and disbursement activities. A percentage of total funding will be applied to the RSHIF's administrative accounts to support the two key program operational activities – fund management and ongoing management of the data infrastructure – while the remainder will be applied directly to the fund and made available for the funding proposal and disbursement process.

FINALIZE OPERATIONAL AGREEMENTS & MOUs. Operational agreements and Memoranda of Understanding will define the terms of partners' participation in the RSHIF collaborative and the deliverables, including financial and outcomes reporting, they will receive in return for their investments.

CLOSE PLANNING & BEGIN FUND OPERATIONS. Once the above activities are complete, the development of the RSHIF fund will be complete and the fund can convene to begin its initial cycle of disbursements based on an initial funding strategy and priorities determined by the fund's governing body.

CONSIDER FUNDING THREE CARE TRANSITIONS EFFORTS. As stated, three initial projects have been identified as potential investments:

1. The Recuperative Care Program would be able to improve its housing outcomes for clients with additional rent assistance.
2. ACT Teams throughout the region would be able to improve overall outcomes by ensuring there are supportive housing units for their clients.
3. A significant number of people aged 55 and older were identified in the survey conducted by CORE for the primary population. An investment in a project that would support this group could show innovative ways to provide supportive housing to an aging population.

The Next 12 Months: What are the Most Critical Next Steps?

These recommendations outline a significant body of work required to bring the RSHIF to full implementation. However, to keep the RSHIF moving, the collaborative should immediately prioritize the following four things:

1 Designate a lead entity and start build team.	**2 Invest in the data infrastructure.**
Designate a lead entity to put together a build team to lead phase 2 of the work plan – *organizing for implementation*. Invest in protecting time from this team's members to continue to advance the work.	**Invest now to begin building the essential data infrastructure, including exploration of data agreements and acquisition from at least a few "pilot partners." Expand later, but start now.**
3 Design and pilot key strategies.	**4 Continue to engage other stakeholders.**
Develop and plan pilot program for key RSHIF investment strategies, including care transitions and supportive housing. Find partners already in these spaces to partner with early on.	**Ongoing outreach to community stakeholders in jurisdictions, the business community, practitioners/care management directors, and other sectors is essential for coordination and resources.**