Innovative Funding for Supportive Housing

The Way Home: Lane County Reentry Collaborative

October 15, 2018
• Understand Third Sector's approach to outcomes oriented contracting

• Learn about the outcomes contracting work happening in Lane County by providing an overview of the permanent supported housing model that will be utilized by The Way Home

• Think of issues areas, government agencies or contract groups in your own jurisdiction that could benefit from a transition to outcomes orientation
AGENDA

• *Introductions*

• Case study: Lane County, OR

• Overview of outcomes contracting

• The Way Home: Lane County Reentry Collaboration

• Applying outcomes contracting across Oregon
The Way Home is bringing together high performing providers to expand Permanent Supportive Housing for Lane County’s reentry population

**Project partners**

<table>
<thead>
<tr>
<th>Sponsors</th>
<th>Homes for Good Housing Agency</th>
<th>Parole &amp; Probation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationally recognized leader in delivery of reentry services</td>
<td>Lane County housing authority</td>
<td>A division of Lane County Administration</td>
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<tr>
<td>• Operating 20 buildings on 7 sites in Lane County with 200+ units</td>
<td>• 4600 affordable homes provided to low incomes pop.</td>
<td>• Serve 2,500 adults annually</td>
</tr>
<tr>
<td>• 45 year history of providing evidence-based interventions to reduce recidivism and homelessness</td>
<td>• Goal to convert as many units to supportive housing</td>
<td>• Partnered with Sponsors for over 20 years</td>
</tr>
<tr>
<td></td>
<td>• Real estate development focus is special needs populations</td>
<td>• Utilizing evidence based practices</td>
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Engaged with providers since January 2017 for project design & implementation
Our approach works with government to design and implement practical solutions that help Americans facing complex life challenges

Jennifer’s Story

In 2011, Jennifer was living with a physically abusive partner. The domestic violence escalated and Jennifer fled to escape the dangerous, abusive situation.

Jennifer became homeless, spending years living on and off with family and friends. While homeless, she started using and selling drugs, eventually spending time in prison for possession of methamphetamine.

The criminal justice, housing and mental health treatment systems were not coordinated, leaving Jennifer without the resources to overcome the overlapping challenges of finding stable housing in order to begin to address her trauma, treating her substance abuse, and gaining stable employment.
The Way Home is one of the first projects in Oregon to implement an outcomes oriented contract

Transition to an outcomes orientation

<table>
<thead>
<tr>
<th>Status Quo Approach</th>
<th>Outcomes-Oriented Approach</th>
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<tbody>
<tr>
<td><strong>Policy</strong> based on a prescriptive, top-down approach to service providers with limited incentives for over-performance</td>
<td>Lane County, State of Oregon, and nonprofit leaders aligned around innovations and incentives that reduce recidivism and increase housing stability.</td>
</tr>
<tr>
<td><strong>Dollars</strong> spent on cost-reimbursement for services, not measurable outcomes</td>
<td>Dollars <strong>reward providers</strong> for achieving criminal justice and housing benchmarks</td>
</tr>
<tr>
<td><strong>Services</strong> delivered with limited visibility on performance and data coordination</td>
<td>Providers launched <strong>coordinated services</strong> for 125 high risk individuals in need of housing upon reentry</td>
</tr>
<tr>
<td><strong>Data</strong> used for compliance, not to surface new insights or identify system challenges</td>
<td>Outcomes data collected and shared for program evaluation and to support <strong>continuous improvement</strong></td>
</tr>
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</table>

**New data feedback loops and contracting structures align incentives for better outcomes delivery**
Outcomes contracts connect policy, dollars, services, and data, creating a system that coordinates support for Jennifer

**Improvements through Outcomes Contracts**

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**Improved System**

- The effect of services on **housing and justice outcomes** is evaluated and informs policy decisions
- Programs use data to coordinate services to **address housing, trauma, substance abuse and employment needs**

**Improved Outcomes**

- State and County policy links funding to **measurable outcomes**
- Funding creates incentives for programs that keep individuals stably housed
- Individuals like Jennifer are receiving coordinated support to find stable housing and **break the cycle of incarceration**

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Photo Credit: Courtesy of Erik Bishoff Photography
Public funds enabled to expand access to PSH units and case management while creating infrastructure for future outcomes contracting

“Direct with government” outcomes contracting structure

**Government**
- HUD
- DOJ
- State of Oregon

Portion of funding provided up front for services and evaluation, portion made based on achieved outcomes (reduced recidivism and days of stable housing)

**Outcomes Oriented Contract**
- Success payments (as evaluation confirms results)
- Upfront funding (throughout service delivery)
- Payments to fund services & continuous improvement

**Evaluator**
- NYU & U. of Oregon

Natural experimental conducted by an independent evaluator to verify recidivism and housing outcomes

**Service Providers**
- Provide 125 people with permanent supportive housing, wraparound case management and supervision

Confirmation of results
Third Sector helps government agencies use innovative contracts to align policy, dollars, data, and services around improved social outcomes.

**Components of an Outcomes Contract**

1. **GOALS**
2. **PERFORMANCE METRICS**
3. **CONTINUOUS IMPROVEMENT PROCESS**
4. **DATA SHARING & EVALUATION**
5. **INCENTIVE STRUCTURES**

*Developing outcomes contracts with stakeholders through a collaborative process builds capacity for the community to scale their outcomes orientation.*
The key components of The Way Home: Lane County Reentry Collaborative outcomes contract

**GOALS**

Reduce recidivism and increase housing stability for Lane County’s prison reentry population by providing 125 individuals with Housing First permanent supportive housing

**PERFORMANCE METRICS**

- 6 and 12 month housing stability\(^{(1)}\)
- 1 and 3 year recidivism\(^{(2)}\)
- Appropriate use of healthcare services\(^{(3)}\)

**DATA SHARING & EVALUATION**

- Criminal justice (CJC), housing (HMIS), and healthcare (Trillium) data integrated with primary data from providers and clients.
- Natural experiment evaluation of metrics and program efficacy conducted by NYU.

**CONTINUOUS IMPROVEMENT PROCESS**

Evaluation team will give providers flexibility to access and learn from data, innovate, and continually improve outcomes

**INCENTIVE STRUCTURES**

- Providers eligible to receive up to $500k in bonus payments from HUD/DOJ for meeting metrics.
- Incentive structure with State still under negotiation

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(1) Defined as having an active lease, sub-agreement or occupancy letter
(2) Defined as incarceration as a result of a new felony conviction
(3) Exact metric still under negotiation
Lane County awarded $1.3mm to scale a Housing First PSH model with rigorous evaluation of recidivism & housing outcomes

**Federal grant overview**

- Awarded **$1.3mm HUD / DOJ grant** in 2016
- Funds support **pre-launch efforts** for data infrastructure, intervention design, and outcome payments
- $500K guaranteed for **outcomes payments**
- Provided necessary funding for Third Sector **technical assistance** and 5-year **project evaluation**

**Eugene is well-positioned to set state and national standard for addressing homelessness**

- Serve as a **success case for other cities** on the West Coast tackling homelessness and recidivism (e.g., Portland, Seattle, & San Francisco)
- Become national **leader in data & policy integration** to better align government resources with better outcome delivery in justice, homelessness, & healthcare
Homes for Good, Sponsors, and P&P launched a pilot in April 2017, and expanded to 100 Housing First PSH units in September 2018

54 units at The Oaks at 14th opened in 2017

54 Sponsors units
$9mm construction & development cost

Expansion to Housing First Permanent Supportive Housing

54 Sponsors units + 46 HFG units/vouchers

$6.8mm for services

- Individualized Housing First case management
- Cognitive Behavioral Therapy groups
- Family self sufficiency programming
- Sec. 8 housing liaison services
- Supervision services
- Added support services (emp., edu., etc.)

(1) State and local funding pending final legislative biennium budget approval and contract negotiation with the Criminal Justice Commission (CJC)
A phased funding approach allowed the project to launch early, braid public and private funding, and build evidence along the way.

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
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<tbody>
<tr>
<td><strong>Services budget</strong></td>
<td>$450K</td>
</tr>
<tr>
<td><strong>Services funding source</strong></td>
<td>Oregon Community Foundation, Sponsors, Homes for Good, P&amp;P(1)</td>
</tr>
<tr>
<td><strong>Incentives</strong></td>
<td>$500K from HUD/DOJ</td>
</tr>
<tr>
<td><strong>Performance metrics</strong></td>
<td>6 and 12 month housing stability, 12 month recidivism</td>
</tr>
<tr>
<td><strong>Evaluation</strong></td>
<td>New York University &amp; University of Oregon conducting 5-year study to evaluate recidivism, housing and healthcare outcomes with participant and control groups</td>
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<tr>
<td><strong>Continuous Improvement</strong></td>
<td>NYU/UO share housing, criminal justice and primary data with providers on quarterly basis to support data informed continuous programmatic improvement</td>
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</table>

(1) Project partners provided in-kind support for Phase 1 of the project by dedicating exist staff and organization infrastructure to The Way Home.
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An outcomes-oriented approach can improve results across a broad range of issues

Sample Issue Areas

**Family Stabilization**
Measurably decreasing the number of days kids spend in foster care in Cuyahoga County, OH

**Workforce Development**
Increasing job placement rate and wage growth for child welfare and justice-involved youth in Suffolk County, MA

**Housing & Homelessness**
Reducing recidivism and increasing housing stability for homeless individuals returning to Lane County from prison

**Mental Health**
Decreasing response times from two weeks to same day for people experiencing mental health in King County, WA

Photo Credits: Family Stabilization: Courtesy of FrontLine Services, Workforce Development: Courtesy of Roca, Inc.; Mark Morelli, Housing: Courtesy of First Step House, Mental Health: Courtesy of Abode Services
An outcomes orientation can be adopted at any level – from an individual program to an entire jurisdiction

**Engagement Levels**

**Program Level:**
Third Sector leads engagements that apply an outcomes orientation to a single, specific program

**Agency Level:**
Third Sector helps an agency develop an outcomes orientation that shifts incentives for multiple programs

**Jurisdiction Level:**
Third Sector helps multiple agencies adopt an outcomes orientation across an entire City, County or State
Third Sector is on a mission to accelerate America’s transition to a performance-driven social sector

Third Sector has deployed $365 Million in public funding via outcomes contracts, creating performance incentives for services supporting 25,000 people.
How can your agency’s goals inform the development of an outcomes orientation for a new program or contract?

Key questions to answer

**GOALS**
What pressing challenge in your community are you trying to solve? Who are you intending to impact and what impact can you make? Are there stakeholders that care about this goal?

**PERFORMANCE METRICS**
Is this an performance metric that aligns with the priority goals for the program?

Are there stakeholders that care about this metric?

**DATA SHARING & EVALUATION**
What administrative data would need to be accessed or integrated to report on the selected outcome metrics?

**CONTINUOUS IMPROVEMENT PROCESS**
What stakeholders should be involved in the design and implementation process?

What is the best way to meaningfully engage them?

**INCENTIVE STRUCTURES**
What payment or process incentives would motivate providers to manage to outcomes?

What funding source or structures could be available for incentives that align with project goals?
SIPPRA Funding Opportunity: 
+$100mm for governments willing & able to establish an outcomes orientation

The 2018 Social Impact Partnerships to Pay for Results Act (SIPPRA) overview(1)

$70-80mm for Outcome Payments
50% must directly benefit children

$10mm for Feasibility Studies
Cover up to 50% of total study costs

$15mm for Evaluation
To determine if outcomes are achieved

State/local governments & partners may apply in early 2019(2)

(1) Funding guidance and application being released by federal inter-agency council (OMB, Treasury, HHS, DOL, HUD, etc)
(2) Contact Third Sector for information relating to the application process
Where do we go from here?

Assess if and how you can incorporate an outcomes orientation into existing government funding/services/partnerships

*Slide 17 is a useful guide to start with*

Spread the word to State and local government partners and your community about applying to SIPPRA

*Slides 18 & the Appendix are great reference resources*

Determine if an outcomes-payment application or feasibility study is an appropriate path forward for SIPPRA

*The Way Home and Third Sector can be thought partners*
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SIPPRA funding requires governments to design contracts that will incentivize achievement of one or more of the 21 outcome categories.

Examples of outcome categories:

- **↑ Employment & earnings of 16-25 y/o**
- **↑ High school graduation rates**
- **↓ Child abuse & neglect**
- **↓ Number of youth in foster care**
- **↓ Homelessness**
- **↑ Special-needs/low-income edu. outcomes**
- **↑ Health of those in need**
- **↓ Teen & unwanted pregnancies**

All residents will receive housing in addition to Sponsors, P&P, and Homes for Good programming

**Services available based on individualized needs assessment**

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<tr>
<th>Sponsors Programming</th>
<th>Supervision Programming</th>
<th>Services Through Outside Providers</th>
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<tbody>
<tr>
<td><strong>(Sponsors Staff)</strong></td>
<td><strong>(P&amp;P Probation Officer)</strong></td>
<td><strong>(Community Partners)</strong></td>
</tr>
</tbody>
</table>
| • Cognitive Behavioral Therapy groups: | • Supervision Services | • Mental health treatment
| o Cognitive Behavioral Interventions – A Comprehensive Curriculum | o Case planning (joint-system focused) | Lane County Behavioral Health
| o Moral Reconciliation Therapy | o Assessment and re-assessment for level of service | Domestic violence treatment
| o Motivational Enhancement Therapy | o Dosage and benchmark tracking | Bridges 2 Safety
| o Living in Balance | o Swift and strategic sanctions for anti-social behavior | IPV services
| o Moving On | o 8:1 affirmation to negative reinforcement ratio | Victim Services, Womenspace
| o Parenting Inside-Out | o Drug/alcohol testing | Sex offender treatment
| • Individualized Case Management | o Office, field or home skill building visits: | McKenzie Counseling, Choices
| o Transitions Coaching through 1-on-1 sessions | 5 min Check-in | Substance abuse treatment
| o Housing Search Assistance | 5 min Homework check | Emergence, Chrysalis
| o Motivational Interviewing | 30 min Skill building session | Job placement, orientation, and certifications
| o Referral for services through outside providers | 5 min Assigning homework | Lane Workforce Partnership
| • Drug & alcohol screening | o Referral for services through outside providers | Banking assistance & financial literacy
| • Added support services | • Drug & alcohol screening | Wells Fargo
| o Mental Health Counseling | • Family Self Sufficiency program | Tenants’ rights education
| o Employment and Education Services | • Section 8 housing liaison services | Rent Well
| o Mentoring Program | • Access to additional rent assistance programs | Legal clinic
| o Basic Needs Provision (food, hygiene items, etc.) | | UO Pro bono Clinic, Legal Aid
| • Family Self Sufficiency program | • Section 8 housing liaison services | Family-marital services
| • Section 8 housing liaison services | • Access to additional rent assistance programs | Gender-responsive anger management
| • Access to additional rent assistance programs | | Education services
| | | Relief nursery services
| | | Food purchasing & preparation
| | | Food for Lane County
| | | Homeownership training
| | | Numerous other services provided by non-contract treatment providers

**Homes for Good Programming**

**(Homes for Good staff)**

| • Family Self Sufficiency program |
| • Section 8 housing liaison services |
| • Access to additional rent assistance programs |