

Monetizing Your Rehousing Investment: Performance Budgeting for System Leaders



February 8, 2023

Welcome!

Please let us know in the chat:



Your Name.



Your Organization.



One thing that you hope to learn today.

AGENDA

CHANGEWELLPROJECT
PARTNERING TO STRENGTHEN COMMUNITY SYSTEMS



1

**Welcome & Session
Overview**

2

Recap of Part 1

3

**Estimating
Community Need**

4

**Introduction to
the Budget
Planning Tool**

4

**Community
Practice &
Share**

LAND ACKNOWLEDGEMENT

CHANGEWELLPROJECT
PARTNERING TO STRENGTHEN COMMUNITY SYSTEMS

We recognize and acknowledge the First People of this ancestral and unceded territory – the land that today we call California. With respect to their elders, past and present, we recognize the tribal communities as the original stewards of this land, and who continue to lift up their stories and cultures.

*Adopted from Los Angeles County's
Land Acknowledgment*

COMMUNITY AGREEMENTS

CHANGEWELLPROJECT
PARTNERING TO STRENGTHEN COMMUNITY SYSTEMS

Together we create a brave space for learning, re-imagining, & problem-solving so let's ASPIRE:

Assume good intent and take accountability for negative impact (“ouch” and “opps”)

Share airtime (take space, make space)

Practice active listening (with empathy)

I Statements; speak from your own experience

Respect brave and sensitive statements: take what resonates and apply, but leave who said what in the zoom

Everyone is an expert in their own experience, but they don't represent an entire group



How do you work with local data to estimate need and inform your budget?

At the end of today's webinar, Leaders will be able to:

1. Learn how to use local data to assess community need to inform development of annual program goals, objectives, activities, and funding through the budget process.
2. Learn how to use the Changewell Project Budget Tool to create your program budgets and understand key decision points.



GET TO KNOW YOUR NEIGHBOR:

How are you managing the egg inflation crisis?

Monetizing Your Rehousing Investment

PART 1 SESSION RECAP

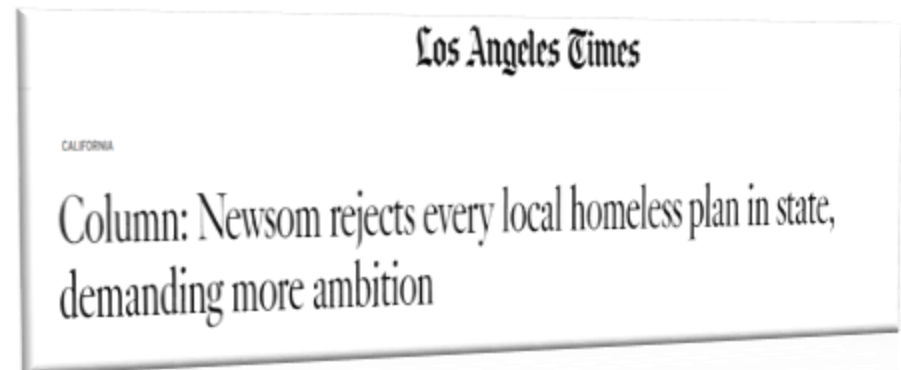
Local Homelessness Response System

CHANGEWELLPROJECT
PARTNERING TO STRENGTHEN COMMUNITY SYSTEMS



Increased Accountability

- Reducing the number of people experiencing homelessness.
- Reducing the number of people who become homeless for the first time.
- Increasing the number of people exiting homelessness into permanent housing.
- Reducing the length of time persons remain homeless.
- Reducing the number of persons who return to homelessness after exiting homelessness to permanent housing.
- Increase successful placements from street outreach.



Defining Performance-Based Budgeting

- Performance-based budgeting is the process of developing a budget based on what results/outcomes are expected as a result of the resource investment.
- The performance-based budgeting process seeks to align resources (human, financial, operational, capital), based on a prioritized set of outcomes.

Guiding Questions

- What are we doing with our resources? (activities)
- Who are we doing it for? (targeted population)
- What are we are hoping to get? (program outcomes)
- How do we know if we are getting what we hoped we would get? (performance indicators)



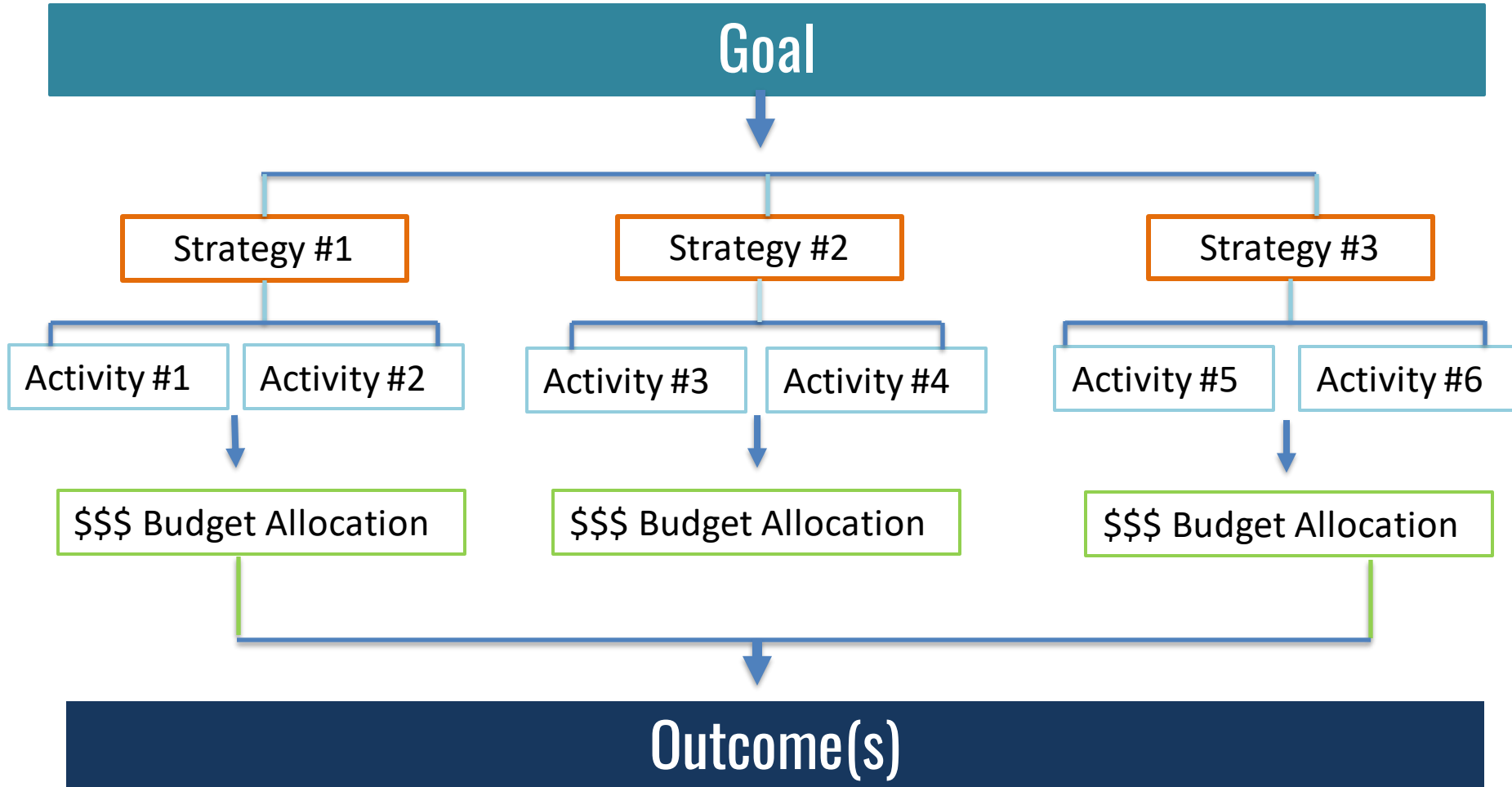
A Budget's Story

APPROPRIATIONS

General Fund:

Aging.....	728,017
Animal Services.....	64,444
City Administrative Officer.....	539,762
City Attorney.....	350,537
City Planning.....	481,710
Disability.....	302,515
Economic and Workforce Development.....	3,000,000
Fire.....	1,230,788
General Services.....	969,792
General City Purposes.....	267,600
² General City Purposes: Additional Homeless Services.....	10,000,000
Housing and Community Investment.....	4,753,915
Homelessness Services Providers y.....	37,751,402
Mayor.....	860,000
Police.....	14,184,015
Public Works, Board of Public Works.....	--
Public Works, Bureau of Engineering.....	--
Public Works, Bureau of Sanitation.....	37,730,619
Recreation and Parks.....	--
Transportation.....	107,777
Unappropriated Balance.....	--
General Fund Subtotal	113,322,893

Aligning goal, strategies, activities, outcomes with funding



Key Take-Aways

- Local communities are under public pressure to increase performance in reducing homelessness.
- Now more than ever, program goals, outcomes, and resources must align to move the needle on community-level performance measures.
- Performance-based budgeting offers an inclusive process to develop a budget.
- Performance-based budgeting offers transparency on true costs of programs.
- Performance-based budgeting supports prioritization and decision-making.

Monetizing Your Rehousing Investment

**ESTIMATING COMMUNITY NEED:
A CONVERSATION WITH DR. ASHLEY LONG**

Point-in-Time Count (PIT)



What?

The PIT Count aims to provide a snapshot of the individuals and families experiencing homelessness in a geographical area, over the course of one night.



When?

A single night in January



Who?

Individuals and families residing in:
Unsheltered Locations: Cars, parks, streets/sidewalks, etc.
Sheltered Locations: Emergency Shelter, Transitional Housing



Why?

Awareness: Advocate to local governments
Extent: Record the number of people experiencing homelessness
Funding: Data can be used to secure grant funding
Engagement: Community involvement in ending homelessness

Housing Inventory Count (HIC)

Record of all the beds and units in each CoC, categorized by project type.

Conducted same time as the PIT

Included Housing Types



Emergency Shelter (ES)



Transitional Housing (TH)



Rapid Rehousing (RRH)



Permanent Supportive Housing (PSH)

Data to Consider



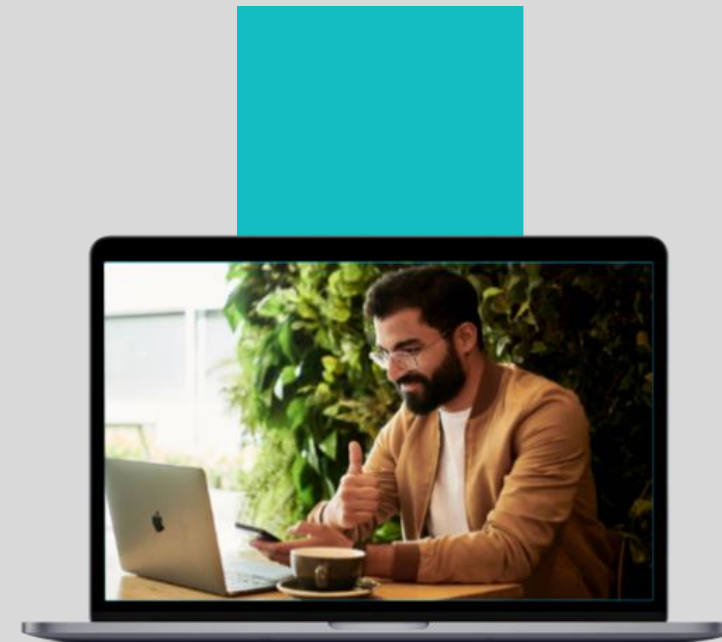
Community	Homeless System	Program
<ul style="list-style-type: none"> •PIT/HIC •System Performance Measures •Census •Health Data (CalAim) •CalFresh 	<ul style="list-style-type: none"> •HMIS •Inflow - how many households become homeless each month/year •Inventory - what units to you currently have access to 	<ul style="list-style-type: none"> •Length of stay •Exit destinations •Exits to Permanent Housing •Returns to Homelessness
<p>Who is over or under represented?</p> <p>Consider creative ways to analyze homelessness in other systems (e.g. can you analyze individuals experiencing homelessness by filtering for those with no listed address?).</p>	<p>Who's being served by the homeless system & who's not?</p> <p>Who needs housing and where to they want to be?</p>	<p>Are people equitably moving through your system?</p>



Data Sources

A few Potential Data Sources (this list is not exhaustive)

- [Change Well System Performance & Equity Measures](#)
- [HUD Fair Market Rents](#)
- [Out of Reach Report \(National Low Income Housing Coalition\)](#)
- [CA Housing Partnership Profiles](#)
- [County Explorer - Housing Affordability Profiles](#)
- [CA Homeless Data Integration System \(HDIS\) - Dashboards](#)
- [COVID - 19 Pandemic Vulnerability Index \(PVI\)](#)
- [Affirmatively Furthering Fair Housing \(AFFH\) Data & Mapping Resources](#)



Monetizing Your Rehousing Investment

BREATH BREAK WITH CONNOR JOHNSON

Monetizing Your Rehousing Investment

**ASSEMBLING A BUDGET INFORMED
BY KEY DECISION POINTS WITH
JOHN ENGSTROM**

BUDGET PLANNING TOOL

Budgeting is a Powerful Tool

- Estimate the funding for the full population of need
- Design program within funding parameters
- Optimize costs and funding
- Analyze gaps in funding
- Advocate for additional funding
- Set operational benchmarks and funding limits for your program

- Figure out what your program participants need
- Translate client needs into cost assumptions
 - Categorize the type of cost
 - Fixed costs – don't scale
 - One-time costs – scale with clients served
 - Ongoing marginal costs – scale with clients served and program time
 - Build reasonable assumptions for those costs
- Projecting Program Costs
 - Combine cost assumptions with time, service durations, and client turnover

What Do Clients Need? - HDAP

- **HDAP Service Elements**
 - **Disability Advocacy**
 - **Housing Case Management**
 - **Care Coordination**
 - **Connection to Permanent Housing**
 - **Temporary Housing Assistance**
 - **Rental Assistance**
 - **Shallow Subsidies**
 - **Temporary Rental Subsidy**
 - **Permanent Rental Subsidy**
 - **Hotels**
 - **Landlord Incentives**
 - **Household Goods**

Translate Client Needs Into Costs

- HDAP Service Elements
 - Disability Advocacy – Staff Costs
 - Housing Case Management – Staff Costs
 - Care Coordination – Staff Costs
 - Connection to Permanent Housing – Staff Costs
 - Temporary Housing Assistance – Housing Assistance
 - Rental Assistance
 - Shallow Subsidies – Ongoing Cost
 - Temporary Rental Assistance – Ongoing Cost
 - Permanent Rental Assistance – Outside of Program
 - Hotels – On-going Cost
 - Deposit Assistance – One-time Cost
 - Landlord Incentives - One-time Cost
 - Household Goods – One-time Cost

Budget Planning Tool – Cost Assumptions

Enter Assumptions

Direct Service Staff Costs		
Position Type	Staff Cost (Salary + Benefits)	Full Time Equivalent (FTE)
Housing Case Manager	\$ 100,000	1
Disability Advocate	\$ 100,000	1

Housing Assistance Costs	
Ongoing Housing Assistance	Monthly Amount per Slot
HUD Fair Market Rent (FMR)*	\$ 1,200
Shallow Subsidy as % of FMR	30%
Hotel	\$ 3,400
One -Time Housing Assistance	Cost Per Client
Deposit Amount	\$ 2,400
House Hold Goods	\$ 2,800
Ancillary Client Costs	\$ 2,000
Landlord Incentive	\$ 1,000
# of Months of Rent for Prevention	4.0

Budget Planning Tool -Service and Time Assumptions

Staff Capacity Assumptions			
Monthly Staff Caseload	Client Slots for a Full FTE	FTE	Available Slots
Housing Case Manager	20	1	20
Disability Advocate	20	1	20

Available Client Slots		20
Monthly Housing Assistance Target	Monthly Service Target	
Prevention	-	
HUD Fair Market Rent		
Shallow Subsidy	-	
Hotel	20	

Average Length of Intervention (Determines Client Turnover in Program)	
Type of Housing Assistance**	Average in Months**
Prevention	2
HUD Fair Market Rent	24
Shallow Subsidy	24
Hotel	24

* [Click This Link](#) to lookup 2023 HUD FMR

Budget Planning Tool Cost Projections

Estimated Annual Program Budget	
Cost Category	Annual Cost
Direct Service Staff Cost	\$ 200,000
Ongoing Housing Assistance	\$ 816,000
One-Time Housing Assistance	\$ 94,000
Administrative Overhead	\$ 111,000
Total Annual Cost***	\$ 1,221,000

Review Your Cost Projections

Direct Service Staff			
Position Type	Staff Cost (Salary + Benefits)	FTE	Annual Cost
Housing Case Manager	\$ 100,000	1.00	100,000.00
Disability Advocate	\$ 100,000	1.00	100,000.00
Annual Direct Staff Cost			\$ 200,000

Cost by Intervention Type for Ongoing Housing Assistance			
Type of Housing Assistance	Monthly Assistance Amount	Monthly Total	Annual Cost
HUD Fair Market Rent	\$ 1,200	\$ -	\$ -
Shallow Subsidy	\$ 360	\$ -	\$ -
Hotel	\$ 3,400	\$ 68,000	\$ 816,000
Annual Ongoing Housing Assistance			\$ 816,000

Cost by Intervention Type for One-Time Housing Assistance			
One-Time Housing Assistance	One-Time Assistance Amount	Number of clients Per Year	Annual Cost
Deposit and First Month of Rent	\$ 3,600	10	\$ 36,000
Landlord Incentive	\$ 1,000	10	\$ 10,000
House Hold Goods	\$ 2,800	10	\$ 28,000
Ancillary Client Costs	\$ 2,000	10	\$ 20,000
Prevention (up to 4 months of rent)	\$ 4,800	0	\$ -
Annual One-Time Housing Assistance Cost			\$ 94,000

Analyzing the Funding Gap

Enter Sources and Amounts of Available Funds

Source	Amount
HDAP Non-Competitive	\$ 250,000
HDAP TSI Allocation	\$ 250,000
HDAP TSI Match	\$ 250,000
Interim Assistance Reimbursement	\$ 36,000
	\$ -
Total Available Funds	\$ 786,000

Funding Gap: \$435,000

When faced with a funding gap:

- Change program design
- Seek to share costs with other programs
- Find new funding to fill gap

Estimated Annual Program Budget	
Cost Category	Annual Cost
Direct Service Staff Cost	\$ 200,000
Ongoing Housing Assistance	\$ 816,000
One-Time Housing Assistance	\$ 94,000
Administrative Overhead	\$ 111,000
Total Annual Cost***	\$ 1,221,000

Visualizing Program Design Choices

Enter Assumptions

Direct Service Staff Costs		
Position Type	Staff Cost (Salary + Benefits)	Full Time Equivalent (FTE)
Housing Case Manager	\$ 100,000	1
Disability Advocate	\$ 100,000	1

Housing Assistance Costs	
Ongoing Housing Assistance	Monthly Amount per Slot
HUD Fair Market Rent (FMR)*	\$ 1,200
Shallow Subsidy as % of FMR	30%
Hotel	\$ 3,400
One -Time Housing Assistance	Cost Per Client
Deposit Amount	\$ 2,400
House Hold Goods	\$ 2,800
Ancillary Client Costs	\$ 2,000
Landlord Incentive	\$ 1,000
# of Months of Rent for Prevention	4.0

Visualizing Program Design Choices

Hotel Strategy

Staff Capacity Assumptions			
Monthly Staff Caseload	Client Slots for a Full FTE	FTE	Available Slots
Housing Case Manager	20	1	20
Disability Advocate	20	1	20

Available Client Slots		20
Monthly Housing Assistance Target	Monthly Service Target	
Prevention	-	
HUD Fair Market Rent	-	
Shallow Subsidy	-	
Hotel	20	

Estimated Annual Program Budget		
Cost Category		Annual Cost
Direct Service Staff Cost	\$	200,000
Ongoing Housing Assistance	\$	816,000
One-Time Housing Assistance	\$	94,000
Administrative Overhead	\$	111,000
Total Annual Cost***	\$	1,221,000

FMR Rental Subsidy Strategy

Staff Capacity Assumptions			
Monthly Staff Caseload	Client Slots for a Full FTE	FTE	Available Slots
Housing Case Manager	20	1	20
Disability Advocate	20	1	20

Available Client Slots		20
Monthly Housing Assistance Target	Monthly Service Target	
Prevention	-	
HUD Fair Market Rent	20	
Shallow Subsidy	-	
Hotel	-	

Estimated Annual Program Budget		
Cost Category		Annual Cost
Direct Service Staff Cost	\$	200,000
Ongoing Housing Assistance	\$	288,000
One-Time Housing Assistance	\$	94,000
Administrative Overhead	\$	58,200
Total Annual Cost***	\$	640,200

The Redesign Closed the Funding Gap

Available Client Slots		20
Monthly Housing Assistance Target	Monthly Service Target	
Prevention	-	
HUD Fair Market Rent	15	
Shallow Subsidy	-	
Hotel	5	

Estimated Annual Program Budget		
Cost Category	Annual Cost	
Direct Service Staff Cost	\$	200,000
Ongoing Housing Assistance	\$	420,000
One-Time Housing Assistance	\$	84,000
Administrative Overhead	\$	70,400
Total Annual Cost***	\$	774,400

Enter Sources and Amounts of Available Funds

Source	Amount	
HDAP Non-Competitive	\$	250,000
HDAP TSI Allocation	\$	250,000
HDAP TSI Match	\$	250,000
Interim Assistance Reimbursement	\$	36,000
	\$	-
Total Available Funds	\$	786,000

Setting Operational Benchmarks and Funding Limits

- **Service Targets**
 - 20 Clients per month
- **Service Limit**
 - Not more than 5 clients in hotels at once
- **Monthly Client Assistance Target**
 - \$42,000 per month
 - \$7,000 one-time assistance
 - \$35,000 ongoing assistance

Available Client Slots		20
Monthly Housing Assistance Target	Monthly Service Target	
Prevention		-
HUD Fair Market Rent		15
Shallow Subsidy		-
Hotel		5

Cost by Intervention Type for Ongoing Housing Assistance			
Type of Housing Assistance	Monthly Assistance Amount	Monthly Total	Annual Cost
HUD Fair Market Rent	\$ 1,200	\$ 18,000	\$ 216,000
Shallow Subsidy	\$ 360	\$ -	\$ -
Hotel	\$ 3,400	\$ 17,000	\$ 204,000
Annual Ongoing Housing Assistance			\$ 420,000

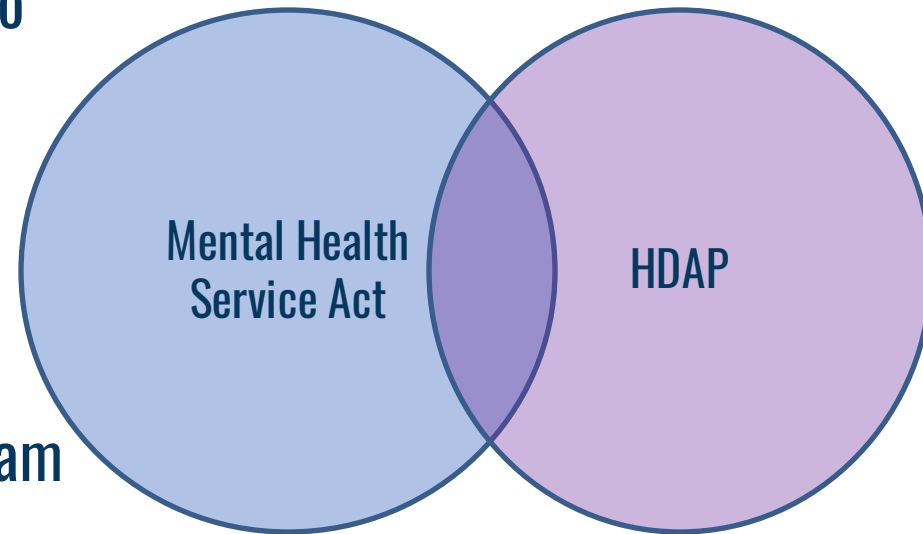
Cost by Intervention Type for One-Time Housing Assistance			
One-Time Housing Assistance	One-Time Assistance Amount	Number of clients Per Year	Annual Cost
Deposit and First Month of Rent	\$ 2,600	10	\$ 26,000
Landlord Incentive	\$ 1,000	10	\$ 10,000
House Hold Goods	\$ 2,800	10	\$ 28,000
Ancillary Client Costs	\$ 2,000	10	\$ 20,000
Prevention (up to 4 months of rent)	\$ 4,800	0	\$ -
Annual One-Time Housing Assistance Cost			\$ 84,000

Braiding Revenue Streams

The key to braiding revenue streams is to look for overlap in:

- Eligible Populations, and
- Eligible Activities

- **Tip:** Whenever you hear a funding stream mentioned make a note of the funding stream, the eligible populations for the funding stream, and the eligible activities for that funding stream.



Monetizing Your Rehousing Investment

COMMUNITY PRACTICE

Scenario

Assume that you are completing the budget planning for a CalWORKs HSP program. The County you are doing the analysis for has identified that 60 families would qualify for their HSP program. For this population, housing case managers in this County typically carry a caseload of 30 clients per FTE. This County also has a best practice of having one housing navigator for every two housing case managers, and they would like to keep the ratio the same for any new programs. Generally, the 60 families identified will need 3 bedrooms for each family.

Questions

1. How much total funding is needed for the program?
2. Assume CDSS has provided the County with \$1,000,000 of funding. What is the gap in the amount of funding needed?
3. If there was another housing case management program within the County that could provide case management for 30 of the 60 families with no additional funding needed. How could you modify the funding planner to account for that program?
4. If you assumed the case management support from the other program? What is the funding gap now?



COMMUNITY SHARE

CLOSE OUT

CHANGEWELLPROJECT
PARTNERING TO STRENGTHEN COMMUNITY SYSTEMS

Thank you for attending the System Leaders Series: Monetizing Your Rehousing Investment – Part 2.

Join us for our Learning Community on March 8, 2023.



CHANGEWELLPROJECT

PARTNERING TO STRENGTHEN COMMUNITY SYSTEMS

WWW.CHANGEWELLPROJECT.COM