

Decreasing Homelessness through Reinvestment

Idaho Housing and Finance Association

Special Needs Housing: Combating Homelessness

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Response to an important state housing need

Idaho remains one of the fastest growing states in the country, and that growth has made affordable housing increasingly difficult to secure as rents continue to rise and rental vacancy rates decline to virtually zero. Additionally, the COVID-19 pandemic triggered job loss and reduced wages, further adding to the housing instability of households throughout Idaho. In 2020, 9,146 individuals sought homelessness services in Idaho. Of those, 25% were households with children. While many were pushed into homelessness for the first time last year, the market pressure also reduced opportunities for already-homeless individuals and families to rise out of that situation by securing permanent housing. These challenges can be even greater in rural areas and small communities, where resources are limited.

With very little federal homelessness resources available (approximately \$5 million annually) and the absence of state funding, other resources must be brought to bear. To facilitate and stimulate housing opportunities, Idaho Housing and Finance Association (IHFA) has been the catalyst, through resource targeting and reinvestment activities, for community-driven housing and programs creation. In the past several years, IHFA's homelessness response has resulted in the following projects:

- New Path Community Housing: a 41-unit permanent supportive housing (PSH) project for the chronically homeless
- Valor Pointe: a 27-unit PSH project for homeless veterans
- Aid for Friends: the only family shelter in a seven-county region of the state
- Interfaith Sanctuary: the only family shelter in the state's capital, undergoing expansion to create more individual living space and job training programming
- LC Valley Youth Resource Center: a resource center and overnight shelter for homeless youth
- Canyon Terrace: a multi-family housing project with dedicated homeless units to be filled and supported by the local school district
- Solace House: a transitional housing project for survivors of sex trafficking
- Canyon House: a PSH project for the homeless
- Avenues for Hope Housing Challenge: a fundraising campaign for homelessness organizations
- Housing Preservation Program: homelessness prevention program for the unstably housed

This intentional and concerted effort is undoubtedly the most movement Idaho has ever seen towards combatting homelessness.

Innovation/Cost effectiveness

Year over year, IHFA has dedicated capital for homelessness response and invested that money in a variety of homelessness programs and housing types across the state. Idaho Housing has shifted from its previous investment approach of grant and loan making to one of establishing an equity position in the majority of its projects. This supports IHFA's goal of a long-lasting and sustainable homelessness response by 1) ensuring the intended use of the project is enforced and continues indefinitely; 2) adding reputability to the project to attract additional contributions; and 3) the investment remains in IHFA's control indefinitely. Although IHFA takes an ownership position in the project, it leaves much of the services delivery, day-to-day operations, and property management activities to its nonprofit partner.

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IHFA's foundation is activated to act as a third-party fiscal agent to encourage donations and add a level of comfort for donors. The foundation also fundraises to ensure financial stability for each project.

IHFA's participation in purchasing and renovating a facility in Pocatello to house Aid For Friends (AFF) is one example of working closely with a local partner to ensure a project is economically stable. AFF is the only emergency shelter for women, men and families in its region. Previously housed in a space that operated at 114% of capacity most of the year, the expanded facility more than doubles the original capacity. IHFA kicked off the AFF project with a \$1 million investment (land acquisition and renovation); helped raise additional funds; received a property donation (proceeds used for renovation); entered into a zero-interest loan with the city; brokered a major cost reduction on the new site; provided technical assistance in the zoning approval process; and brought positive media coverage to the project.

Replicability

Like all HFAs, IHFA's mission is to expand housing opportunities, build self-sufficiency, and foster economic development. HFAs do this through mortgage lending, administering federal resources, and reinvesting in communities. IHFA's lending revenue has been used to support its foundation's fundraising and fiscal agent activities, invest in homelessness projects, and promote homelessness awareness and giving. Since all HFAs have mortgage lending activities, a program of reinvestment is highly replicable. All HFAs have the ability to generate revenue and can require a reinvestment of that revenue, either through internal homelessness operations or through a separate entity. Additionally, all HFAs can seek support from their local governments and collaborate with community partners, which IHFA has found to be invaluable to project success. Addressing homelessness requires prioritizing these types of investments, being willing to be the first partner in, and dedicating the staff necessary to encourage commitment from local communities.

Demonstrable/measurable benefits to HFA targeted customers

IHFA seeks to provide housing opportunity and self-sufficiency to as many Idahoans as possible, including those experiencing homelessness. Idaho Housing's reinvestments have led to and are currently generating the development of hundreds of housing units and new shelter beds across the state, targeting a wide range of homelessness circumstances. Idaho Housing also works with nonprofit organizations across the state to combat homelessness. Supporting housing service agencies in capacity building, financial stability, and growth translates into success in homelessness response. Directly or indirectly, over 100 nonprofit housing and service organizations and tens of thousands of individuals receive stabilizing support from IHFA's community reinvestments. The Aid For Friends project is just one example of demonstrated benefit to IHFA partners. The initial investment of \$1 million from IHFA attracted \$1.3 million in local commitments and was the catalyst needed to realize the goal of creating a new shelter.

Proven track record of success

As detailed in the *Response to an important state need* section, in just the past five years IHFA has invested in many projects across the state with great success. By taking a more prominent position in these projects than it did in prior projects, establishing lasting partnerships, leveraging investments to generate much-needed capital, and remaining a long-term investor, Idaho Housing has been able to combat homelessness at a much quicker rate than it previously was able and in a long-lasting manner.

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Since making this shift, IHFA is contacted regularly about community homelessness across the state. Because of the continued capital IHFA dedicates to homelessness initiatives, it stands ready and willing to make a difference, big or small. For example, when a project closure resulted in a property being donated to IHFA, IHFA established partnerships, invested \$50,000, and project-based rental assistance vouchers to reestablish the project as permanent supportive housing for the community's homeless. IHFA's willingness to dedicate resources annually towards homelessness project initiatives and be a first-in partner has created the opportunity needed to find success in each of these projects.

Benefits outweigh costs

In order to generate funds to create new beds and permanent supportive housing units for its homelessness response, IHFA seeks to invest modest sums to leverage significant returns in the form of donations from communities. Recent successes that demonstrate this include:

- 1) Avenues for Hope: This annual fundraiser had just \$9,000 in hard campaign operating costs and created a return of nearly \$2.6 million in total campaign proceeds.
- 2) Interfaith Sanctuary: A new investment of \$1 million is now generating additional donations to reach \$4 million, used to acquire a new shelter site and provide for much-needed site renovations.
- 3) Canyon Terrace: Through an investment of \$1 million, this \$20 million multi-family project will dedicate 15 units toward housing homeless families.

The benefits of IHFA's efforts go further. A study of New Path Community Housing (a project for chronically homeless individuals) showed an annual cost savings to the community (in reduced public costs) of \$1.4 million. Similar results are expected of the Valor Pointe project. At this rate, project costs are realized in community savings in approximately five years.

Effective use of resources and partnerships

By leveraging its own mortgage lending and servicing operations, as well as its own foundation, Idaho Housing makes the most of its resources. IHFA's reinvestment program is effective in large part due to extensive and wide-ranging partnerships. Partners include developers, local governments that support projects in their communities, and nonprofits that take on part-owner and operator roles. Public-private partnerships leverage a variety of contribution types, including federal, local and private. The inclusion of local partners brings impassioned leaders and generates innovation.

Achieve strategic objectives

As a unique financial institution and administrator of affordable housing resources, Idaho Housing's mission is to improve lives and strengthen Idaho communities by expanding housing opportunities, building self-sufficiency, and fostering economic development. IHFA strives to find synergy among its business activities and ways for one success to stimulate and support another.

In the financial services sector, IHFA is best known for its residential mortgage products. This activity generates revenue to support the housing stabilization and rehousing of lower-income, unstably housed and homeless persons. Statewide, IHFA's housing priorities include: 1) reduce homelessness for Idaho's youth, veterans and chronically homeless; and 2) prevent homelessness through emergency housing assistance. By reinvesting earned revenue in projects across the state, IHFA is fulfilling its mission and achieving its strategic objectives.

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Decreasing Homelessness through Reinvestment – Visuals

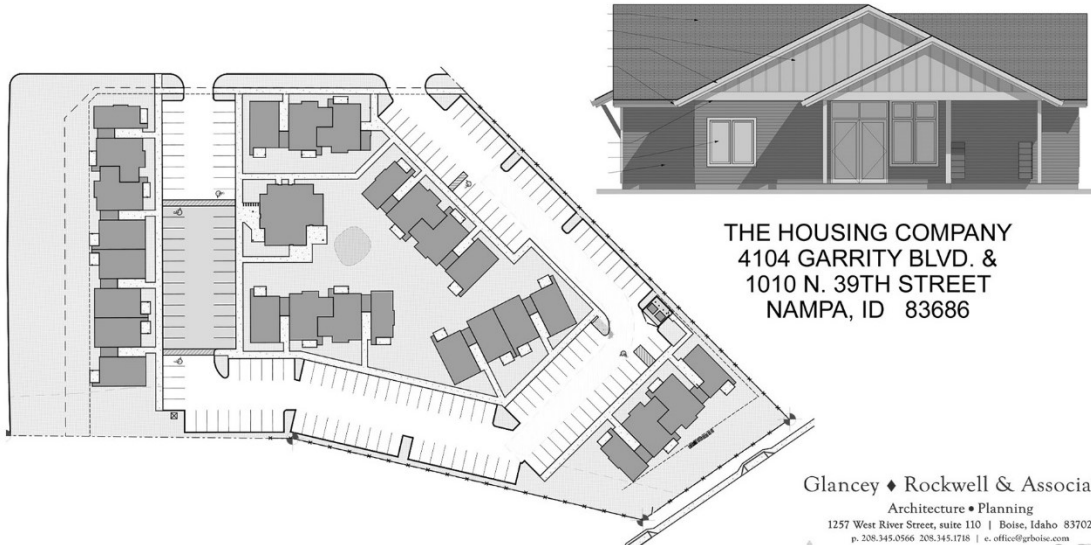


Aid for Friends – New shelter facility in Pocatello



Valor Pointe – PSH for veterans in Boise

CANYON TERRACE APARTMENTS



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Canyon Terrace – New PSH units in Nampa